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RETURN RECEIPT REQUESTED

March 5, 2024

Aaron Yotter, EHS Professional
WPX Energy Permian, LLC
333 West Sheridan Ave.
Oklahoma City, OK 73102
Sent by electronic mail to: aaron.yotter@dvn.com

Notice of Violation for WPX Energy Permian, LLC, AQB Case No. WPX-Multi-2001

Dear Aaron Yotter,

The New Mexico Environment Department (“NMED”) has identified WPX Energy Permian, LLC (“WPX”) as having violated state and federal regulations for air quality. This Notice of Violation (NOV) is regarding 51 facilities (“Facilities”) owned by WPX Energy Permian, LLC. See **Attachment A** for relevant information.

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 on October 28, 2019, during a joint inspection by NMED and the U.S. Environmental Protection Agency (“EPA”) at seven WPX Energy Permian, LLC (“WPX”) facilities, and in multiple records submitted by WPX from November 7, 2019 to March 20, 2020. Four days prior to the inspection NMED staff were informed that the facilities were no longer owned by RKI Exploration & Production, LLC (“RKI”) as NMED records had shown.

The investigation found evidence of the following violations.

Violation 1

50 Facilities listed in **Attachment A** marked V1 (See **Attachment A** for AI #s): Failure of WPX to notify the NMED within thirty days of assuming ownership of 50 Notice of Intent (“NOI”)-registered facilities from RKI on April 5, 2018 is in violation of 20.2.73.200.E(3) New Mexico Administrative Code (NMAC) which states, “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.”

Violation 2

Cavern State 16-2H 16-3H, AI# 39291: The failure of WPX to submit an NOI application and receive a determination that no permit is required for the Cavern State 16-2H 16-3H facility prior to commencement of construction is a violation of 20.2.73.200.A(4) NMAC which states, "The notice of intent shall be filed prior to the commencement of construction. Construction shall not begin prior to issuance of a written determination by the department that a permit is not required..." On December 4, 2019, the Department received documentation, following a Post-Inspection Questionnaire Form issued to WPX, stating that Cavern State 16-2H 16-3H started operating on September 4, 2017.

Violation 3

Cavern State 16 State 1H Pad (formally Cavern State 16-1H 16-2H 16-3H), AI# 37387: The failure of WPX to implement and document timely repairs for leaks detected at their Cavern State 16-1H facility is in violation of 40 C.F.R. § 60 Subpart OOOOa, 60.5397a(h)(1) which states, "Each identified source of fugitive emissions shall be repaired or replaced in accordance with paragraphs (h)(1) and (2) of this section...(h)(1) Each identified source of fugitive emissions shall be repaired or replaced as soon as practicable, but no later than 30 calendar days after detection of the fugitive emissions."

Violation 4

Ross Draw Unit, 53, 55, 60, 61, AI# 37037: The failure of WPX to meet the requirements for storage vessel covers and closed vent systems and to demonstrate continuous compliance at the Ross Draw Unit 53, 55, 60, 61 facility is in violation of 40 C.F.R. § 60 Subpart OOOO 60.5411(b)(1) "The cover and all openings on the cover (e.g., access hatches, sample ports, pressure relief valves and gauge wells) shall form a continuous impermeable barrier over the entire surface area of the liquid in the storage vessel or wet seal fluid degassing system."

For cases with multiple facilities or tables: Please review the information we have provided in **Attachment A** regarding the Facilities at issue.

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 facilities as appearing on this webpage. Your facilities 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 causes of these violations;
2. Documentation of the steps taken to correct the violation to date;
3. Documentation of steps taken or to be taken to prevent the recurrence of the violation; and
4. Additional documentation as requested in Attachment B.

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

Attachment B is 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 Alejandra Avila.
5. Please include any facts, information, or documentation to refute the alleged violations, with the requested information.

NMED requests that WPX respond with all information requested in this NOV and any information you think NMED should have regarding this investigation within thirty (30) days. 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 Alejandra Avila, Enforcement Specialist, at (505) 629-6527 or Alejandra.Avila@env.nm.gov or Teresa McDill, Enforcement Manager, at (505) 555-2121 or teresa.mcdill@env.nm.gov. If you are represented by counsel, please contact Assistant General Counsel, Chris Vigil 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: Christopher Vigil, Assistant General Counsel, NMED
Cindy Hollenberg, Compliance & Enforcement Section Chief, Air Quality Bureau
Teresa McDill, Enforcement Manager, Air Quality Bureau
Alejandra Avila, Enforcement Specialist, Air Quality Bureau

Attachment A

V#	Facility	AIRS #	AI #	Location	Town
V1	Wind Fee Tank Battery	350151433	36414	3.5 miles S of Carlsbad	Carlsbad, NM 88220
V1	Mammoth/Burnet Tank Battery	350151486	36707	2.5 mi SE of Carlsbad NM	Carlsbad, NM 88220
V1	Lava Tank Battery	350151487	36708	2.9 mi SE of Carlsbad NM	Carlsbad, NM 88220
V1	Marvel Fee Tank Battery	350151497	36786	3.8 mi SE of Carlsbad	Carlsbad, NM 88220
V1	Ross Draw Unit 52, 54, 57, 58	350151515	36862	8.3 mi SE of Malaga	Malaga, NM 88263
V1	RDX 28-11	350151513	36864	17.6 mi SE of Malaga	Malaga, NM 88263
V1	Ross Draw Unit 33 (42,43)	350151512	36865	18.1 mi SE of Malaga	Malaga, NM 88263
V1	RDX 28-14 (28-24)	350151511	36866	18.1 mi SE of Malaga	Malaga, NM 88263
V1	RDX 9-1	350151514	36867	3 mi SE of Malaga	Malaga, NM 88263
V1	RDX 16-1	350151510	36869	16.9 mi SE of Malaga	Malaga, NM 88263
V1	RDX 15-14	350151518	36884	17.5 mi SE of Malaga	Malaga, NM 88263
V1	Ross Draw Unit 11 (17, 18, 19, 20, 29, 30, 32)	350151522	36960	18.5 mi SE of Malaga	Malaga, NM 88263
V1	Ross Draw Unit 39 (38, 40)	350151523	36961	17.9 mi SE of Malaga	Malaga, NM 88263
V1	RDX 9-6	350151524	36962	15.8 mi SE of Malaga	Malaga, NM 88263
V1	RDX 10-03 (10-07)	350151525	36963	16.8 mi SE Malaga	Malaga, NM 88263
V1	RDX 15-7	350151526	36964	17.2 mi SE of Malaga	Malaga, NM 88263
V1	RDX 17-06H (17-03)	350151527	36965	16.4 mi SE of Malaga	Malaga, NM 88263
V1	RDX 21-14	350151528	36966	17.2 mi SE of Malaga	Malaga, NM 88263
V1	RDX 21-42 (21-41)	350151529	36967	17.6 mi SE of Malaga	Malaga, NM 88263
V1	Helper/Warren Tank Battery	350151532	36978	1.5 mi SE of Carlsbad	Carlsbad, NM 88220
V1 & V4	Ross Draw Unit 53, 55, 60, 61	350151536	37037	18.5 mi SE of Malaga	Malaga, NM 88263
V1	Ross Draw Unit 37 (41, 45)	350151537	37038	17.6 mi SE of Malaga	Malaga, NM 88263
V1	RDX 16-9	350151538	37040	16.3 mi SE of Malaga	Malaga, NM 88263
V1	RDX 17-14	350151542	37041	16.1 mi SE of Malaga	Malaga, NM 88263
V1	Holly A Fed 01	350151541	37044	16.1 mi SE of Malaga	Malaga, NM 88263
V1	Ross Draw Unit 12	350151555	37123	18.9 mi SE of Malaga	Malaga, NM 88263
V1	RDX 15-2	350151557	37125	17.7 mi SE of Malaga	Malaga, NM 88263
V1	RDX 16-2	350151558	37126	16.6 mi SE of Malaga	Malaga, NM 88263
V1	Pecos Fed 1Y	350151564	37180	16.2 mi SE og Malaga	Malaga, NM 88263
V1	Ross Draw Unit 25	350151566	37182	19.4 mi SE of Malaga	Malaga, NM 88263
V1	Carlsbad Fee Tank Battery	350151569	37202	3.1 mi SE of Carlsbad	Carlsbad, NM 88220
V1	Longview 31-3H	350151587	37321	5.7 mi NE of Loving	Loving, NM 88256
V1	Longview 31-1H	350151588	37322	5.5 mi NE of Loving	Loving, NM 88256
V1	Santa Fe CTB	350151589	37324	5 mi NE of Loving	Loving, NM 88256
V1	Pinnacle CTB	350151597	37371	5 mi NE of Loving	Loving, NM 88256
V1	Pinnacle State 32H	350151596	37372	5.6 mi NE of Loving	Loving, NM 88256
V1 & V3	Cavern State 16 State 1H Pad (formally Cavern State 16-1H 16-2H 16-3H)	350151598	37387	6.5 mi NW of Loving	Loving, NM 88210
V1	N Brushy Draw 35-1H (35-6H)	350151603	37421	11.5 mi SE of Malaga	Malaga, NM 88263
V1	Federal G Gas Com 1	350151604	37422	17.6 mi NE of Carlsbad	Carlsbad, NM 88220
V1	East Pecos 22 3H	350151605	37424	15.1 mi SE of Malaga	Malaga, NM 88263
V1	DD and EE Federal Leases	350151607	37425	15.8 mi SW of Artesia	Artesia, NM 88210
V1	RDX 15-1	350151606	37426	16.6 mi SE of Malaga	Malaga, NM 88263
V1	Goedeke Battery	350151620	37481	21.7 mi SW of Jal in Eddy	Jal, NM 88252
V1	Holly Fed 1 Battery	350151623	37483	16.7 mi SE of Malaga in E	Malaga, NM 88263
V1	EP USA 3 Battery	350151621	37484	16.5 mi SE of Malaga in E	Malaga, NM 88263
V1	Toro 21-2	350251156	37609	11.5 mi NW of Monument	Monument, NM 88265
V1	Ram Ewe Federal	350151649	37610	6.4 mi SW of Carlsbad	Carlsbad, NM 88220
V1	MWJ Fed 1	350151648	37612	7.1 mi NE of Angeles, TX	Malaga, NM 88263
V1	RDX 17-40H	350151670	37716	15.8 mi SE of Malaga	Malaga, NM 88263
V1	Dobro 16 State 1H	350151772	38037	17.2 mi SE of Malaga	Malaga, NM 88263
V2	Cavern State 16-2H 16-3H	350152282	39291	5.4 mi NW of Loving	Loving, NM 88256

Attachment B

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 Alejandra Avila at Alejandra.avila@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 WPX Energy Permian, LLC 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)*

_____ *A listing of all notification records for all WPX Facilities operating in New Mexico under a Notice of Intent pursuant to 20.2.73 NMAC or a construction permit pursuant to 20.2.72 NMAC, verifying that each required notification has been submitted in accordance with 20.2.73.200.E(1), (2), and (3) NMAC and with GCP-Oil and Gas, General Condition B110.B(1), (2), (3) and C(1) and (2). Include the dates that each notification was submitted to NMED.*

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)*
- _____ *A copy of the most recent 40 C.F.R. § 60 Subpart OOOO annual report*

Signature

Date

Printed Name:

Title: