

May 15, 2020

Kevin Hendricks Denbury Onshore, LLC 5320 Legacy Drive Plano, TX 75024

RE: Compliance plan extension for Administrative Order on Consent (Consent Order), Docket No. AQ-18-06 (FID 2591)

Dear Mr. Hendricks:

The Department of Environmental Quality (Department) received a Quarterly Progress Report (QPR) from Denbury Onshore, LLC (Denbury) on March 31, 2020. The QPR described construction progress and includes a request to extend the June 30, 2020 compliance deadline in the Consent Decree.

The March 31, 2020 request involves three separate reasons for the extension request to March 31, 2021. The primary request is a force majeure delay due to the ongoing COVID-19 pandemic, including social distancing, travel restrictions, food and lodging concerns. The request also described anticipated contractor delays due to lack of available workforce in late summer, which is also connected to COVID-19, and seasonal delays with the onset of winter.

While the Department understands the challenges created by COVID-19, the requested extension to March 31, 2021 would be fifteen months beyond the original compliance deadline of December 31, 2019.

The Department agrees to a 6-month extension to December 31, 2020, based on our understanding of the current force majeure delays caused by COVID-19, including social distancing, travel restrictions, food and lodging, and subsequent contractor delays. If seasonal or other delays do affect your ability to meet the December 31, 2020 compliance date, please contact us and request an extension. We will review and determine if an extension is warranted based on the status of COVID-19, and an adequate showing that Denbury has made all reasonable attempts to expedite the supplies and contractors required to complete the work.

Failure to meet the December 31, 2020 deadline, which will be incorporated in the Consent Order, may result in the Department taking additional enforcement action including the right to seek injunctive relief, additional civil penalties, and other available relief. The violations listed in the Consent Order will be ongoing until final compliance is achieved.

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If you have any questions, please feel free to contact me at jrasmann@mt.gov.

Sincerely,

John Rasmann

Environmental Enforcement Specialist

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cc via email: Norm Mullen, DEQ Legal

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