

From: Tarr, Stephen S
To: [Billings, Bradford, EMNRD](#); [Yu, Olivia, EMNRD](#)
Cc: [Hernandez, Christina, EMNRD](#)
Subject: RE: summary of leak detection system issue at Salado Draw Recycling Containment (1RF-11)
Date: Friday, June 29, 2018 8:36:34 AM

Thank You Mr. Billings. We will track all needed information and keep updates coming per this email chain.

Thanks Again,

Stephen Tarr
Production Supervisor- Water Ops.
Chevron North America Exploration and Production Company
(a Chevron U.S.A. Inc. division)
6301 Deauville Blvd
Midland, Texas 79705
Phone: 432.687.7956
Cell: 432.238.6316
Office: #S3408
Email: Starr@chevron.com

From: Billings, Bradford, EMNRD [mailto:Bradford.Billings@state.nm.us]
Sent: Friday, June 29, 2018 9:27 AM
To: Tarr, Stephen S <STarr@chevron.com>; Yu, Olivia, EMNRD <Olivia.Yu@state.nm.us>
Cc: Hernandez, Christina, EMNRD <Christina.Hernandez@state.nm.us>
Subject: **[**EXTERNAL**]** RE: summary of leak detection system issue at Salado Draw Recycling Containment (1RF-11)

6/29/18

Mr. Stephen Tarr,

Re: Variance Request for Freeboard Reaching Within Three Foot Mandated

As per your discussion and rationale below. The Oil Conservation Division (OCD) approves moving produced water from leaking containment into area allied containment(s) for a period not to exceed seven (7) days. Starting today and including next Friday July 6, 2018). Approval includes the following conditions.

Please record what and how much is moved internally, and freeboard measurements as process continues.

Please make OCD District Office aware, via email is fine, of progress, and when containment in question (leaking) is dry.

Also, if any unforeseen events occur, please inform OCD District as soon as possible.

Be aware that photographic evidence of encountered torn materials should be gathered and be available to OCD staff. Please make OCD staff aware of what is encountered with liner so that our input into resolution of issue is acquired.

Thank you for your efforts. Looking forward to findings and satisfactory outcome.

Please keep a copy of this electronic communication, as NO paper copy will follow.

Sincerely,

Bradford Billings
EMNRD/OCD
Santa Fe

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 ground water, 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, local laws and/or regulations.

From: Tarr, Stephen S <STarr@chevron.com>

Sent: Wednesday, June 27, 2018 5:21 PM

To: Yu, Olivia, EMNRD <Olivia.Yu@state.nm.us>; Griswold, Jim, EMNRD <Jim.Griswold@state.nm.us>

Cc: Billings, Bradford, EMNRD <Bradford.Billings@state.nm.us>; Hernandez, Christina, EMNRD <Christina.Hernandez@state.nm.us>

Subject: RE: summary of leak detection system issue at Salado Draw Recycling Containment (1RF-11)

Mrs. Yu, thank you for the response and guidance.

I am hereby requesting a variance to exceed the 3ft freeboard height on Salado Draw 13 West frac pond with permit number 1RF-11. Below are a list of reasoning behind such request along with timing. In the chain of emails below it gives the history up to present time.

- 13East pond still has 20-25K bbls of water in it to be completely empty. We have been continuously pumping out the leak detection and haven't pumped off yet. This is telling us that the leak is still below the current water level. More than likely in the sump area where the poly suction manifold lies.
- We have continuously been running three disposal trucks throughout the day, however do to the tight area only two can load at the same time and they are only getting around 9 loads a day, so close to 1000bbls/day.
- 13West, 23North, and 23South are all within the 3' free board limit, minus a couple of inches probably. With that said we shut down the recycle production into the ponds today so that we wouldn't exceed limits. Recycle Unit is planned to be down until Tuesday, however if we cannot

get 13East pond emptied and fixed by then it will have nowhere to produce into.

- Chevron's next frac that will utilize all this water is scheduled for 7/29/18.
- I would like to take this opportunity with recycle plant shut down to transfer the 20-25K bbls of water in 13East into the 13West pond which will put our freeboard footage around 2'. With evaporation I don't foresee it staying over the 3' limit for long.
- If we could accomplish this as soon as tomorrow 6/28/18, we could start evaluating the liner issue that is causing the leak, get it repaired and expect the rest of the pond for potential punctures, and turn the recycle plant production into Tuesday July 3rd when it starts back up.
- If we can accomplish all this within the timing mentioned above, it would allow us to boost our recycle rates up once we start back up and have sufficient amount of water for the frac on 7/29/18.

Please let me know if you need any more detail or information regarding the above and approval of such variance. I want to thank you Mrs. Yu for working diligently with me on this matter and being such help.

Thanks Again,

Stephen Tarr
Production Supervisor- Water Ops.
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(a Chevron U.S.A. Inc. division)
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From: Yu, Olivia, EMNRD [<mailto:Olivia.Yu@state.nm.us>]
Sent: Wednesday, June 27, 2018 5:51 PM
To: Tarr, Stephen S <STarr@chevron.com>; Griswold, Jim, EMNRD <Jim.Griswold@state.nm.us>
Cc: Billings, Bradford, EMNRD <Bradford.Billings@state.nm.us>; Hernandez, Christina, EMNRD <Christina.Hernandez@state.nm.us>
Subject: [****EXTERNAL****] RE: summary of leak detection system issue at Salado Draw Recycling Containment (1RF-11)

Mr. Tarr:

NMOCD Santa Fe requires a written request for a variance to the 3 ft. freeboard height be submitted. Please be advised that the variance request for an adjustment of the freeboard height for 1RF-11 cannot be greater than 5 days. Please include in the variance request the information provided this morning at 11:15 am over the phone, regarding drilling operation timelines, in addition to other pertinent information for complete and efficient evaluation.

Thanks,
Olivia

From: Yu, Olivia, EMNRD
Sent: Wednesday, June 27, 2018 7:11 AM
To: Tarr, Stephen S <STarr@chevron.com>
Cc: Billings, Bradford, EMNRD <Bradford.Billings@state.nm.us>; Hernandez, Christina, EMNRD <Christina.Hernandez@state.nm.us>
Subject: RE: summary of leak detection system issue at Salado Draw Recycling Containment (1RF-11)

Good morning Mr. Tarr:

Acknowledged. Thanks for the update.

Olivia

From: Tarr, Stephen S <STarr@chevron.com>
Sent: Monday, June 25, 2018 10:33 AM
To: Yu, Olivia, EMNRD <Olivia.Yu@state.nm.us>
Cc: Billings, Bradford, EMNRD <Bradford.Billings@state.nm.us>; Hernandez, Christina, EMNRD <Christina.Hernandez@state.nm.us>
Subject: RE: summary of leak detection system issue at Salado Draw Recycling Containment (1RF-11)

Olivia,

We are still working to get the pond empty to access the primary liner. I was hoping that evaporation would assist a little more than it did over the weekend. With current levels in our ponds there is a chance we will still be working to empty the 13E pond on Thursday when we are visiting the site. Will keep you posted as the week progresses.

Thanks Again,

Stephen Tarr
Production Supervisor- Water Ops.
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Cell: 432.238.6316
Office: #S3408
Email: Starr@chevron.com

From: Yu, Olivia, EMNRD [<mailto:Olivia.Yu@state.nm.us>]
Sent: Thursday, June 21, 2018 9:37 AM
To: Tarr, Stephen S <STarr@chevron.com>
Cc: Billings, Bradford, EMNRD <Bradford.Billings@state.nm.us>; Hernandez, Christina, EMNRD <Christina.Hernandez@state.nm.us>
Subject: **[**EXTERNAL**]** RE: summary of leak detection system issue at Salado Draw Recycling Containment (1RF-11)

Good morning Mr. Tarr:

Thank you for the below details. We will discuss and get back to you.

Olivia

From: Tarr, Stephen S <STarr@chevron.com>
Sent: Thursday, June 21, 2018 8:18 AM
To: Yu, Olivia, EMNRD <Olivia.Yu@state.nm.us>
Cc: Billings, Bradford, EMNRD <Bradford.Billings@state.nm.us>; Hernandez, Christina, EMNRD <Christina.Hernandez@state.nm.us>
Subject: RE: summary of leak detection system issue at Salado Draw Recycling Containment (1RF-11)

1RC-11 SD Pond 23
1RC-13 SD Pond 13

From: Tarr, Stephen S
Sent: Thursday, June 21, 2018 9:07 AM
To: 'Yu, Olivia, EMNRD' <Olivia.Yu@state.nm.us>
Cc: Billings, Bradford, EMNRD <Bradford.Billings@state.nm.us>; Hernandez, Christina, EMNRD <Christina.Hernandez@state.nm.us>
Subject: RE: summary of leak detection system issue at Salado Draw Recycling Containment (1RF-11)

Morning Olivia, please see the below write up with detailed plans for the 13E pond that was discussed yesterday. Thank you for your help and guidance.

- On 06/15/18:
 - 23S is around 13' so we have around 5" of space in it. 23N is at 12' so we have around 2' of space in it. 13W is full, however evaporation is helping on all these. 13E (has the leak) and is just under 6' per the liner markings. Have to remember the ponds slope though. At this time we are getting Tetra to rig up a transfer line to the 23N pond and they will transfer from 13E at idle into it. They already have an existing line into the 13W pond. We will rotate around as evaporation occurs and see what we can get out of the 13E pond. During all this, as truck availability occurs we may truck some water from 13E to disposal if timing is right and etc. I have talked to Gradiant and they are willing to go down for 2 days when asked to perform all their maintenance at one time that is due. They are waiting for me to relay such timing. Thinking behind all this, if we can get all the ponds full from 13E water, shutdown Recycle and have two days to repair pond liner. Once liner repaired we start up recycle into the 13E pond. If liner repair takes a day or two longer evaporation will allow us to treat 6K/day and rotate it amongst the other ponds. As I have mentioned in the past, this all sounds good in writing but what the Field Specialist are seeing and juggling in the field it may change a little. I am depending on them to execute a plan that allows for us to accomplish getting into the pond and repairing the leak. KSI is on point so that once the

pond is empty they will repair ASAP. I will report out more on Monday specific to where we stand on this pond.

- On 6/19/18:
 - We are still running recycle into the 23S pond, have around 5" to spare here. not gaining much at 6K BWPD rate.
 - 23 North pond is full
 - 13West pond has 4" to spare, 13East water now going into it. We are going to top the 13W pond off today and take a break from transferring water from 13E tomorrow. Big D is going to come out and pump leak detection again to check ALR and see if we pump off. If so we could possibly be below the leak point.
 - We are not expecting any delays on recycle production at this time, we will know more Thursday as we will re-evaluate levels and see what water is left.
 - Called Olivia Yu to report leak and seek clarification on C-147 language and reporting guidelines.

- On 6/20/18:
 - Spoke with Olivia on the phone.
 - Continued trucking water from 13East and working to evacuate water from the pond.

- Current Update/Plan 6/21/18
 - Currently trucking water from the 13East pond to disposal, Transfer services to additional ponds is shutdown at this time due to reaching our 3' freeboard limit on 13West and 23North, Recycle plant still running into the 23South pond.
 - Will continue trucking water throughout today and tomorrow while evaluating what evaporation does on ponds and if it allows us to turn transfer services back on to the other ponds.
 - We only lack ~30K bbls until empty. Big D will be out today to turn the lead detection pump on and meter volumes. If they pump off we will turn pump back on tomorrow and see if we are still dry. If so, we have gotten the water level below the leaking point. KSI will be on location Monday then to start evaluating/inspecting the liner. We will allow them two days (Tuesday and Wednesday) to perform repairs and the recycle plant will go down for monthly maintenance during these days as well.
 - Hope to have liner repaired and pond 13East back in service by Thursday and recycle production going into pond by Thursday/Friday.
 - Meet with Olivia and Christina at Salado Draw pond 13East on Thursday to gain visual on progress and steps that were taken.

Again, Thank you for your help and time with this matter.

Stephen Tarr
Production Supervisor- Water Ops.
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From: Yu, Olivia, EMNRD [<mailto:Olivia.Yu@state.nm.us>]
Sent: Wednesday, June 20, 2018 4:40 PM
To: Tarr, Stephen S <STarr@chevron.com>
Cc: Billings, Bradford, EMNRD <Bradford.Billings@state.nm.us>; Hernandez, Christina, EMNRD <Christina.Hernandez@state.nm.us>
Subject: **[**EXTERNAL**]** summary of leak detection system issue at Salado Draw Recycling Containment (1RF-11)

Mr. Tarr:

Please provide a summary of the situation with the primary liner failure and leak detection system at the Salado Draw Recycling Containment (1RF-11) as mentioned over the phone to me this morning at 9:15 am MST, so that Mr. Billings is on the same page. Tentatively, Christina and I will plan to visit the location next Thursday afternoon, June 28, 2018.

Thanks,

Olivia Yu
Environmental Specialist
NMOCD, District I
Olivia.yu@state.nm.us
575-393-6161 x113

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