Venegas, Victoria, EMNRD

From:	Venegas, Victoria, EMNRD
Sent:	Tuesday, June 30, 2020 3:59 PM
То:	'Sean Patty'; Bratcher, Mike, EMNRD; Hamlet, Robert, EMNRD; Eads, Cristina, EMNRD
Cc:	Carson Machen; Billings, Bradford, EMNRD
Subject:	RE: [EXT] Variance Request NRM2008755249 MYOX @ K-32-25S-28E
Attachments:	Karst.kml; Critical Karst.kml

NRM2008755249 MYOX @ K-32-25S-28E

Mr. Patty,

I have attached the last version of BLM's Karst map for your review. Below is an image showing the location of the release is in a high karst occurrence potential area. Per rule 19.15.29.12 C. (4) NMAC, *"The responsible party must treat the release as if it occurred less than 50 feet to ground water in Table I of 19.15.29.12 NMAC."*



Variance 1 - Expanded sample grid

OCD approves a sampling plan variance for collecting 5 point composite confirmation base samples and bottom
samples that shall not represent an area greater than 1000 square feet. However, if there is anything that looks
suspicious, like a dark spot or a wet decolorated spot, Blue Quail <u>must</u> grab a sample and test it for all the
components listed in Table 1. These grab samples must be geotag, -GPS located samples- and clear good quality
photographic evidence must be provide.

Variance 2 – Exempt BTEX/TPH sampling.

• Blue Quail must grab at least three samples @ 1-1.5 feet deep that represent the entire spill extent and test them for all the components in Table 1. If the lab results show that there is no presence of BTEX/TPH on the soil, then OCD will approve Blue Quail to test every other sample for chloride only, i.e. the OCD will allow for 50% of samples to be analyzed for BTEX, TPH and Benzene and 100% to be analyzed for Chloride.

OCD believes that this variance approval complies with the spill rule and will provide equal protection of fresh water, public health and the environment.

Thank you,

Victoria Venegas State of New Mexico Energy, Minerals, and Natural Resources Oil Conservation Division 811 S. First St., Artesia NM 88210 (575) 748-1283 Victoria.Venegas@state.nm.us

OCD approval does not relieve the operator of liability should their operations fail to adequately investigate and remediate contamination that may pose a threat to groundwater, surface water, human health or the environment. In addition, OCD approval does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

From: Sean Patty <spatty@blue-quail.com>
Sent: Tuesday, June 23, 2020 7:44 AM
To: Venegas, Victoria, EMNRD <Victoria.Venegas@state.nm.us>
Cc: Carson Machen <cmachen@blue-quail.com>
Subject: [EXT] Variance Request

Victoria,

Thank you very much for the extension.

We note that you indicate the location where the spill occurred is high karst. We have consulted karst map data generated for southeastern New Mexico by the BLM (file titled CFO_CAVE_KARST_PUBLIC_Updated_Cave_Potential.kmz). These GIS data indicate that the area where the spill occurred is medium karst potential. There are no areas of high karst within five miles of the release area. Please see the attached screen capture from Google Earth. The OCD can independently verify using the lat/long of the spill at 32.085220°, -104.113430 and the BLM's karst GIS file.

We have determined the depth to groundwater in this area at 90 feet below surface from water strata 105 feet deep at POD #C-01278. NMOSE records indicated that this well is not cased, is 205 feet deep, and last gauged 3/5/2014. The well is located approximately 1.32 miles from the spill area and it is the closest water well with recent gauging data available. NMOSE data for the well will be included with future submissions through the fee portal.

Blue Quail would like to request variances from the 19.15.29 spill rule:

Variance 1 - Expanded sample grid.

The spill area has been defined with a GPS at 76,000 square feet. This spill rule calls for one composite sample per 200 square feet. With the measured size of the spill area, this is 380 sample locations (not total number of samples). This amount of samples presents an extreme logistical difficulty to collect these samples. Blue Quail is requesting expand the sampling area to one sample per 2,000 square feet which will require 38 samples across the spill area. This number of samples will provide equal protection to the assessment of the spill area. Additional delineation samples will be collected outside of the spill area.

Variance 2 – Exempt BTEX/TPH sampling.

We understand that this is a variance request that the OCD normally does not grant. However, the water that was spilled was not raw produced water from a tank battery. The spilled water was processed through a produced water recycling system to reuse the water for hydraulic fracturing. Blue Quail would like the opportunity to demonstrate to the satisfaction of the OCD that crude oil residues have been removed from the water. We are gathering a recycling process description from the recycler, and any potential analysis data that may be available. We are aware the recycler may not have analyses using the analytical methods specified by 19.15.29, but new samples can be obtained from the recycler's equipment. We request additional information in order to properly demonstrate the lack of oil residue to the OCD before this variance request is denied.

Thank you kindly,

Sean Patty

Blue Quail Energy Services LLC. 2261 Wolfcamp Circle Midland, TX. 79706

432.684.0999 Office 432.684.1115 Fax

