Message

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Sent: 2/19/2021 10:38:17 PM
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Subject: EPA Permits and Timing Issues
Attachments: Circle Ridge - Permit Transfers (Urgent)

Dear Council Members,

Based on my discussions with Carl Wimberly earlier today, I understand the Tribes intend to present a response or transition proposal for the Circle Ridge field to Merit this evening or tomorrow morning. We look forward to receiving the response. I want to explain again the urgency of resolving any transition details sooner rather than later. As we have previously shared with all of you, we are quickly approaching the March 18th deadline set forth in the Arbitration Award for Merit to vacate the Circle Ridge field. Of particular concern is the transfer or termination of the EPA-issued permits. If the Tribes intend to have the EPA-issued permits transferred, the Tribes and Merit will need to submit a transfer request and sign the agreement that Merit previously provided to the Tribes on February 9, which is reattached hereto. Alternatively, if Merit is forced to continue down the path of terminating these permits, Merit will be required to cease all discharge and injection activities at the field prior to its departure, which means that Merit would be required to *shut-in operations*. Because the shut in process takes time – Merit would need to begin to shut-in operations by March 1st in order to be in a position of compliance when it departs on March 18th. If/when the shut process begins, it is virtually impossible to reverse course without prolonged impact to field operations and production.

As indicated, we look forward to receiving your response, but as part of that we strongly encourage the Tribes to consider the permit transfer request and agreement that Merit previously provided in order to avoid any adverse consequences of these permits terminating with Merit's departure.

Sincerely,

Chad Brister
Vice President