

REH



Freeport-McMoRan Oil & Gas  
1200 Discovery Dr., Suite 500  
Bakersfield, CA 93309

Telephone: 661-322-7600

Certified Mail  
Return Receipt Requested  
7013 1090 0001 1683 1430

**RECEIVED**

JUN -1 2015

RWQCB-CVR  
FRESNO, CALIF.

May 29, 2015

Mr. Ronald Holcomb  
Regional Water Quality Control Board - Central Valley  
1685 E Street  
Fresno, CA. 93706

**TECHNICAL REPORT  
OIL FIELD PRODUCED WATERS TO LAND  
RESPONSE TO SECTION 13267 CALIFORNIA WATER DIRECTIVE**

Mr. Holcomb:

Freeport-McMoRan Oil & Gas, LLC (FM O&G) is providing the following technical report as required by the Board's April 1, 2015 directive pursuant to Section 13267. In addition, please consider this letter formal notice of our intention to abandon the out-of-service impoundments at the Hopkins and R.H. Anderson leases using the closure plans listed in Attachment B.

Please note that since FM O&G is not the owner of the Nacerima Lease Impoundments as we previously informed you in our letter dated April 10, 2015, we cannot conduct any water sampling or testing data as requested. We have however included the dimension and locational information for those impoundments as part of our Technical Report.

**TECHNICAL REPORT**

- A. Identification of any discharges of oil field produced waters to land, including but not limited to ponds, since April of 2014 that are not listed in Attachment A.
  - Since April 2014, the Hopkins and R.H. Anderson impoundments have not received discharged oilfield produced water. In addition, FM O&G has conducted no other oil field produced water discharges to land, since April 2014.
- B. Collect representative samples of wastewater within each of the ponds. Samples must 2015be analyzed in accordance with the water quality analysis and reporting requirements contained in Attachment B to this Order;

If a representative sample cannot feasibly be collected from one or more of the sources discharging to a surface impoundment(s), then a comment will need to be added to the technical report required by this Order demonstrating that collection of a representative sample from a specific source is not feasible within the required timeframe, and propose an alternative sampling procedure and expeditious time schedule for obtaining a representative sample for each source. Alternative sampling procedures and time schedules are subject to approval by the Assistant Executive Officer of the Central Valley Regional Water Quality Control Board.

- As noted in our letter to you dated April 14, 2015, FM O&G was unable to collect any samples from the ponds that were the subject of the order. Pond wastewater sampling was unable to be performed because there are no fluids currently in the ponds listed in Attachment A. Specifically, the Hopkins and R.H. Anderson ponds were abandoned over five (5) years ago. Therefore, there are no alternative schedules for wastewater sampling. As noted above, FM O&G intends to move forward with permanent abandonment of those facilities.

C. All available information for each of the surface impoundment(s), including dimensions (i.e., length, width, and depth), latitude and longitude, Assessor's Parcel Numbers of the lease, duration of the discharge (in months), and the volume of wastewater discharged per year.

- **HOPKINS SURFACE IMPOUNDMENTS**

- a) Dimensions: 98' x 42' ; 63' x 34' (two impoundments end-to-end)
- b) Latitude and longitude: 35° 2' 21" N, 119° 42' 31" W
- c) Assessor's Parcel Number: 098-111-05 ; 098-111-07
- d) Duration of discharge: From approximately 4/28/08 thru 6/5/09.
- e) Volume of wastewater discharged per year: 0 bbls per year since April 2014.

- **NACERIMA SURFACE IMPOUNDMENTS – NOT OWNED BY FM O&G**

- a) Dimensions: 135' x 94' ; 118' x 80' ; 100' x 60' (three impoundments side-by-side)
- b) Latitude and longitude: 35° 21' 10" N, 119° 38' 34" W
- c) Assessor's Parcel Number: 157-030-05-7 ; 157-030-26
- d) Duration of discharge: Unknown
- e) Volume of wastewater discharged per year: 0 bbls per year since April 2014.

- **R.H. ANDERSON SURFACE IMPOUNDMENT**

- a) Dimensions: 140' x 90'
- b) Latitude and longitude: 35° 23' 22" N, 119° 44' 40" W
- c) Assessor's Parcel Number: 098-142-13 ; 098-142-14
- d) Duration of discharge: From approximately 12/30/05 thru 6/5/09
- e) Volume of wastewater discharged per year: 0 bbls per year since 2014

- D. A location map(s) that includes the following information: See Attachment A.
- i. All surface impoundment(s) at the Facility,
  - ii. Include the boundary lines for all leases at the Facility, and
  - iii. Legend with the name of the surface impoundment(s).

*I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.*

Should you have any questions on this matter, please call me at (661) 395-5232 or Kenneth Bork at (661) 395-5458.

Sincerely,

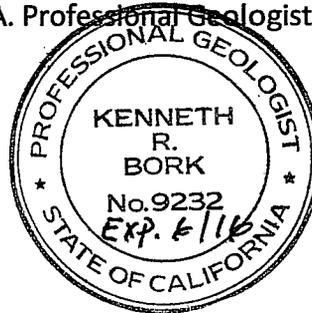


John Martini  
Manager, EH&S and Government Affairs

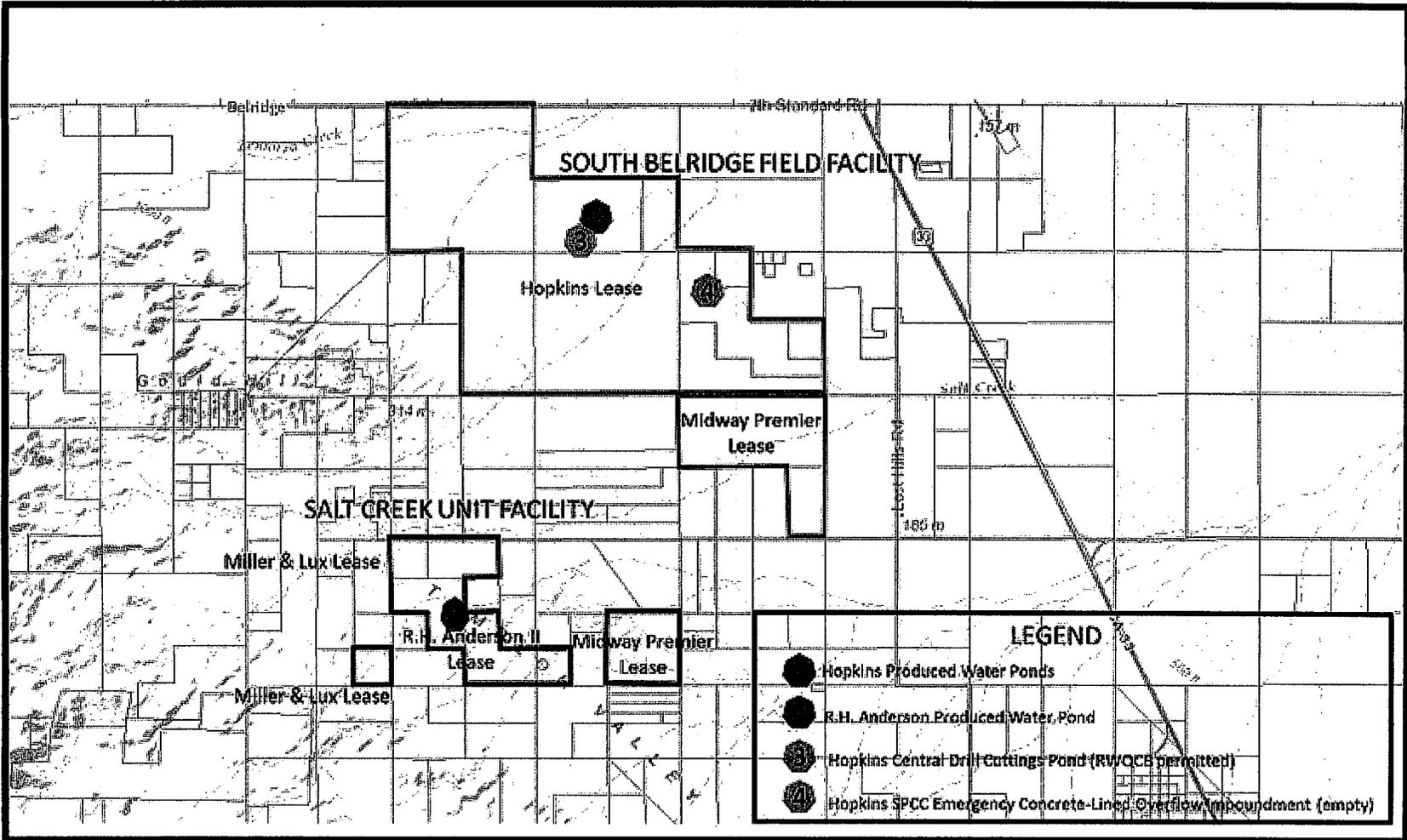


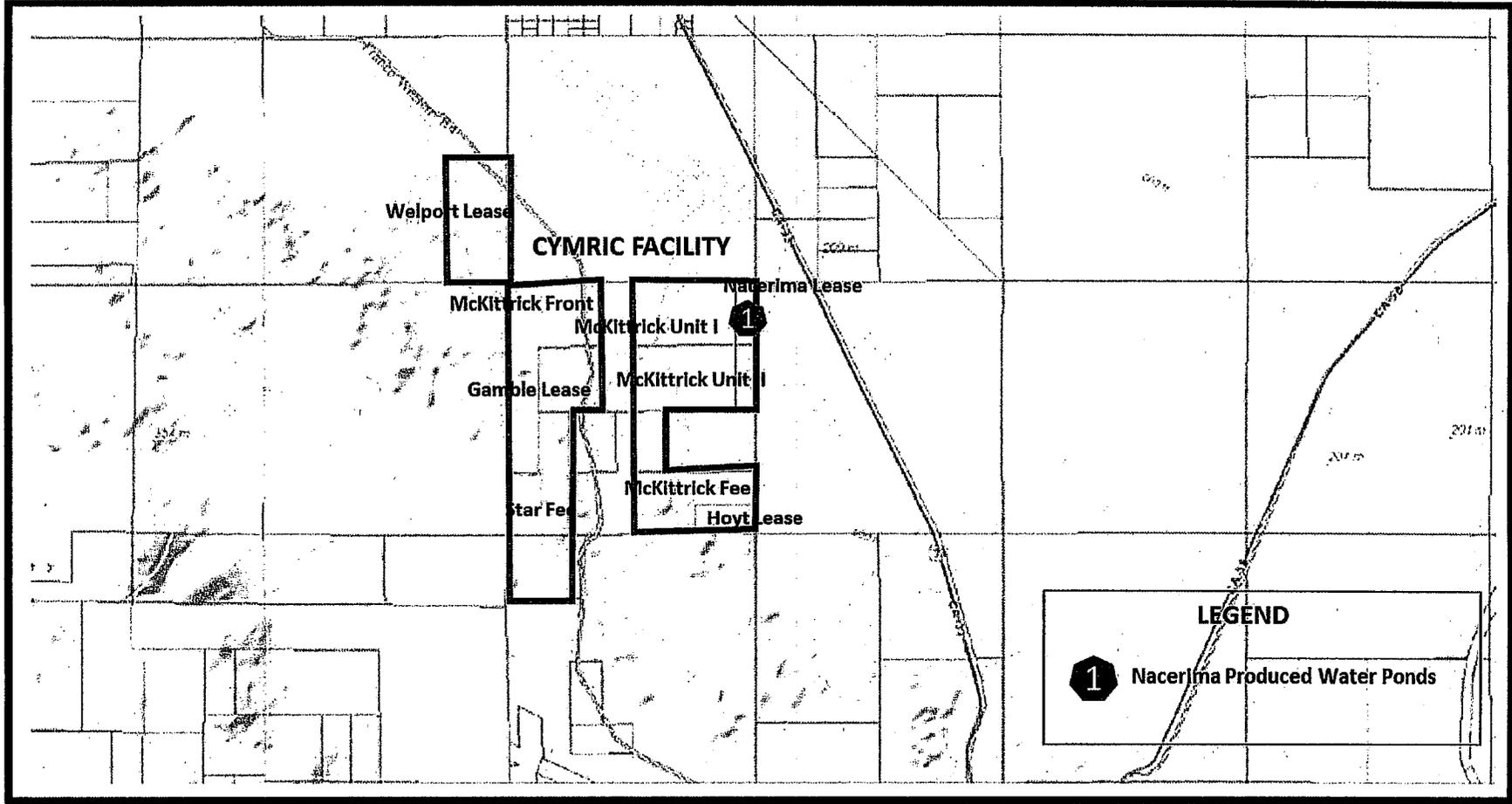
Kenneth R. Bork  
EH&S Senior Advisor  
CA. Professional Geologist #9232

Attachments



cc: ✓ Clay Rodgers, Central Valley Regional Water Quality Control Board  
Doug Patteson, Central Valley Regional Water Quality Control Board  
Julie Macedo, Office of Enforcement, State Water Resources Control Board, Sacramento  
Mike Toland, California Division of Oil, Gas and Geothermal Resources, Bakersfield





Welpert Lease

**CYMRIC FACILITY**

McKittrick Front

Nacerima Lease

McKittrick Unit I

1

Gamble Lease

McKittrick Unit II

Star Fe

McKittrick Fee

Hoyt Lease

**LEGEND**

1

Nacerima Produced Water Ponds

**ATTACHMENT B**  
**R.H. ANDERSON ABANDONMENT PLAN**

Below is the proposed closure plan for abandoning the out-of-service pond located at R.H. Anderson Lease (1 impoundment) as identified in Attachment A of the Board's April 1, 2015 correspondence.

1. Prior to excavation, all required safety protocols will be implemented including proper PPE, air monitoring, and underground storage alert (USA) notification for buried pipelines.
2. Using a backhoe, soil samples will be taken at 1', 3', and 5' below ground surface (bgs) at the center of each impoundment using a backhoe.
3. Soil samples will be taken by a California Department of Public Health (CPDH) certified environmental laboratory sampler using accepted proper sampling methods, chain of custody, and quality assurance/quality control protocols.
4. Soil samples will not be composited, but will be analyzed by a CPDH certified laboratory as discrete samples based on bgs depth.
5. Analysis to be performed on the samples will be:
  - Metals listed in California Code of Regulations, Title 22, Section 66261.24, Subdivision (a)(2)(A); and
  - Total petroleum hydrocarbons (TPH) modified for heavy crude oil.
6. If the analytical results for metals are below regulatory thresholds identified in Title 22 CCR Section 66261.24, Subdivision (a)(2)(A), and TPH is below 1,000 mg/l, then the impoundment(s) will be deemed clean.
7. If the analytical results indicate levels above regulatory threshold, then FM O&G will dispose of the spoils according to Federal RCRA and State Non-RCRA waste management regulations. In addition, FM O&G will perform additional excavation until the bottom-hole soil analysis indicate levels below regulatory thresholds defined above.
8. FM O&G shall provide a final technical report to the RWQCB, including analytical results, for the Board's review.
9. When the Board deems the impoundment clean or after 30 calendar days from final report submittal, it will be deemed by the Board as clean and FM O&G will then backfill the impoundment(s) with soil for final closure.

**ATTACHMENT C**  
**HOPKINS LEASE ANADONMENT PLAN**

Below is the proposed closure plan for abandoning the out-of-service ponds located at Hopkins Lease (2 impoundments) as identified in Attachment A of the Board's April 1, 2015 correspondence.

1. Prior to excavation, all required safety protocols will be implemented including proper PPE, air monitoring, and underground storage alert (USA) notification for buried pipelines.
2. A front-end loader will relocate the existing spoils pile overburden from the sample locations until the natural grade is reached.
3. Using a backhoe, soil samples will be taken at 1', 3', and 5' below ground surface (bgs) at the center of each impoundment using a backhoe.
4. Soil samples will be taken by a California Department of Public Health (CPDH) certified environmental laboratory sampler using accepted proper sampling methods, sample containers, chain of custody, and quality assurance/quality control protocols.
5. Soil samples will not be composited, but will be analyzed by a CPDH certified laboratory as discrete samples based on bgs depth.
6. Analysis to be performed on the samples will be:
7. Metals listed in California Code of Regulations, Title 22, Section 66261.24, Subdivision
  - a. (a)(2)(A); and
  - b. Total petroleum hydrocarbons (TPH) modified for heavy crude oil.
8. If the analytical results for metals are below regulatory thresholds identified in Title 22 CCR Section 66261.24, Subdivision (a)(2)(A), and TPH is below 1,000 mg/l, then the impoundment(s) will be deemed clean.
9. If the analytical results indicate levels above regulatory threshold, then FM O&G will dispose of the spoils according to Federal RCRA and State Non-RCRA waste management regulations. In addition, FM O&G will perform additional excavation until the bottom-hole soil analysis indicate levels below regulatory thresholds defined above.
10. FM O&G shall provide a final technical report to the RWQCB, including analytical results, for the Board's review.
11. When the Board deems the impoundment clean or after 30 calendar days from final report submittal, it will be deemed by the Board as clean and FM O&G will then backfill the impoundment(s) with soil for final closure.



EDMUND G. BROWER JR.  
GOVERNOR

MATTHEW RODRIGUEZ  
SECRETARY FOR  
ENVIRONMENTAL PROTECTION

---

Central Valley Regional Water Quality Control Board

1 April 2015

John Martini  
Freeport-McMoRan Oil & Gas LLC  
1200 Discovery Drive, Suite 500  
Bakersfield, CA 93309

**CERTIFIED MAIL**  
7014 3490 0001 7023 0346

**CALIFORNIA WATER CODE DIRECTIVE PURSUANT TO SECTION 13267. You are legally obligated to respond to this Order. Please read this Order carefully.**

Freeport-McMoRan Oil & Gas LLC (hereafter Discharger) has been identified as the owner or operator of petroleum production wastewater disposal ponds (ponds). A list of the ponds (and the leases and oil fields where they are located) that the California Regional Water Quality Control Board, Central Valley Region (Central Valley Water Board) identifies as under your control is presented in Attachment A. Ponds for the disposal of wastewater generated during the course of petroleum production have the potential to affect the quality of groundwater (a water of the State). Groundwater underlying the areas where your ponds are located have beneficial uses as identified in the Water Quality Control Plan for the Tulare Lake Basin (Basin Plan).

This order requires the collection and analysis of wastewater samples collected from each of the ponds listed in Attachment A to characterize the discharge. Each sample is to be analyzed for each of the constituents listed in Attachment B. These data are needed to comprehensively characterize wastewater in each pond and provide data needed to evaluate the threat to the quality of waters of the State. If more than one pond is connected in series (i.e., one pond drains directly to the next with no other source of inflow) then only the upstream pond must be sampled. This order is not intended to require the collection of duplicative data. If during the 12 months (one year) prior to the date of this order, samples required by this order have been analyzed from one or more of the ponds for the required constituents, that data can be submitted for the appropriate order requirements.

This order also requires Discharger to identify any discharge(s) of oil field wastewater to land that is not identified in Attachment A. Discharger must also collect and analyze wastewater samples in accordance with Attachment B from any additionally identified discharge to characterize the discharge.

The Central Valley Water Board's authority to require technical reports derives from Section 13267 of the California Water Code, which specifies, in part, that:

*(hh) A regional Board ... in connection with any action relating to any plan or requirement authorized by this division, may investigate the quality of any waters of the State within its region.*

*(b)(1) In conducting an investigation specified in subdivision (a), the regional board may require that any person who has discharged, or is suspected of having discharged or discharging, or who proposes to discharge waste within its region, or any citizen or domiciliary, or political agency or entity of this state who has discharged, discharges, or is suspected of having discharged or discharging, or who proposes to discharge, waste outside of its region that could affect the quality of waters within its region shall furnish, under penalty of perjury, technical or monitoring program reports which the regional board requires. The burden, including costs, of these reports shall bear a reasonable relationship to the need for the report and the benefit to be obtained from the reports. In requiring those reports, the regional board shall provide the person with a written explanation with regard to the need for the reports, and shall identify the evidence that supports requiring that person to provide the reports.*

The Central Valley Water Board is concerned about the potential impacts to water quality posed by the discharge of oil field produced waters in surface ponds. The technical information and reports required by this order are necessary to assess the potential threat to water quality. The need to understand the potential impacts to water quality justify the need for the information and reports required by this order. Based on the nature and possible consequences of the discharges of waste, the burden of providing the required information, including the reporting costs, bears a reasonable relationship to the need for the report, and the benefits to be obtained. Discharger is required to submit this information and reports because it is the operator of the ponds listed in Attachment A of this order.

The unauthorized discharge of waste containing oil field waste constituents to land, including unlined ponds, may result in the degradation of water quality and creates or threatens to create, a condition of pollution in groundwater. Significant concentrations of salinity (measured as TDS and EC), significant contributors to salinity such as chloride and sulfate, and boron are present in oil field wastewater. Other potential constituents such as, but not limited to, metals, radionuclides, and organic compounds pose a threat to water quality. The concentrations of these waste constituents in wastewater being discharged needs to be known to evaluate the threat. In addition, all locations where these discharges are occurring needs to be known.

Underlying groundwater can be degraded if mixed with oil field wastewater. Elevated concentrations of oil field waste constituents could impair the groundwater for municipal and domestic supply and agricultural supply uses.

**Under the prescribed authority of California Water Code section 13267, the Central Valley Water Board directs Discharger to:**

**1. By 15 June 2015, submit a technical report containing the following information:**

- A. Identification of any discharges of oil field produced waters to land, including but not limited to ponds, since April of 2014 that are not listed in Attachment A;**
- B. Collect representative samples of wastewater within each of the ponds. Samples must be analyzed in accordance with the water quality analysis and reporting requirements contained in Attachment B to this Order;<sup>1</sup>**

**If a representative sample cannot feasibly be collected from one or more of the sources discharging to a surface impoundment(s), then a comment will need to be added to the technical report required by this Order demonstrating that collection of a representative sample from a specific source is not feasible within the required timeframe, and propose an alternative sampling procedure and expeditious time schedule for obtaining a representative sample for each source. Alternative sampling procedures and time schedules are subject to approval by the Assistant Executive Officer of the Central Valley Regional Water Quality Control Board.**

- C. All available information for each of the surface impoundment(s), including dimensions (i.e., length, width, and depth), latitude and longitude, Assessor's Parcel Numbers of the lease, duration of the discharge (in months), and the volume of wastewater discharged per year.**
- D. A location map that includes the following information:**
  - i. All surface impoundment(s) at the Facility,**
  - ii. Include the boundary lines for all leases at the Facility, and**
  - iii. Legend with the name of the surface impoundment(s).**

**2. By 15 April 2015, Discharger needs to contact Dane S. Johnson of this office at (559) 445-5525 if you have received this Order and cannot collect the required samples.**

---

<sup>1</sup> All previously obtained analytical data for oil field produced wastewater samples collected at the Facility, if any, with a description of the source and location for each analysis may be submitted in the alternative for re-running tests if the sample(s) was collected and analyzed within 12 months (one year) of the date of this order.

The technical report required by this Order must be submitted to the attention of:

Ronald Holcomb  
Central Valley Water Board  
1685 E Street  
Fresno, CA 93706

Based on the information submitted in the technical report, additional information or action may be required.

With the report required by this Order, Discharger shall provide under penalty of perjury under the laws of California a "Certification" statement to the Central Valley Water Board. The "Certification" shall include the following signed statement:

*I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.*

The Central Valley Water Board reserves the right to issue a Notice of Violation or pursue enforcement for Discharger's activities after reviewing the documentation provided in response to this Order.

The Technical Report is to be signed and stamped by a California Professional Engineer (Registered as a Civil Engineer) or a registered California Professional Geologist. Any laboratory analyses shall be performed by an analytical laboratory certified by the State of California for the analyses performed. Submissions pursuant to this Order shall include a statement by Discharger, or an authorized representative of Discharger, certifying (as described above) that the information submitted is true, complete, and accurate.

The failure to furnish the required report, or the submission of a substantially incomplete report or false information, is a misdemeanor, and may result in additional enforcement actions being taken against Discharger, including issuance of an Administrative Civil Liability Complaint pursuant to California Water Code section 13268. Liability may be imposed pursuant to California Water Code section 13268 in an amount not to exceed one thousand dollars (\$1,000) for each day in which the violation occurs. All discharges to unpermitted ponds should cease pending review and submission of the technical information sought by this order.

Any person aggrieved by this action of the Central Valley Water Board may petition the State Water Resources Control Board (State Water Board) to review the action in accordance with

California Water Code section 13320 and California Code of Regulations, title 23, sections 2050 and following. The State Water Board must receive the petition by 5:00 p.m., within 30 days after the date of this directive, except that if the thirtieth day following the date of this directive falls on a Saturday, Sunday, or state holiday, the petition must be received by the State Water Board by 5:00 p.m. on the next business day. Copies of the law and regulations applicable to filing petitions may be found on the Internet at: [www.waterboards.ca.gov/public\\_notices/petitions/water\\_quality](http://www.waterboards.ca.gov/public_notices/petitions/water_quality) or will be provided upon request.

If you have any questions regarding this matter, please contact Doug Patteson of this office at (559) 445-5577 or at [doug.patteson@waterboards.ca.gov](mailto:doug.patteson@waterboards.ca.gov).



Clay L. Rodgers  
Assistant Executive Officer

cc: Julie Macedo, Office of Enforcement, State Water Resources Control Board, Sacramento  
Mike Toland, California Division of Oil, Gas, and Geothermal Resources, Bakersfield

**ATTACHMENT A**

**The following table contains the names of oil fields and lease(s) and the corresponding number of ponds that the Central Valley Water Board has identified as active and under your control:**

<b>OPERATOR</b>	<b>OIL FIELD</b>	<b>LEASE</b>	<b>NO. OF PONDS</b>
Freeport-McMoRan Oil & Gas LLC	Belridge, South	Hopkins	2
	Cymric	Nacirema Fee	3

**ATTACHMENT B****Water Quality Analysis**

Wastewater samples collected from the ponds shall be analyzed by a laboratory certified by the Environmental Laboratory Accreditation Program using currently applicable United States Environmental Protection Agency-approved analytical methods for water for the following:

- A. Total dissolved solids;
- B. Metals listed in California Code of Regulations, title 22, section 66261.24. subdivision (a)(2)(A);
- C. Benzene, toluene, ethylbenzene, and xylenes;
- D. Total petroleum hydrocarbons as crude oil;
- E. Polynuclear aromatic hydrocarbons (including acenaphthene, acenaphthylene, anthracene, benzo[a]anthracene, benzo[b]fluoranthene, benzo[a]pyrene, benzo[g,h,i]perylene, chrysene, dibenzo[a,h]anthracene, fluoranthene, fluorine, indeno[1,2,3-cd]pyrene, naphthalene, phenanthrene, and pyrene);
- F. Radionuclides listed under California Code of Regulations, title 22, Table 64442;
- G. Major and minor cations (including sodium, potassium, magnesium, and calcium);
- H. Major and minor anions (including nitrate, chloride, sulfate, carbonate, bicarbonate, and bromide);
- I. Trace elements (including lithium, strontium, boron, iron, and manganese).

**Reporting Requirements**

Water Quality information shall be submitted in a technical report that includes at a minimum:

- A. Site plan(s) with the location(s) of where the samples were collected;
- B. A description of how the samples, representative of the pond contents, were collected;

Table(s) of analytical results organized by pond number with the data also submitted electronically as an Excel spreadsheet.



Freeport-McMoRan Oil & Gas  
1200 Discovery Dr., Suite 500  
Bakersfield, CA 93309

Telephone: 661-322-7600

April 10, 2015

Mr. Clay Rodgers  
Assistant Executive Officer  
Central Valley Regional Water Quality Control Board  
1685 E Street  
Fresno, CA 93706

Via Email – Hard Copy to Follow By Mail

RE: Request for Rescission of NOV for FM O&G Nacirema Lease (Section 6, T30S/R22E);  
Cymric Oil Field

Dear Mr. Rodgers:

Freeport-McMoRan Oil & Gas (FM O&G) received the Notice of Violation (NOV) dated April 1, 2015 for FM O&G's Nacirema Lease at the Cymric Oil Field in Kern County. Please consider this letter formal notice of our contention that the NOV was issued to FM O&G in error because the surface impoundments in question do not belong to, and are not operated by, FM O&G. Accordingly, we ask that your office take immediate action to rescind the NOV and direct its regulatory enforcement of this matter to the owner of record of the facilities in question.

On March 27, 2015, FM O&G notified your office and submitted evidence of the fact that we do not own or have responsibility for the surface impoundments in question. C&C Operators owns the surface fee and the mineral fee of the property known as the "Nacirema Lease" (Lease). FM O&G leases the minerals from C&C Operators (C&C). C&C also owns the surface impoundments on the property. The conduct of C&C reflects C&C's understanding and acknowledgement that C&C continues to own the sumps and is responsible for the surface impoundments.

Neither FM O&G, nor its predecessor in interest, PXP, involved the surface impoundments in its operations or otherwise contributed to their current condition. The surface impoundments were created prior to the Lease granted to PXP. Additionally, the provisions of the Oil and Gas Lease do not impose any obligations upon FM O&G with respect to the sumps.

Effective March 25, 2011, FM O&G's predecessor paid consideration for the prepaid three year term of the Nacirema Lease and for the personal property and equipment listed in the Bill of Sale. The surface impoundments were excluded from the Bill of Sale. FM O&G rejected C&C's subsequent attempts to proffer the sumps.

Confusion related to ownership of the impoundments in question has been a recurring issue we have attempted to address for the past year. In September, 2014, FM O&G was incorrectly issued a Notice of Deficiency (NOD) for the impoundments in question by the District 4 office of the Division of Oil, Gas,

Mr. Clay Rodgers

RE: NOV for FM O&G Nacriema Lease (Section 6, T30S/R22E); Cymric Oil Field

April 10, 2015

Page Two

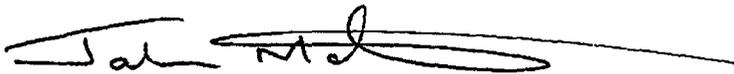
and Geothermal Resources (DOGGR). Upon receiving the NOD FM O&G promptly supplied Mr. Mike Toland with background documentation validating that C&C Operators, not FM O&G, is the operator of record and owner of the impoundments in question. After a review of the information provided by FM O&G, Mr. Toland confirmed our contention and the NOD was rescinded and reissued to C&C Operators. FM O&G recently engaged in legal communications with C&C Operators demanding they address their regulatory responsibilities related to the impoundments to avoid any future regulatory confusion.

Attached to this letter are several exhibits which support FM O&G's request for prompt rescission of the NOV:

- 1) Report of Property Transfer and Bill of Sale between PXP (FM O&G predecessor in interest) and C&C Operators from 2011
- 2) NOD issued by DOGGR to C&C Operators dated 10/9/14
- 3) Letter from FM O&G outside counsel dated 2/5/15 to C&C outside counsel
- 4) 3/27/15 letter from FM O&G to RWQCB initially notifying your office of C&C's interest in the impoundments

FM O&G takes our regulatory and public reputation seriously which is why we are requesting your office take immediate action to rescind the improperly issued NOV. Thank you in advance for your assistance with this matter. We stand ready to meet with you and your staff to provide any additional information you may require to resolve this issue.

Sincerely,



John Martini  
Manager, EH&S and Government Affairs  
Freeport-McMoRan Oil & Gas

Attachments: (4)

CC: Ms. Pamela Creedon, Executive Officer, CVRWQCB  
Mr. Dane Johnson, CVRWQCB  
Mr. Mike Toland, Division of Oil, Gas, & Geothermal Resources District 4  
Mr. Terry Collier, Assistant General Counsel, FM O&G  
Mr. Steve Rusch, Vice President, FM O&G



**FREPORT-McMoRAN  
OIL & GAS**

Freeport-McMoRan Oil & Gas  
1200 Discovery Dr., Suite 500  
Bakersfield, CA 93309

Telephone: 661-322-7600

April 14, 2015

Mr. Clay Rodgers  
Assistant Executive Officer  
Central Valley Regional Water Quality Control Board  
1685 E Street  
Fresno, CA 93706

RE: Response to Section 13267 Order Dated 4/1/15

**Via Email – Hard Copy to Follow by Mail**

Dear Mr. Rodgers:

Freeport-McMoRan Oil & Gas (FM O&G) received the Section 13267 Order dated April 1, 2015 related to FM O&G's alleged ownership and control of 2 produced water ponds at Hopkins Lease at the South Belridge Oil Field and 3 produced water ponds at Nacirema Fee lease at the Cymric Oil Field. Among other things the Order requires FM O&G to prepare a technical report related to the listed ponds by June 15, 2015.

Please consider this letter formal notice of our request that the Order be revised to remove any reference to or obligations related to the 3 produced water ponds located on the Nacirema Fee lease located at the Cymric Oil Field. This request is based on the information contained in our correspondence to your office dated April 10, 2015 validating that we do not own or have responsibility for the surface impoundments in question. Accordingly, the Order must be revised to eliminate any reference to those facilities or reporting obligations on the part of FM O&G.

Furthermore, the Order requires us to notify your office by April 15, 2015 if we "cannot collect the required samples" from the listed impoundments. **Please consider this letter formal notice of our inability to collect any samples from the 2 impoundments located at the Hopkins Lease at the South Belridge Field.**

Our inability to collect samples from these impoundments is attributable to the fact that the impoundments are currently buried under a large stockpile of soil and are inaccessible. The presence of the stockpile of soil was documented in a Notice of Violation (NOV) our office received dated April 1, 2015 related to a rain water sample your field inspection staff collected on 2/27/15 at the Hopkins lease. The NOV states that "Staff was unable to locate the wastewater disposal pond identified by DOGGR", providing further validation of our contention that the location is inaccessible for purposes of collecting a sample.

Attached to this letter are several exhibits relating to our request for prompt revision of the Section 13267 Order dated April 1, 2015 and validating our inability to collect any samples at the Hopkins Lease impoundments:

Mr. Clay Rodgers

RE: Response to Section 13267 Order Issued to FM O&G Dated 4/1/15

April 14, 2015

Page Two

- 1) Copy of Section 13267 Order received by FM O&G dated April 1, 2015
- 2) FM O&G Letter dated April 10, 2015 requesting rescission of NOV for FM O&G Nacriema Lease
- 3) Copy of NOV for FM O&G Hopkins Lease at South Belridge Field with pertinent passages highlighted

Thank you in advance for your attention to these matters. We stand ready to meet with you and your staff to provide any additional information you may require to resolve these issues.

Sincerely,

A handwritten signature in black ink, appearing to read "John Martini". The signature is fluid and cursive, with a prominent loop at the end.

John Martini  
Manager, EH&S and Government Affairs  
Freeport-McMoRan Oil & Gas

Attachments: (3)

CC: Ms. Pamela Creedon, Executive Officer, CVRWQCB  
Mr. Dane Johnson, CVRWQCB  
Mr. Mike Toland, Division of Oil, Gas, & Geothermal Resources District 4