From: Sullivan, Tim

Sent: Wednesday, October 16, 2019 08:56 PM

To: Chapman, Apple; Fried, Gregory; Hoyt, Daniel; Williams, Christopher

CC: Sullivan, Tim

Subject: FW: EPA Oil and Gas New Owner Audit Program

Please see Murphy's response below.

Timothy J. Sullivan

Air Enforcement Division

Office of Civil Enforcement

Office of Enforcement and Compliance Assurance

U.S. Environmental Protection Agency

1595 Wynkoop Street (MC 8MSU)

Denver, Colorado 80202

Phone: 303.312.6196 | Email: sullivan.tim@epa.gov

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From: Ron Berglund <Ron_Berglund@murphyoilcorp.com>

Sent: Wednesday, October 16, 2019 1:29 PM

To: Sullivan, Tim <Sullivan.Tim@epa.gov>

Subject: EPA Oil and Gas New Owner Audit Program

Tim,

I saw your recent voice message. As you might expect, I have encountered some difficulties in getting this effort rolling. I have not provided you a status update before now, for what will appear to be obvious reasons.

However, as we are nearing the end of the year when a status report for the Title V program is required and nearing the deadline where we need to get this effort initiated, I am hoping to get this moving and completed in time to meet these deadlines.

While no real excuse for my tardiness, the following are the issues I have wrestled with in getting this project moving forward.

Legal Support - I have gotten minimal interest from our in-house legal staff, who were occupied with recent mergers, acquisitions and bond issues.

Recent Audit - last year we completed a TCEQ audit of most of our operations in Eagle Ford field, with support by outside counsel. The cost of the outside support was significantly higher than expected. This was my reason for looking at internal legal support. I have not found a champion who want to authorize the outside counsel. This being said, I believe that the Title V deviation report deadline may get this going, nevertheless the legal aspects of this audit is a problem.

TCEQ concerns. As happened in your case, my preliminary discussions with TCEQ indicate that they are reluctant to accept our audit as being for a new owner/operator as we were a previous owner and our ownership did not change. We want their buyoff when going forward, which, of course, will require another series of discussions with them

Contractual Issues - The prior operator of the relevant site is still operating well sites and another facility in half of this field, of which we are a minority partner. They are also sending gas from some of their facilities to this site. The prior operator thinks they have operated the facility fully in compliance with their permits. Our contracts staff had not been eager to "Throw them under the bus" when we initiate this effort, and, therefore, have not given us much support. They think we can begin to operate the facility as we believe it should be operated and ignore prior compliance issues

Consultants capable of addressing vent header issues - As I noted in a prior call, in Texas we seem to have a lack of companies who can demonstrate that they can handle the NSPS OOOOa compliance review. Texas companies have referred us to Colorado, but they seem reluctant to commit to such an activity in south Texas without extra incentives. I was working on expanding the effort to other locations, but we have had few that are under the NSPS OOOOa program, though many would come into play if the latest technical revision that includes a new interpretation of a 'Modification'.

It goes without saying that I am disappointed not to have this activity well underway if not completed, but I am scheduled to meet with our Land Manager (Contracts) next week to discuss the approach.

Ron

Ron Berglund, P.E.

Lead - Air and Environmental Compliance

USA Operations - Onshore

Murphy Exploration and Production Company

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Stand Together for Safetyai

From: Sullivan, Tim <Sullivan.Tim@epa.gov>

Sent: Wednesday, October 16, 2019 1:37 PM

To: Ron Berglund <Ron_Berglund@murphyoilcorp.com>

Cc: Chapman, Apple <Chapman.Apple@epa.gov>; Fried, Gregory <Fried.Gregory@epa.gov>; Williams, Christopher <Williams.Christopher@epa.gov>; Hoyt, Daniel <Hoyt.Daniel@epa.gov>; Sullivan, Tim <Sullivan.Tim@epa.gov>

Subject: [EXTERNAL] EPA Oil and Gas New Owner Audit Program

CAUTION: This email originated from outside of Murphy Oil. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Ron:

I write to follow up on my recent voicemail. We have not heard from Murphy Oil for over two months about whether or not it intends to proceed with an audit under the EPA's Oil and Gas New Owner Audit Program. Given this passage of time, we are interpreting Murphy's silence as an indication that it is no longer interested in proceeding under the New Owner Audit Program. Please contact us should you have any questions regarding this matter.

Thanks -

Tim

Timothy J. Sullivan

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From: Sullivan, Tim <Sullivan.Tim@epa.gov>

Sent: Thursday, September 26, 2019 4:15 PM

To: Ron Berglund <Ron_Berglund@murphyoilcorp.com>

Cc: Williams, Christopher <Williams.Christopher@epa.gov>; Sullivan, Tim <Sullivan.Tim@epa.gov>

Subject: RE: Storage Tank and Vapor Control System Information

Hi, Ron.

We write to confirm whether Murphy intends to proceed with an audit under the EPA's Oil and Gas New Owner Audit Program. It is fine if Murphy has decided that it is not going to proceed with an audit under the Program. But, we would appreciate confirmation regarding Murphy's deicision. Please advise, and please contact us should you have any questions.

Thanks -

Tim

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From: Sullivan, Tim <Sullivan.Tim@epa.gov>

Sent: Thursday, September 5, 2019 11:53 AM

To: Ron Berglund <Ron_Berglund@murphyoilcorp.com>

Cc: Williams, Christopher <Williams.Christopher@epa.gov>; Sullivan, Tim <Sullivan.Tim@epa.gov>

Subject: RE: Storage Tank and Vapor Control System Information

Hi, Ron.

We have not heard back from you in a while and we wanted to check in to see if you had any questions or any updates on timing for when Murphy might be in a position to finalize the Agreement.

Thanks -

Tim

Timothy J. Sullivan

Air Enforcement Division

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From: Sullivan, Tim <Sullivan.Tim@epa.gov>

Sent: Wednesday, August 21, 2019 11:52 AM

To: Ron Berglund <Ron_Berglund@murphyoilcorp.com>

Cc: Williams, Christopher <Williams.Christopher@epa.gov>; Sullivan, Tim <Sullivan.Tim@epa.gov>

Subject: RE: Storage Tank and Vapor Control System Information

Hi, Ron.

We write to check in to see where Murphy is with reviewing the proposed Agreement. Our management is asking about the anticipated timeline for finalizing the Agreement. Thanks in advance for your response, and please contact us should you or any of your colleagues have questions about the Agreement and the audit that you would like to

discuss further with us.

Tim

Timothy J. Sullivan

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From: Sullivan, Tim <Sullivan.Tim@epa.gov>

Sent: Thursday, August 1, 2019 2:54 PM

To: Ron Berglund <Ron_Berglund@murphyoilcorp.com>

Cc: Williams, Christopher <Williams.Christopher@epa.gov>; Sullivan, Tim <Sullivan.Tim@epa.gov>

Subject: Storage Tank and Vapor Control System Information

Ron:

Thank you for taking time to speak with us today.

The hyperlinks below contain information on storage tanks that you referenced during our discussion:

Colorado Storage Tank and Vapor Control System Guidelines webpage; and

Noble's EPA-DOJ-Colorado settlement webpage (we believe that you were referring to the End of Phase Reports which are linked on the settlement webpage).

We look forward to our next discussion. In the meantime, please contact us with any questions.

Thanks again -

Tim

Timothy J. Sullivan

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