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RETURN RECEIPT REQUESTED

April 26, 2024

Alex Campbell
Enduring Resources LLC
6300 South Syracuse Way, Suite #525
Centennial, Colorado, 80111
Sent by electronic mail to: acampbell@enduringresources.com

Notice of Violation for Enduring Resources LLC, END-Multi-2101

Dear Alex Campbell,

The New Mexico Environment Department ("NMED") has identified Enduring Resources LLC (Enduring) as having violated state and federal regulations for air quality. This Notice of Violation (NOV) is regarding the seven facilities listed in Attachment A.

Pursuant to the NMED Delegation Order dated February 19, 2024, the Cabinet Secretary ("Secretary") has delegated to the Air Quality Bureau ("Bureau") Chief the authority to seek administrative enforcement for alleged violations of the Act, the Air Quality Control Regulations ("Regulations"), and the air quality permits issued thereunder. The Air Quality Bureau is the Bureau within the Division responsible for identifying air quality violations.

This NOV is issued pursuant to NMSA 1978, Section 74-2-5.1(A), which states that NMED's "investigations shall be reduced to writing if any enforcement action is contemplated, and a copy shall be furnished to the owner or occupants of the premises before the action is filed." In accordance with Section 74-2-5.1(C), the purpose of this NOV is to "encourage and make every reasonable effort to obtain voluntary cooperation by the owner or occupants to preserve, restore or improve air quality."

Alleged Violations

The Evidence to support this NOV was collected from a Full Compliance Evaluation (FCE) performed by a NMED compliance inspector which included on-site visits to the facilities on August 6th and 10th, 2020 and a review of reports provided by Enduring. The investigation found evidence of the following violations:

1. **Failure to notify the Bureau of a change in ownership within 30 days of purchase.** In relevant part 20.2.73.200.E(3) NMAC, states that "Any new owner or operator of a stationary source shall notify the department within thirty days of assuming ownership of his or her name and address." On November 30, 2020, Enduring confirmed by email to NMED staff that it had purchased several WPX Energy Inc. facilities, effective November 1, 2017. Included in this purchase were the Chaco 2408-33M, No. 120H and Chaco 2306-08P No. 268H facilities. The Bureau was not notified in writing of

change in ownership for these facilities until the Notices of Intent (NOI's) were sent to the Bureau on January 6, 2021.

2. **Failure to maintain a closed vent system.** In relevant parts, 40 CFR § 60 Subpart OOOOa 60.5411a (b)(1) states that "The cover and all openings on the cover (...) shall form a continuous impermeable barrier over the entire surface area of the liquid in the storage vessel or wet seal fluid degassing system." 40 CFR § 60 Subpart OOOOa 60.5411a (c)(2) states: "You must design and operate a closed vent system with no detectable emissions, as determined using olfactory, visual and auditory inspections..." During the August 10, 2020, onsite inspection, an NMED inspector documented a VOC leak on the thief hatch of the condensate tank at the MC 6 Com 160/901/918 Facility. The inspector documented the leak using a FLIR OGI camera with video file MOV-0548 which is available upon request. On August 2021, Enduring claimed in emails with the NMED inspector that these tanks fall under 40 CFR § 60.5365a(e) regulations due to the presence of a Vapor Recovery Unit (VRU). However, to meet these requirements, 40 CFR § 60.5365a(e)(5)(i) states that the facility operator "must meet the cover requirements specified in § 60.5411a(b)" and must "meet the closed vent system requirements specified in § 60.5411a(c) and (d)." Due to the documented leak on the thief hatch, the facility is in violation of these regulations.
3. **Failure to operate and maintain a closed vent system.** In relevant parts, 40 CFR § 60 Subpart OOOO 60.5411 (c)(1) states that "You must design the closed vent system to route all gases, vapors, and fumes emitted from the material in the storage vessel to a control device that meets the requirements specified in § 60.5412(c) and (d)..." and 40 CFR § 60.5411(c)(2) states that "You must design and operate a closed vent system with no detectable emissions, as determined using olfactory, visual and auditory inspections..." During the August 10, 2020, onsite inspection, an NMED inspector discovered VOC leaks from pressure relief valves on both an oil tank and a condensate tank at the Chaco 2307 Facility, as well as a VOC leak from a manual valve on a condensate tank at Chaco 2306 Facility. These leaks were documented using a FLIR OGI camera. Video files for the Chaco 2307 facility and the Chaco 2306 facility are available upon request.
4. **Failure to conduct olfactory, visual, and auditory (OVA) inspections for closed-vent systems in storage vessel affected facilities at least once every calendar month.** In relevant part, 40 CFR § 60 Subpart OOOO 60.5416 (c)(1) states that "For each closed vent system, you must conduct an (OVA) inspection at least once every calendar month ... (ii) Conduct olfactory, visual, and auditory inspections for defects that could result in air emissions. Defects include, but are not limited to, visible cracks, holes, or gaps in piping; loose connections; liquid leaks; or broken or missing caps or other closure devices." During an email exchange on August 12, 2020, an NMED inspector requested OVA inspection records for OOOO affected facilities. On August 24, 2020, an Enduring representative emailed the requested records to the inspector. Upon review of these records the NMED inspector found that there were gaps in OVA records for four (4) of the facilities. Details of the reporting gaps for each facility can be seen on the table in Attachment B.
5. **Failure to conduct OVA inspections of closed-vent systems in storage vessel affected facilities at least once every calendar month.** In relevant part, 40 CFR § 60 Subpart OOOOa 60.5416a (c)(1)(ii) states that "For each closed vent system, you must conduct... olfactory, visual, and auditory (OVA)

inspections at least once every calendar month for defects that could result in air emissions...” On August 12, 2020, an NMED inspector requested OVA inspection records for OOOOa affected facilities. On August 24, 2020, an Enduring representative emailed the requested records to the inspector. Upon review of these records the NMED inspector found that there were no OVA records for the month of July 2019, at the MC 6 Com 160/901/918 Facility.

6. **Failure to make the first attempt at repairs of equipment at multiple Facilities within five (5) calendar days, and failure to complete repairs no later than fifteen (15) days from when a leak is detected.** In relevant part, 40 CFR § 60 Subpart OOOO 60.5416(b)(9) state that “(i) A first attempt at repair must be made no later than 5 calendar days after the leak is detected” and “(ii) Repair must be completed no later than 15 calendar days after the leak is detected.” On August 12, 2020, an NMED inspector requested repair records for Enduring facilities. On August 24, 2020, an Enduring representative emailed the requested records to the inspector. Upon review of the records the NMED inspector found seven (7) instances of missing or late repair records for four (4) Enduring facilities. A detailed breakdown of these missing/late records is shown in Attachment C. When the inspector asked the Enduring representative for details on repairs for these leaks, they were unable to provide documentation for the repairs.

7. **Failure to make the first attempt at repairs of equipment at the MC 6 Com 160/901/918 facility within five (5) calendar days, and failure to complete repairs no later than 15 days from when a leak is detected.** In relevant part, 40 CFR § 60 Subpart OOOOa 60.5416a(b)(9) states that “(i) A first attempt at repair must be made no later than 5 calendar days after the leak is detected” and “(ii) Repair must be completed no later than 15 calendar days after the leak is detected.” On August 12, 2020, an NMED inspector requested records for Enduring facilities. On August 24, 2020, an Enduring representative sent the records via email and CD. Upon review of these records, the NMED inspector found that an AVO inspection performed on 10/27/2020 found four (4) leaks on various components at the MC 6 Com 160/901/918 Facility. A report of this inspection can be seen in Attachment D. When the inspector asked the Enduring representative for details on repairs for these leaks, they were unable to provide documentation for the repairs.

Please note that the Facilities will appear on NMED’s Enforcement Watch as a result of this NOV (see: <https://www.env.nm.gov/enforcement-watch/>). Further, NMED may issue a press release to local media highlighting your facility as appearing on this webpage. Your facility will remain on the Enforcement Watch website as an active matter until this matter is fully resolved, including the payment of the assessed civil penalty.

You may obtain a copy of the AQB’s Civil Penalty Policy located on the Compliance and Enforcement website at: <https://www.env.nm.gov/air-quality/compliance-and-enforcement/>

Requested Information

In the response to this NOV please provide this information for each violation:

1. A description of the cause of the violation;
2. Documentation of the steps taken to correct the violation to date; and
3. Documentation of steps taken or to be taken to prevent the recurrence of the violation.

With the documentation, please include specific, measurable, and time-bound changes made or to be made addressing any problems causing the violations.

Attachment E has been included at the end of the NOV and can be used as a checklist for organizing the response.

Use these instructions to submit the response:

1. All correspondence pertaining to this NOV must be submitted under cover of a properly completed Reporting Submittal Form, emailed to the Enforcement Specialist (contact information below). A copy of the form can be found online at: <https://www.env.nm.gov/air-quality/compliance-and-enforcement/>.
2. Submit requested information no later than thirty (30) days after the date of this NOV.
3. Any documents claimed as Confidential Business Information (CBI) pursuant to 20.2.1.115 NMAC must be submitted in separate electronic files from non-CBI documents and identified as CBI.
4. If files cannot be submitted by electronic mail, contact the Enforcement Specialist to request a link to a file transfer platform, or submit records on a thumb drive mailed to the Air Quality Bureau, 525 Camino de los Marquez, Suite 1, Santa Fe, NM 87505 to the attention of Kane Currans.
5. Please include any facts, information, or documentation to refute the alleged violations, with the requested information.

After receiving the response to this NOV, NMED will send a settlement offer or compliance order outlining the penalties and corrective actions associated with each of the violations. As NMED's review of the alleged violations is ongoing, NMED reserves the right to assert additional violations at the Facilities if new information becomes available.

If you have questions or believe any statement in this notice is erroneous, please contact Kane Currans, Enforcement Specialist, at (505) 629-8807 or kane.currans@env.nm.gov or Teresa McDill, Enforcement Manager, at (505) 505-629-8732 or teresa.mcdill@env.nm.gov. If you are represented by counsel, please contact Chris Vigil, Assistant General Counsel, at (505) 469-4696 or ChristopherJ.Vigil@env.nm.gov.

Thank you for your prompt attention to this matter.

Sincerely,

Liz Bisbey-Kuehn
Bureau Chief
Air Quality Bureau

cc: Chris Vigil, OGC
Cindy Hollenberg, AQB
Teresa McDill, AQB
Kane Currans, AQB

Attachments

Attachment A

Enduring facility names, locations, and information:

Facility Name	Location	AI#	AIRS#
Chaco 2306-08P No. 268H	2.15 mi NW of Counselor	34195	35-0390216
Chaco 2306-20L No. 207H Well Site	2.34 mi W of Counselor	33686	35-0430096
Chaco 2307-12L No. 171H	4.75 mi NW of Counselor	33842	35-0390209
Chaco 2408-33M No. 120H	2.64 mi E of Nageezi	35372	35-0451048
Chaco No. 404/405	3.65 mi SE of Nageezi	34658	35-0451021
MC 6 Com 160/901/918	5.94 mi NW of Counselor	35369	35-0390240
NE Chaco COM 190/191 Well Site	3.3 mi W of Counselor	32695	35-0390216

Attachment B

Description of OVA reporting gaps for Enduring facilities

Facility	AI #	Month/Year of Missing OVA Inspections
Chaco No 404/405	34658	4/2019 and 7/2019
Chaco 2307 – 12L No 171H	33842	7/2019
Chaco 2306 – 20L No 207H Well Site	33686	10/2018 and 7/2019
NE Chaco Com No 190/191 Well Site	32695	10/2018 and 7/2019

Attachment C

VOC Leaks at Enduring facilities

Facility	AI #	Annual Inspection	Problems detected	Repair due date	Repair date	Days late
Chaco No 404/405	34658	8/30/2018	two leaks on an instrument (unspecified) and a thief hatch	9/14/2018	9/19/2018	5 days
Chaco 2307 – 12L No 171H	33842	3/11/2020	one leak on a compressor	3/26/2020	4/17/2020	22 days
Chaco 2306 – 20L No 207H Well Site	33686	10/4/2018	one leak on a compressor	10/19/2018	10/31/2018	12 days
		5/1/2019	one leak on a compressor	5/16/2019	5/17/2019	1 day
		10/21/2020	Two leaks on horizontal separator and one leak on a scrubber on compressor	11/6/2020	No record of repair	Ongoing
NE Chaco Com No 190/191 Well Site	32695	5/2/2019	one leak on an instrument (unspecified)	5/17/2019	6/4/2019	18 days
		10/21/2020	One leak on an horizontal separator	11/6/2020	No record of repair	Ongoing

Attachment D

LT Environmental, Inc.
 LDAR Field Inspection Summary

Section 1: Site Information									
Company Name:		Enduring Resources							
Company Contact:		Tim Freesehahn							
Facility Name:		MS 6 COM (80 PRD)							
Permit Number:									
Location:		Latitude:	38.29801	Longitude:	-107.4375	State:	NM	Inspection Type:	NM
Date of Inspection:		10/27/2020							
Method used for initial inspection (i.e., Method 21, IR Camera, AVO):		IR Camera							
Name of person completing inspection:		Tavis Short							
Experience and Training:		IR Certification							
Section 2: Summary of Leaking Components									
Summary of Leaking Components									
Component Type	# Leaks	# Tagged Leaks							
Valves:	1	1							
Connectors:									
Flanges:									
Pressure Regulators:	2	2							
Pressure Relief Devices (PRD):	1	1							
Theft Hatch									
TOTAL	4	4							
Section 3: Leaking Components Details									
Monitoring and Repair of Leaking Components									
Component ID	Component Type and Location of Leaking Component	Monitoring Method Used	FLIR GF320 Video ID	FID (ppm)	Date of 1 st Repair Attempt	Dates of Additional Repair Attempts	Dates of Remounting	Result(s) of Remounting	Date of Successful Repair
1	Valve stem on horizontal separator	IR Camera	298						
2	T-12 on horizontal separator	IR Camera	299						
3	Level control on scrubber on compressor	IR Camera	300						
4	PRD on line of compressor	IR Camera	301						
Daily Verification									
Weather Conditions		Date		Time					
FLIR camera Verification		10/27/2027		8:45 AM					
Recommendations for HSM		Cloud Cover		Temp. (°F)		Wind Dir.		Max Wind Speed (MPH)	
Potential Interferences		Snowy		21		S		8	
		Source of VOC		Emissions Visible?		Max. Viewing Distance (ft.)			
		Propane tank		Y		25			
		Use high sensitivity mode (HSM) at all times.							



Attachment E

This form must be completed and signed by the facility's Responsible Official (Title V) or other designee and returned no later than thirty (30) days after the date of this Notice of Violation. Documentation for additional information (in addition to this form) must be submitted electronically to Enforcement Specialist Kane Currans at kane.currans@env.nm.gov or Enforcement Manager Teresa McDill at teresa.mcdill@env.nm.gov.

All submittals must be submitted using the Reporting Submittal Form. The Reporting Submittal Form and instructions can be located at: <https://www.env.nm.gov/air-quality/compliance-and-enforcement/#>.

I hereby verify that Enduring has initiated the required additional information response outlined in this Notice of Violation. The following information has been submitted or will be submitted by the dates indicated below for each violation. All required documentation will be submitted electronically no later than thirty (30) days after the date of this Notice of Violation.

Date NOV received: _____

Alleged Violation 1

_____ *A description of the cause of the violation*

_____ *Documentation of the steps taken to correct the violation to date*

_____ *Documentation of steps taken (or to be taken) to prevent recurrence of this violation (include date if not yet completed)*

Alleged Violation 2

_____ *A description of the cause of the violation*

_____ *Documentation of the steps taken to correct the violation to date*

_____ *Documentation of steps taken (or to be taken) to prevent recurrence of this violation (include date if not yet completed)*

Alleged Violation 3

_____ *A description of the cause of the violation*

_____ *Documentation of the steps taken to correct the violation to date*

_____ *Documentation of steps taken (or to be taken) to prevent recurrence of this violation (include date if not yet completed)*

Alleged Violation 4

_____ *A description of the cause of the violation*

_____ *Documentation of the steps taken to correct the violation to date*

_____ *Documentation of steps taken (or to be taken) to prevent recurrence of this violation (include date if not yet completed)*

Alleged Violation 5

_____ *A description of the cause of the violation*

_____ *Documentation of the steps taken to correct the violation to date*

_____ Documentation of steps taken (or to be taken) to prevent recurrence of this violation (include date if not yet completed)

Alleged Violation 6

_____ A description of the cause of the violation

_____ Documentation of the steps taken to correct the violation to date

_____ Documentation of steps taken (or to be taken) to prevent recurrence of this violation (include date if not yet completed)

Alleged Violation 7

_____ A description of the cause of the violation

_____ Documentation of the steps taken to correct the violation to date

_____ Documentation of steps taken (or to be taken) to prevent recurrence of this violation (include date if not yet completed)

Signature

Date

Printed Name:

Title: