

HUNGRY HORSE LLC
ENVIRONMENTAL SERVICES

Dirt Work * On-Site Remediation * Soil Testing * Excavation

29Oct08

TO: Sherry Banham,
NM OCD DIST II
REFERENCE: Remediation Work Plan

OPERATOR: OXY USA
LOCATION: Federal NEFF #3 Salt Water Disposal Flow line
API:
LEGALS: SEC. 25, T22S, R31E
GPS: N32 22.054 W103 44.162
DEPTH to GROUND WATER: >100' ft

General Site Characteristics: This a flow line release for on a line going to the Federal NEFF #3 Salt Water Disposal. The affected area consists of an area of pasture on each side, north and south, of the access road. The natural contour of the land helped contain this release to a minimal exposure.

Site ranking Score: 0 Depth to ground water is >100', distance to the nearest water source is >1000' and there are no domestic wells with in 200', there are no surface bodies of water within 1000'.

Soil Remediation Action Levels: As per OCD Guidance

Delineation: Delineation was conducted by use of heavy equipment and air rotary drill truck. Lab analytical results were previously submitted with the firs work plan proposal.

Sketch of Affected Area: previously submitted

Work Plan Proposal: The proposed work plan is to divide the affected area into two areas, north and south of the access road, and remediate as follows: South side-remove three feet of soil from the affected area and line with a 20mil welded seam liner, North side-remove five feet from the affected area and line with a 20mil welded seam liner. Both areas will be backfilled with like material that will be obtained from a local pit. Once backfilled, contouring and re-seeding of the areas will be done to BLM standards.

Notes/Comments:

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



October 30, 2008

OXY USA, Inc
Attn: Kelton Beard
PO Box 1988
Carlsbad, NM 88221-1988

Reference: NEFF Federal 003 30-015-28281
D-25-22S-31E Eddy County, New Mexico
2RP-205

Operator,

The New Mexico Oil Conservation Division District 2 Office (OCD) is in receipt of a remediation plan for the release of produced fluids occurring at the above referenced facility on or about July 30, 2008.

The plan is accepted with the following stipulations:

- Remediation requirements may be subject to change as site conditions warrant.
- A final Report C-141 is to be submitted to the OCD upon satisfactory completion of remediation project.
- Remediation to be completed on or before December 15, 2008.

Please be advised that NMOCD acceptance of this plan does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of this plan does not relieve the operator of responsibility for compliance with any other federal, state, local laws and/or regulations.

Respectfully,

A handwritten signature in black ink, appearing to read "SB", is written over a horizontal line.

Sherry Bonham
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cc: Vernon Black, Hungry Horse Environmental

