

BPF, Inc.
1555 Valwood Parkway
Suite 100
Carrollton, TX 75006

March 27, 1996

Ms. Leslie Cone
District Manager
Bureau of Land Management
1717 West 2nd Street
Roswell, New Mexico 88201-2019

Dear Ms. Cone:

Last fall, on October 11, 1995, Mr. Ed Wheeler and I met with Mr. Timothy O'Brien and Mr. Al Collar of the Carlsbad Resource Area, regarding our project with Conoco Inc. and the US Department of Energy (DOE). Briefly, BPF, Inc. has entered into a contract with the DOE to develop and test a new technology for the safe treatment and disposal of Naturally Occurring Radioactive Material (NORM) generated by oil and gas production activities. This contract covers a three-year period which began in October, 1995, and includes bench-scale and pilot-scale demonstration of the proposed technology. Three oilfield leases have been proposed for demonstration sites. Two of these leases are in New Mexico, one in Lea County and one in Eddy County, and both are under jurisdiction of the Bureau of Land Management, administered by your office.

During our October, 1995 visit with Messrs. O'Brien and Collar, we explained that the DOE requires our project to be reviewed under their regulations (10 CFR 1021) prescribed for compliance with the National Environmental Policy Act (NEPA). Contractually, the DOE has specified that separate NEPA reviews be conducted for bench-scale and pilot-scale testing.

BPF's responsibilities for NEPA review include preparation of an "Environmental Information Volume," (EIV) describing the affected environment, the proposed action, and the environmental impacts expected to result from conducting the proposed action. In order to prepare the EIV for the DOE, we first contacted your staff by phone and then met, as indicated, on October 11, for the purpose of identifying surface and subsurface ownership of the two New Mexico test sites, discussion of BLM's potential concerns, and determination of relevant environmental considerations. Messrs. O'Brien and Collar indicated they would conduct further review into the existence of unit Basic Sediment and Waste (BS&W) plans and lease boundary questions, and then get back in contact with us. Mr. Collar also requested that we provide a copy of our EIV to the BLM for review. Accordingly, I have enclosed a copy of the *Final Environmental Information Volume* for bench scale testing with this letter.

I spoke with Mr. Collar yesterday, and advised him that the DOE has conducted a NEPA review based on the enclosed EIV, and issued a "Categorical Exclusion" (CX) for the bench-scale portion of the project. Mr. Collar requested a copy of the DOE CX, which I

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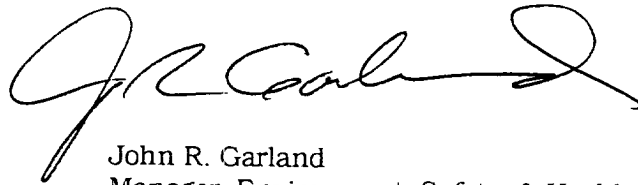
Ms. Leslie Cone, March 27, 1996
page 2

have also enclosed, along with copies of correspondence received from the Railroad Commission of Texas and the New Mexico Energy, Minerals, & Natural Resources Department (Oil Conservation Division) concerning our project.

It is my understanding that we need authorization from your office to proceed with bench-scale testing, due to the United States having title to the surface and subsurface rights on one site, and title to the subsurface mineral rights on the other site. Therefore, I respectfully request approval for BPF, Inc. to conduct the proposed bench-scale testing, as described in the enclosed EIV under "Proposed Action," on the New Mexico Federal Unit Britt Battery B Site in Lea County, New Mexico; and on the Dagger Draw/King Site in Eddy County, New Mexico; operated by Conoco Inc.

If you have any questions, please contact me at (Tel.) 214-247-5928 or (Fax) 214-241-4474. We look forward to working with you and your staff on this new technology demonstration project. Thank you.

Sincerely,



John R. Garland
Manager, Environment, Safety, & Health

Enclosures (4)

Final Environmental Information Volume (FEIV)
Categorical Exclusion, prepared by DOE (dated 2/22/96)
Copy of correspondence from Texas Railroad Commission (dated 1/29/96)
Copy of correspondence from New Mexico Oil Conservation Division (dated 3/8/96)

cc: Mr. Richard Manus, BLM, Carlsbad Resource Area Manager w/out FEIV
Al Collar, BLM w/out FEIV
John Ford, DOE w/out FEIV
D. Capone w/out FEIV
M. Robinson w/out FEIV
File w/out FEIV