

AP - 51

**GENERAL
CORRESPONDENCE**

2011



New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

John H. Bemis

Cabinet Secretary-Designee

Brett F. Woods, Ph.D.

Deputy Cabinet Secretary

Jami Bailey

Division Director

Oil Conservation Division



November 8, 2011

Dennis Riding

Maverik Country Stores, Inc.

800 West Center Street

North Salt Lake, Utah 84054-2913

SENT VIA EMAIL

RE: Stage 2 Abatement Plan and Further Off-Site Investigation at the Former Caribou Refinery (AP-51) in Unit A of Section 17, Township 29 North, Range 14 West NMPM; Kirtland, New Mexico

Mr. Riding,

The Oil Conservation Division (OCD) appreciates you meeting with our staff in Santa Fe last week. As a result of that meeting, OCD approves your Stage 1 abatement plan report dated June 27, 2006. Per New Mexico Water Quality Control Commission Regulations, your firm must now submit a Stage 2 abatement plan to the OCD no later than March 8, 2012. The abatement plan should present specific corrective actions to clean groundwater and the vadose zone polluted by releases from the refinery. The plan must also include proposals for public notice.

In addition, you must also present to the OCD an investigation plan no later than January 7, 2012 proposing procedures to fully delineate soil and groundwater contamination in areas beyond the existing slurry wall including observed free-phase hydrocarbon contamination.

Furthermore, groundwater monitoring planned for this month must be completed as previously scheduled. To OCD's knowledge, the last sampling event occurred a year ago and continuity of information needs to be maintained for purposes of both remedial performance and off-site impact.

Contact Jim Griswold with any questions at (505) 476-3465 or by email at jim.griswold@state.nm.us. Please print a copy of this letter for your files as no hardcopy will be sent.

Respectfully,

Daniel J. Sanchez

Compliance & Enforcement Manager

cc: Brandon Powell, OCD District III Office, Aztec
Jason Jayroe, AECOM





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July 27, 2011

Dennis Riding

Maverik Country Stores, Inc.

800 West Center Street

North Salt Lake, Utah 84054-2913

SENT VIA CERTIFIED MAIL: 7002 3150 0005 2327 4713

RE: Reclamation Efforts at the Former Caribou Refinery (AP-51) in Unit A of Section 17, Township 29 North, Range 14 West NMPM; Kirtland, New Mexico

Mr. Riding,

Per a request from our District III office in Aztec, the Oil Conservation Division (OCD) has reviewed the available files regarding the former Caribou Refinery in Kirtland (Abatement Plan AP-51). To summarize that review:

The refinery began operation in 1963. Investigation of releases from the refinery which impacted soils, surface water, and groundwater began in 1985. Significant contamination, including hydrocarbon floating atop the groundwater, was found beneath the refinery and offsite. Maverik had nearby homeowners connected to the municipal water supply and during 1989 installed a pipe to protect irrigation flows in an adjacent ditch. An intercepting trench was constructed to gather product which was later abandoned. In 1990, a slurry wall was installed on a portion of your property to impede further migration of pollution. Approximately 1,500 cubic yards of contaminated soil and sludge were excavated for offsite disposal. Hundreds of thousands of gallons of fresh water amended with nutrients were discharged at the surface between 1993 and 1996 in an effort to remediate remaining contamination.

For the past 15 years Maverik has only been monitoring the groundwater on a semi-annual then annual basis. The associated monitoring reports have tended to arrive for OCD review about one year after the field data is gathered.

The most recent report was prepared by AECOM dated October 1, 2010. The report discusses sampling undertaken in November of 2009. Groundwater contamination continued to be observed in multiple wells. Depressed levels of dissolved oxygen were also observed. The report states,

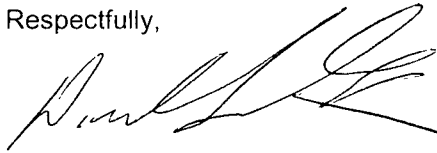
"As requested by New Mexico Energy, Minerals and Natural Resources Department, AECOM sampled one private well on Mr. Roland Jackson's property. This sample was analyzed for VOC's in groundwater. Results from this sample can be found on Table 2 and Figure 3 respectively. In our Stage I Investigation Report date June 2006, we concluded that there were no downgradient impacts from the former Caribou Refinery operations, and that no further sampling of downgradient wells was warranted. The 2009 results including the result from Mr. Jackson's private well do not support any different conclusion than we reached in the June 2006 report."



In reviewing the June 2006 report prepared by The RETEC Group, it appears this conclusion was reached based upon extremely minor amounts (estimated by the laboratory at concentrations of approximately 0.25 parts per billion and more than an order of magnitude less than the lab's nominal reporting limit of 5 parts per billion) of methyl tertiary-butyl ether detected in two samples from another property six to seven hundred feet west of the refinery and northwest of Mr. Jackson. Contrary to AECOM's statement regarding offsite impacts, dissolved toluene, ethylbenzene, xylenes, naphthalene, and trimethylbenzenes were detected in the Jackson well during the 2009 sampling. Furthermore, the stated laboratory detection limit of 20 parts per billion for benzene from this sample was in excess of the regulatory standard of 10 parts per billion. Groundwater samples were not gathered from the two nearest monitoring wells (MW-7 and MW-4). In June of 2008, OCD personnel measured more than one inch of product floating on groundwater from a well on the Jackson property.

Please contact me as soon as possible at (505) 476-3493 to schedule a meeting at OCD's offices in Santa Fe to discuss this unfortunate situation. If you do not contact me within the next 10 days, it may be necessary to set this matter for a formal hearing.

Respectfully,

A handwritten signature in black ink, appearing to read "Daniel J. Sanchez", with a long horizontal line extending from the end of the signature.

Daniel J. Sanchez
Compliance & Enforcement Manager

cc: Charlie Perrin and Brandon Powell, OCD District III Office, Aztec
Jason Jayroe, AECOM