Dear Ms. Yu:

Thank you for your reply.

Sampling was thoroughly conducted throughout the minor release area. The same encompassed a volume of approximately 375 cuft soil. Moreover, sampling occurred around the open top tank after it was removed. The soil within that small area was removed to the limestone bedrock.

Please accept MLSI's remediation efforts to date as acceptable and complete at the above Re well.

Best Regards,

Gregory B. Gregson Operations Manager

Mark L. Shidler, Inc. - Petroleum Exploration & Production 1313 Campbell Rd., Bldg. D Houston, TX 77055 Direct: (713) 481-6487 Main: (713) 222-9291 Fax: (713) 224-5523

-----Original Message-----From: Yu, Olivia, EMNRD <Olivia.Yu@state.nm.us> Sent: Tuesday, July 03, 2018 8:12 AM To: Gregory B. Gregson <ggregson@marklshidlerinc.com> Cc: Mann, Ryan <rmann@slo.state.nm.us> Subject: RE: 1RP 4858 - State No. 30,-1 Lea Co., NM,

Good morning Mr. Gregson:

Please note that the final C-141 will not be accepted as release characterization/delineation is not completed for 1RP-4858.

Olivia

-----Original Message-----From: Gregory B. Gregson <ggregson@marklshidlerinc.com> Sent: Friday, June 29, 2018 7:52 AM To: Yu, Olivia, EMNRD <Olivia.Yu@state.nm.us> Cc: Mann, Ryan <rmann@slo.state.nm.us> Subject: RE: 1RP 4858 - State No. 30,-1 Lea Co., NM,

Dear Ms. Yu: Please be advised the dirt work has been completed. An updated C-141 will be forthcoming.

Best Regards,

Gregory B. Gregson Operations Manager Mark L. Shidler, Inc. - Petroleum Exploration & Production 1313 Campbell Rd., Bldg. D Houston, TX 77055 Direct: (713) 481-6487 Main: (713) 222-9291 Fax: (713) 224-5523

-----Original Message-----From: Yu, Olivia, EMNRD <Olivia.Yu@state.nm.us> Sent: Monday, June 11, 2018 12:18 PM To: Mann, Ryan <rmann@slo.state.nm.us>; Gregory B. Gregson <ggregson@MarkLShidlerInc.com> Subject: RE: 1RP 4858 - State No. 30,-1 Lea Co., NM,

Mr. Gregson:

Please be advised that if the " competent limestone bedrock barrier" refers to a caliche subsurface layer, NMOCD does not consider this an acceptable rationale for incompletion of vertical or horizontal delineation. The number of samples required is based on representative sampling locations to complete release characterization. An environmental professional should be able to evaluate the locations and depths of samples required to adequately meet NMOCD and NMSLO regulatory standards.

Additionally, please note that 'dilution is not the solution' for addressing remediation of contaminated soil. The chloride- and hydrocarbon-impacted soil must be removed and disposed of properly at a NMOCD-approved facility.

Thanks, Olivia

-----Original Message-----From: Mann, Ryan <rmann@slo.state.nm.us> Sent: Monday, June 11, 2018 10:33 AM To: 'Gregory B. Gregson' <ggregson@marklshidlerinc.com>; Yu, Olivia, EMNRD <Olivia.Yu@state.nm.us> Subject: RE: 1RP 4858 - State No. 30,-1 Lea Co., NM,

Mr. Gregson,

In addition to the remediation issues at this location there is also quite of bit of junk and debris from past maintenance at this site. All old, non-functional, or otherwise unused equipment needs to be removed. I have included the appropriate NMAC that this pertains to.

19.2.100.66 SURFACE OPERATIONS ON STATE OIL AND GAS LEASES:

A. Purpose and application of 19.2.100.66 NMAC: The purpose of 19.2.100.66 NMAC is to establish minimum procedures for protecting the surface affected by operation and development activities on state oil and gas leases. 19.2.100.66 NMAC applies to all operations conducted after its effective date on state oil and gas leases, the surface of which is held in trust by the commissioner of public lands.

B. Operation Requirements:

(1) Surface trash and debris: All operators shall remove all surface trash and debris caused by their operations from the lease and shall keep such premises free and clear of such trash and debris. As used in 19.2.100.66 NMAC, "surface trash and debris" means all nonoperational and nonessential equipment resulting from the drilling and producing operation of oil and gas leases and includes, but is not limited to, garbage, rubbish, junk or scrap.

(4) Spills:

(a) All new spills shall be treated and cleaned up immediately. All surface affected by such spills and leaks shall be reclaimed. Reclamation of the area involved shall be implemented in consultation with the state land office.

conservation division.

(b) All spills shall be reported in accordance with the regulations of the oil

Ryan Mann Remediation Specialist Field Operation Division (575) 392-3697 (505) 699-1989 New Mexico State Land Office 2827 N. Dal Paso Suite 117 Hobbs, NM 88240

-----Original Message-----From: Gregory B. Gregson [mailto:ggregson@marklshidlerinc.com] Sent: Friday, June 8, 2018 9:26 AM To: Yu, Olivia, EMNRD <Olivia.Yu@state.nm.us> Cc: Mann, Ryan <rmann@slo.state.nm.us> Subject: RE: 1RP 4858 - State No. 30,-1 Lea Co., NM,

Dear Ms. Yu:

You are correct regarding the polymer liner ("liner"). As I may have mentioned and evidenced by photograph (yesterday), there is no liner across the area occupied by the open top fiberglass water tank ("tank"). Adjacent to the tank, the liner was laid upon a competent limestone bedrock barrier, which is at a depth of approximately one (1) foot (or less). The limestone bedrock is present across the area of investigation. Inasmuch as this limestone bedrock is an irregular surface and does vary in depth, no samples were taken below six (6) inches of depth (more or less), the soil did not visually appear to have a high level of THC contamination as determined by an experienced "sampler;" and, as not to compromise the integrity of the liner.

The tank is being removed today and the soil under the tank will be visually removed. This soil removal and remediation efforts will be treated in the same manner (based upon nearby/adjacent sampling). As there is no liner, the soil will be removed to the limestone bedrock. Please refer to my request of June 6th regarding the further delineation. I requested no further delineation.

May I state the area of investigation is quite small. In fact, it does not exceed 750 SF of surface area. The total volume is quite small, too. For an oil spill, which did not require notification to NMOCD, MLSI has sampled and analyzed an excessive number of locations for such a small volume. The same adequately delineates the crude oil and saltwater release.

As far as the excessive chloride levels of soils being removed to the land farm, please refer to my email of April 30th. MLSI will reduce the chloride content to permissible levels by introducing and otherwise combining soil(s) from readily available commercial source(s).

Remediation efforts are continuing to be prosecuted at the above Re production facility by MLSI (and as previously witnessed by NMOCD field representative). Please know the same is being conducted in an forthright manner and I believe those efforts comply with your directives.

Best Regards,

Gregory B. Gregson Operations Manager

Mark L. Shidler, Inc. - Petroleum Exploration & Production

1313 Campbell Rd., Bldg. D Houston, TX 77055 Direct: (713) 481-6487 Main: (713) 222-9291 Fax: (713) 224-5523

-----Original Message-----From: Yu, Olivia, EMNRD <Olivia.Yu@state.nm.us> Sent: Friday, June 08, 2018 8:44 AM To: Gregory B. Gregson <ggregson@MarkLShidlerInc.com> Cc: Mann, Ryan <rmann@slo.state.nm.us>; Hernandez, Christina, EMNRD <Christina.Hernandez@state.nm.us> Subject: RE: 1RP 4858 - State No. 30,-1 Lea Co., NM,

Good morning Mr. Gregson:

NMOCD conducted a site visit at release location yesterday, June 7, 2018. There is no evidence that the liner surrounds the entire footprint under the water tank, including the identified sampling locations that exceeds permissible levels for 1RP-4858. As the water tank will be removed, what is the rationale for incompletion of delineation for the impacted area?

Please clarify to which previously sampled depth to 10 ft. bgs is in reference. Soil samples collected on March 23, 2018 did not include any data at depths greater than 6 inches.

To reiterate, as mentioned in the email dated April 30, 2018, laboratory analyses demonstrate chloride levels exceed acceptable limits for NMOCD-approved landfarms. Please review NMAC 19.15.36.15.

Thanks, Olivia

-----Original Message-----From: Gregory B. Gregson <ggregson@marklshidlerinc.com> Sent: Wednesday, June 6, 2018 10:20 AM To: Yu, Olivia, EMNRD <Olivia.Yu@state.nm.us> Subject: RE: 1RP 4858 - State No. 30,-1 Lea Co., NM,

Dear Ms. Yu:

The lion share of the oil contaminated soil will be removed from the above Re location (as previously establish by sample analysis) to the land farm beginning Friday.

Today the open top fiberglass water tank is being emptied for re-location (vacuum truck(s) & lease crew efforts). If the fiberglass water tank is unsuitable for continued use, the same will be removed from the production facility and replaced with another suitable vessel.

As the soil surrounding this tank (Sample No.'s 5, 6, 11 & 13) contained various quantities exceeding permissible levels, please allow MLSI to assume (from a sampling of the aforementioned four 4 locations) a median level of contamination requiring remediation which exceeds a depth of 0.50'. Based upon the previously submitted sampling interval of 10', only one (1) additional sample would be necessary.

I look forward to receiving your reply.

Best Regards,

Gregory B. Gregson Operations Manager

Mark L. Shidler, Inc. - Petroleum Exploration & Production 1313 Campbell Rd., Bldg. D Houston, TX 77055 Direct: (713) 481-6487 Main: (713) 222-9291 Fax: (713) 224-5523

-----Original Message-----From: Yu, Olivia, EMNRD <Olivia.Yu@state.nm.us> Sent: Tuesday, June 05, 2018 12:57 PM To: Gregory B. Gregson <ggregson@MarkLShidlerInc.com> Cc: rmann@slo.state.nm.us Subject: RE: 1RP 4858 - State No. 30,-1 Lea Co., NM,

19.15.29.11

CORRECTIVE ACTION: The responsible person shall complete division-approved corrective action for releases that endanger public health or the environment. The responsible person shall address releases in accordance with a remediation plan submitted to and approved by the division or with an abatement plan submitted in accordance with 19.15.30 NMAC.

-----Original Message-----

From: Gregory B. Gregson <ggregson@marklshidlerinc.com> Sent: Tuesday, June 5, 2018 11:29 AM To: Yu, Olivia, EMNRD <Olivia.Yu@state.nm.us> Subject: RE: 1RP 4858 - State No. 30,-1 Lea Co., NM,

Dear Ms. Yu: Please provide the NMOCD regulation requiring such documentation.

Best Regards,

Gregory B. Gregson Operations Manager

Mark L. Shidler, Inc. - Petroleum Exploration & Production 1313 Campbell Rd., Bldg. D Houston, TX 77055 Direct: (713) 481-6487 Main: (713) 222-9291 Fax: (713) 224-5523

-----Original Message-----From: Yu, Olivia, EMNRD <Olivia.Yu@state.nm.us> Sent: Tuesday, June 05, 2018 12:24 PM To: Gregory B. Gregson <ggregson@MarkLShidlerInc.com> Cc: rmann@slo.state.nm.us Subject: RE: 1RP 4858 - State No. 30,-1 Lea Co., NM,

Mr. Gregson:

Thank you for the photo. As mentioned below, NMOCD requires photos of the entire liner in the facility, including documentation of the liner in relation to the release area, for evaluation of liner integrity and to assess whether additional delineation will be required for 1RP-4858.

Thanks, Olivia

-----Original Message-----From: Gregory B. Gregson <ggregson@marklshidlerinc.com> Sent: Tuesday, June 5, 2018 10:18 AM To: Yu, Olivia, EMNRD <Olivia.Yu@state.nm.us> Subject: RE: 1RP 4858 - State No. 30,-1 Lea Co., NM,

Dear Ms. Yu:

Please find attached a photograph evidencing the presence of a polymer liner located within the firewall of the above Re production facility.

Best Regards,

Gregory B. Gregson Operations Manager

Mark L. Shidler, Inc. - Petroleum Exploration & Production 1313 Campbell Rd., Bldg. D Houston, TX 77055 Direct: (713) 481-6487 Main: (713) 222-9291 Fax: (713) 224-5523

-----Original Message-----From: Yu, Olivia, EMNRD <Olivia.Yu@state.nm.us> Sent: Friday, May 11, 2018 9:28 AM To: Gregory B. Gregson <ggregson@MarkLShidlerInc.com> Cc: Mann, Ryan <rmann@slo.state.nm.us> Subject: RE: 1RP 4858 - State No. 30,-1 Lea Co., NM,

Good morning Mr. Gregson:

Thank you for the map with the sample locations demarcated and GPS coordinates of sample locations for 1RP-4858.

If the entire facility is lined, NMOCD requires a statement of liner integrity and photo documentation of the intact liner during installation. If photos are not available, please inform NMOCD at least 2 workdays in advance of activities to remove impacted material on top of the liner.

If the facility is only partially under the leaking tank, then additional delineation will be required. Specifically, these areas: center, represented by sample location 5 & 6, and the Southeast corner (sample locations 11-13). Samples from 0.5 ft. bgs exceed permissible chlorides of 600 mg/kg at SP 5, 6, 11 & 13 and permissible TPH extended of 1000 mg/kg at SP 11 & 12.

NMSLO may have additional concerns or stipulations.

Thanks, Olivia

-----Original Message-----From: Yu, Olivia, EMNRD Sent: Tuesday, May 1, 2018 7:40 AM To: 'Gregory B. Gregson' <ggregson@marklshidlerinc.com> Cc: 'Mann, Ryan' <rmann@slo.state.nm.us> Subject: RE: 1RP 4858 - State No. 30,-1 Lea Co., NM,

Good morning Mr. Gregson:

No. The map marked with Sample Locations was not previously submitted. As this release occurred on State surface and mineral ownership, please be advised that NMSLO must be included in all email communications and

submittals.

Thanks, Olivia

-----Original Message-----From: Gregory B. Gregson <ggregson@marklshidlerinc.com> Sent: Monday, April 30, 2018 2:28 PM To: Yu, Olivia, EMNRD <Olivia.Yu@state.nm.us> Subject: 1RP 4858 - State No. 30,-1 Lea Co., NM,

Dear Ms. Yu: Perhaps I did not provide you this map setting out the thirteen sample station (on February 8, 2018) for the above Re cleanup. The table containing the location of these samples will be forthcoming. I apologize for my oversight. Best wishes, Gregory B. Gregson Operations Manager

Mark L. Shidler, Inc. - Petroleum Exploration & Production 1313 Campbell Rd., Bldg. D Houston, TX 77055 Direct: (713) 481-6487 Main: (713) 222-9291 Fax: (713) 224-5523

-----Original Message-----From: Mark L. Shidler, Inc. - HP Scanner <copyroom@marklshidlerinc.com> Sent: Monday, April 30, 2018 3:03 PM To: Gregory B. Gregson <ggregson@MarkLShidlerInc.com> Subject: New HP Scan

A scan has been sent to you from the HP M680z in the copy room. -MLSI

This email has been scanned by the Symantec Email Security.cloud service. For more information please visit <u>http://www.symanteccloud.com</u>

This email has been scanned by the Symantec Email Security.cloud service. For more information please visit <u>http://www.symanteccloud.com</u>