APPROVALS

NM1

YEAR(S):

2009

Hansen, Edward J., EMNRD

From:	Mike Griffin [Mikeg@vadose.us]
Sent:	Tuesday, August 04, 2009 12:13 PM
То:	Hansen, Edward J., EMNRD
Subject:	RE: Plugging plan due for Lane Salt Lake facility (NM1-1)

Good Afternoon, Mr. Hansen:

Sorry for the delay in getting this report out. We had computer techs crawling all over our IP system all morning & couldn't get to the computers.

We pulled the casing and plugged the three monitor wells at the Lane Salt Lake playa on June 6th & 10th by using a high lift jack to pull the approximately 3' of perforated casing installed below ground level. Once removed, we filled the holes with commercial "Hole Plug" referenced in the earlier photographs submitted to you. There was no need to hydrate the bentonite chips as they were already at or near the existing water level within the playa. The landowner, Mr. Carl Lane Johnson, was notified as to the closure and even assisted us in reaching the location.

Once removed, the short sections of perforated pipe were sent to commercial disposal.

From: Hansen, Edward J., EMNRD [mailto:edwardj.hansen@state.nm.us] Sent: Wednesday, July 29, 2009 1:43 PM To: Mike Griffin Subject: Plugging plan due for Lane Salt Lake facility (NM1-1)

Mike,

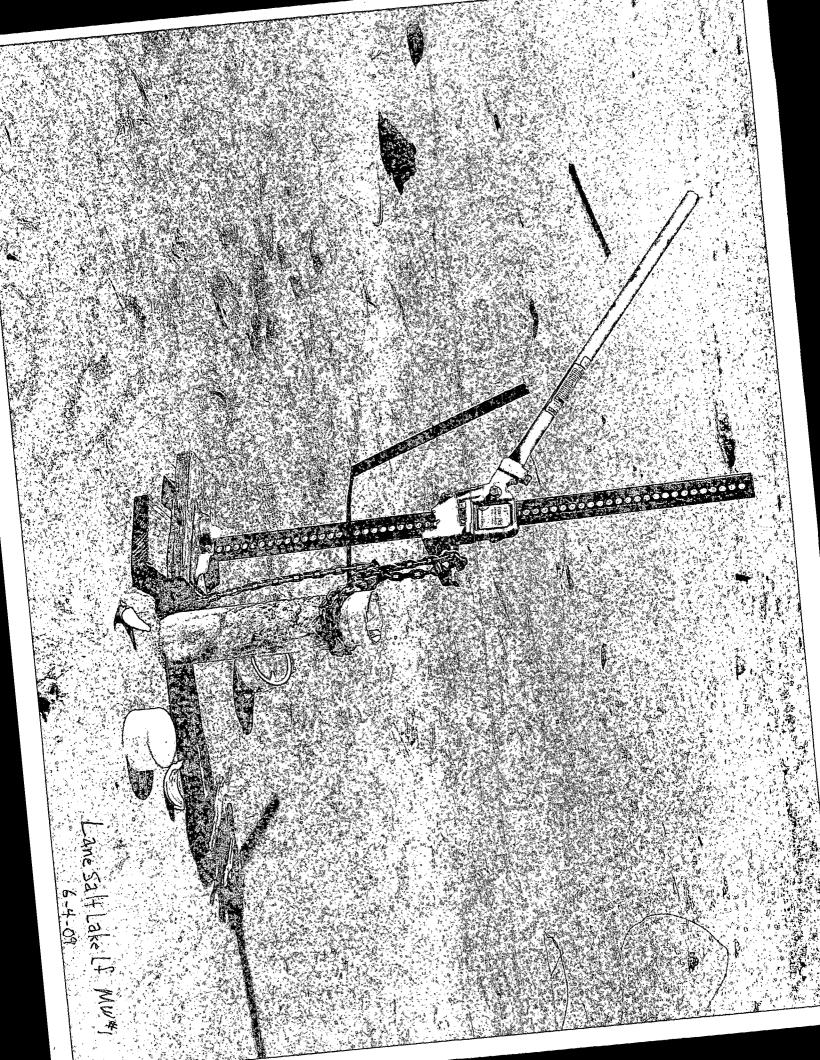
Just a reminder:

The plugging report is due for the Lane Salt Lake facility on **August 3rd**, **next Monday** – no need to send the photos – just a summary of when and how the monitoring wells were plugged. You can just email it to me (Please reference the OCD case #: **NM1-1**.) Then we can close the case. Thanks.

Edward J. Hansen Hydrologist Environmental Bureau 505-476-3489

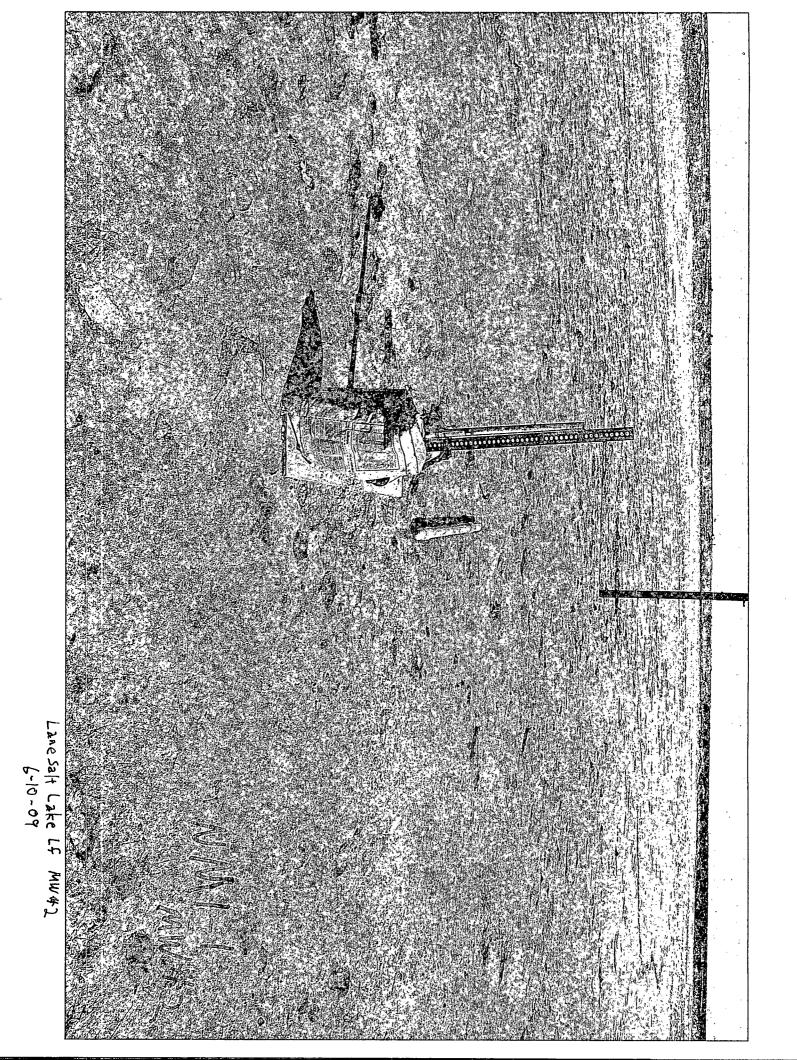
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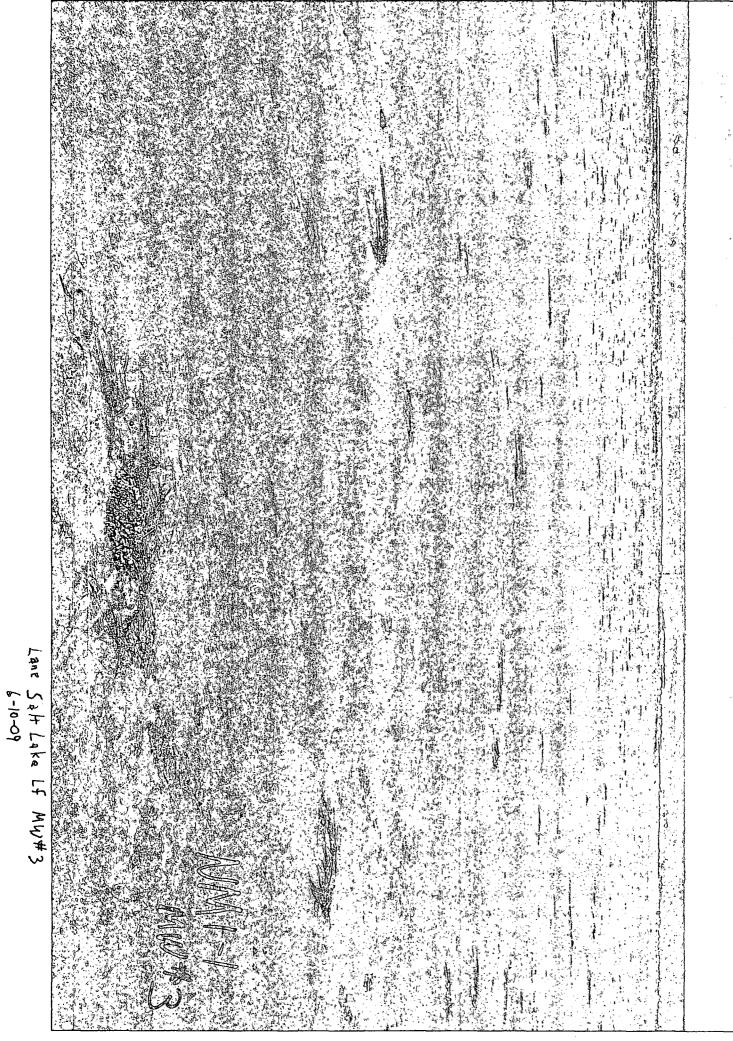
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Hansen, Edward J., EMNRD

From:	Hansen, Edward J., EMNRD
Sent:	Monday, June 01, 2009 11:35 AM
То:	'Mike Griffin'
Cc:	'Roy Rascone'; Elliot Werner
Subject:	RE: (NM1-1) Lane Salt Lake Monitor Wells

Dear Mr. Griffin:

The New Mexico Oil Conservation Division (OCD) has reviewed your request for extension of submittal of the plugging report for the above-referenced site (NM1-1). The OCD hereby approves the request for extension of the submittal of the plugging report until <u>Monday</u>, <u>August 3</u>, 2009.

Also, please be advised that OCD approval of this extension for submittal does not relieve the owner/operator of responsibility should operations pose a threat to ground water, surface water, human health or the environment. In addition, OCD approval does not relieve the owner/operator of responsibility for compliance with any OCD, federal, state, or local laws and/or regulations.

If you have questions regarding this matter, please contact me at 505-476-3489.

Edward J. Hansen Hydrologist Environmental Bureau

From: Mike Griffin [mailto:Mikeg@vadose.us] Sent: Monday, June 01, 2009 6:52 AM To: Hansen, Edward J., EMNRD Cc: 'Roy Rascone'; Elliot Werner Subject: RE: Lane Salt Lake Monitor Wells

Good Morning, Mr. Hansen: Attached, please find a formal request for an extension to plug the three monitor wells associated with the Lane Salt lake Pit Closure project.

From: Hansen, Edward J., EMNRD [mailto:edwardj.hansen@state.nm.us]
Sent: Friday, May 29, 2009 1:27 PM
To: Mike Griffin
Subject: RE: Lane Salt Lake Monitor Wells

Mike,

Sounds good.

Could you please send me a formal request for submittal extension of the groundwater monitoring wells plugging report – maybe another 14 days would be appropriate(?).

From: Mike Griffin [mailto:Mikeg@vadose.us] Sent: Friday, May 29, 2009 11:08 AM To: Hansen, Edward J., EMNRD Cc: 'Roy Rascone' Subject: Lane Salt Lake Monitor Wells

Good Morning, Mr. Hansen:

I just spoke to Roy Rascone on his way back from Lane Salt Lake. Roy tried to reach the three monitoring wells but due to the recent rains got stuck up to his knees in the mud at each location. The playa is a giant mud flat & is often inaccessible. We will try again next week.

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Whole Earth Environmental, Inc. 2103 Arbor Cove Katy, Tx. 77494 281.394.2050

June 1, 2009

NMOCD 1220 South St. Francis Dr. Santa Fe, NM 87505

whearth@msn.com

Ref: NM-1-1-0

Attn: Ed Hansen

Dear Mr. Hansen:

We've been trying to comply with the plugging requirement for three shallow monitor wells situated within the playa region adjacent to Lane Salt Lake for some time now. The playa area is essentially a half mile square mud flat thinly crusted in salt underlain by mud.

Because the monitor well locations were designed to be in the center of the playa they've always been rather problematical to sample and are proving even more difficult to remove. We've made several attempts this year to comply with the plugging requirement but have been mired in the mud (generally less than half the distance from the "shoreline" to the wells).

We are going to try another attempt at getting to the sites this week using improvised plywood snowshoes but are fearful of the safety issues associated with getting someone stranded. The alternative is to simply wait until the playa naturally dries out enough to support semi-solid footing.

We request a sixty day extension to comply with the plugging requirement.

Warmest personal regards,

Mike Griffin President Whole Earth Environmental, Inc. 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



March 31, 2009

Mike Griffin Whole Earth Environmental, Inc. 2103 Arbor Cove Katy, Texas 77484

RE: \$25,000 Surety Bond for Commercial Surface Waste Management Facility Lane Salt Lake Evaporation Facility: Permit NM-01-0001 Burro Pipeline Corporation (subsidiary of Whole Earth Env., Inc.), Principal Fidelity and Deposit Company of Maryland, Surety Location: Section 12, Township 10 South, Range 32 East, NMPM Lea County, New Mexico Surety Bond No. 04128218

Dear Mr. Griffin:

The New Mexico Oil Conservation Division approves the cancellation of the above-referenced financial assurance and releases Fidelity and Deposit Company of Maryland of any liability.

Should you have any questions, please feel free to call the undersigned at (505) 476-3450.

Very truly yours,

Ravil K. Burle

David K. Brooks Assistant General Counsel

DKB:ejh

Enclosure: Copy of Surety Bond No. 04128218

cc: Fidelity and Deposit Company of Maryland, P.O. Box 1227, Baltimore, MD 21203 IMA, Inc. (Bond Broker), P.O. Box 2992, Wichita, KS 67201-2992



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



March 25, 2009

Mr. Mike Griffin Whole Earth Environmental, Inc. 2103 Arbor Cove Katy, TX 77484

Ref: OCD Permit # NM-1-1-0 BURRO PIPELINE/LANE SALT LAKE Case # 3570, 3607, 3663 and Order # R-3238-A, B, C.

Dear Mr. Griffin:

OCD understands that the "BURRO PIPELINE/LANE SALT LAKE" salt water disposal project originally permitted under Order R-3238, and subsequently amended and permitted under the OCD surface waste management rules (permit # NM-1-01) is currently owned by Burro Pipeline which is a wholly owned subsidiary of Whole Earth Environmental, Inc. OCD is in receipt of your closure request for this facility dated October 16, 2008 and subsequent information provided more recently, *hereby approves of your closure request and release of Bond No. 04128218 with the following conditions:*

Within 60 days provide written and photo documentation of plugging of the three monitor wells located in the lake bed.

OCD's determination for closure:

The history of this site is more or less as follows. The site was originally permitted under order R-3238 in 1967 to allow disposal of produced water into a playa called Lane Salt Lake. The site consisted of an incoming produced water pipeline that was connected to various oil and gas production well tank batteries. The operation consisted of tanks and series of pits to settle out solids and oil. The system operated up until sometime in 1995 and was shutdown. A closure plan was submitted to OCD for approval. The closure consisted of removing heavy BS&W from the tanks and pits and was hauled to an approved OCD site. The remaining activities consisted of aggressive soil aeration, compost, and blending with clean soil and reseeding with natural salt tolerant grasses found in the area. As pointed out in the file reports, it was known at that time that other unpermitted discharges were known to take place in the playa lake. After Order R-3221 "prohibition of produced waters in certain areas" requiring these March 25, 2009 Page 2

types of discharges to be permitted in the future. Thus, R-3238 appears to have been the only facility permitted on the lake after R-3221.

The original site had three monitor wells located in the vicinity of the playa lake for the monitoring of local groundwater. OCD approved closure of these wells in 1995 as no contaminants were found to exceed the groundwater standards. In addition, OCD required that a windmill located in proximity of the site be sampled.

In 1998 OCD required additional monitor wells for site sampling near the inlet (outlet of the site) of the lake. Water level in this area was found a couple of feet below the lake bed. The water is highly saline as expected but did contained some volatile organics. From this point in time the monitoring reports have show a general increase in quality and for the most part and now meet the groundwater standards after several years of natural attenuation and monitoring.

OCD bases this closure approval on the fact that the most heavily contaminated material i.e. BS&W was removed from the site, the remaining contaminants was remediated on site to OCD's guidelines, and the nature salt tolerant grasses have began to be re-established. The Ogallala groundwater in the area does not appeared to have been impacted as of to date, and the fact that the geology underlying the site is the same as under the playa lake. The area now has the potential to be fully restored as a natural part of the landscape depending upon rainfall.

Therefore, as stated above, once Whole Earth provides documentation of the monitor well closure, OCD will close the permit file with no further action and release the bond.

Please be advised that approval of this plan does not relieve the owner/operator of responsibility should operations result in pollution of surface water, ground water or the environment. Nor does approval of the permit relieve the owner/operator of its responsibility to comply with any other applicable governmental authority's rules and regulations.

If you have any questions please so not hesitate to call Ed Hansen at 505-476-3489 or E-mail edwardj.hansen@state.nm.us.

Sincerely Yours,

Wayne Price Environmental Bureau Chief

Cc: OCD Hobbs Office NMSLO-Santa Fe Office Carl Lane Johnson-Ranch Owner

From:	Mike Griffin [MikeG@vadose.us]
Sent:	Tuesday, March 24, 2009 9:12 AM
To:	Price, Wayne, EMNRD
Cc:	Elliot Werner
Subject:	Lane Salt Lake
Attachments:	DSCN0494.JPG; DSCN0491.JPG; DSCN0492.JPG; LSL Final Report.doc; Lane Salt Lake Playa Analyticals.pdf

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Good Morning, Wayne:

Attached, please find a copy of the original final closure request, lab. analyticals, (witnessed by Jeff in your Hobbs office), and some photos of the remediated area taken some four years ago showing vegetative cover. Unfortunately, the photos were taken in February so the cover is rather sparse.

I spoke to Carl Lane Johnson a couple of months ago & he indicated that the remediated area is about the most productive acreage in his spread. If you wish, I can have Roy drive out there tonight to get new photos.

This inbound email has been scanned by the MessageLabs Email Security System.

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Whole Earth Environmental, Inc. 2103 Arbor Cove

Katy, Tx. 77494 281.394.2050 whearth@msn.com

October 16, 2008

NMOCD 1220 South St. Frances Dr. Sante Fe, NM 87505

Ref: NM-1-1-0

Attn: Wayne Price

Dear Mr. Price:

After thirteen years of working the site, I'm delighted to forward you the latest laboratory analytical results for the playa area monitor wells associated with the Tipperary Corporation's Lane Salt Lake closure project. The sampling was witnessed by Mr. Geoffrey Leking of your Hobbs District.

We request final closure of the project and a release from the associated bonding requirement.

Thank you in advance.

Warmest personal regards,

Mike Griffin President Whole Earth Environmental, Inc.



ANALYTICAL RESULTS FOR WHOLE EARTH ENVIRONMENTAL, INC. ATTN: ROY R. RASCON 2103 ARBOR COVE KATY, TX 77494 FAX TO: (281) 394-2051

Receiving Date: 10/06/08 Reporting Date: 10/09/08 Project Owner: NOT GIVEN Project Name: LANE SALT LAKE Project Location: CARL L. JOHNSON, TATUM, NM

Sampling Date: 10/06/08 Sample Type: GROUNDWATER Sample Condition: COOL & INTACT Sample Received By: ML Analyzed By: ZL

			ETHYL	TOTAL
	BENZENE	TOLUENE	BENZENE	XYLENES
LAB NUMBI SAMPLE ID	(mg/L)	(mg/L)	(mg/L)	(mg/L)
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ANALYSIS DATE	10/09/08	10/09/08	10/09/08	10/09/08
H16054-1 MW #1	0.003	<0.001	<0.001	< 0.003
H16054-2 MW #2	<0.001	<0.001	<0.001	<0.003
H16054-3 MW #3	<0.001	<0.001	<0.001	< 0.003
Quality Control	0.044	0.049	0.049	0.151
True Value QC	0.050	0.050	0.050	0.150
% Recovery	88.0	98.0	98.0	101
Relative Percent Difference	4.3	7.7	9.1	8.4

METHOD: EPA SW-846 8021

TEXAS NELAP CERTIFICATION T104704398-08-TX FOR BENZENE, TOLUENE, ETHYL BENZENE, AND TOTAL XYLENES.

Chemist

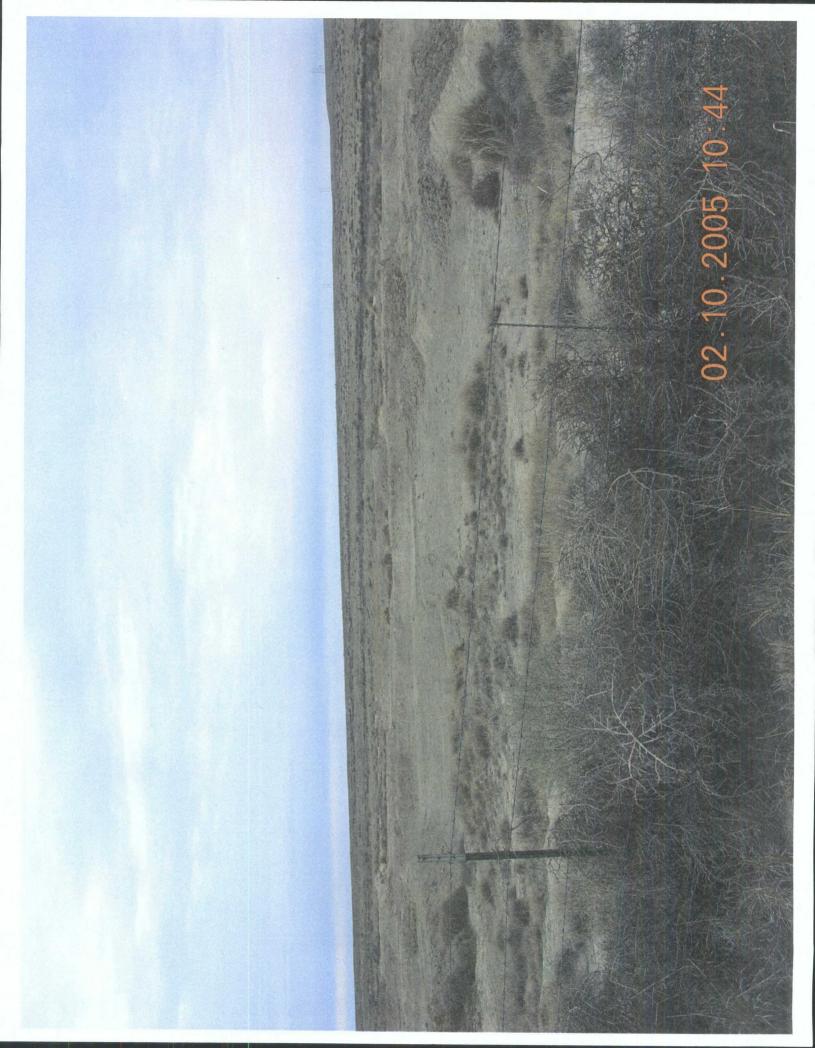
10/101

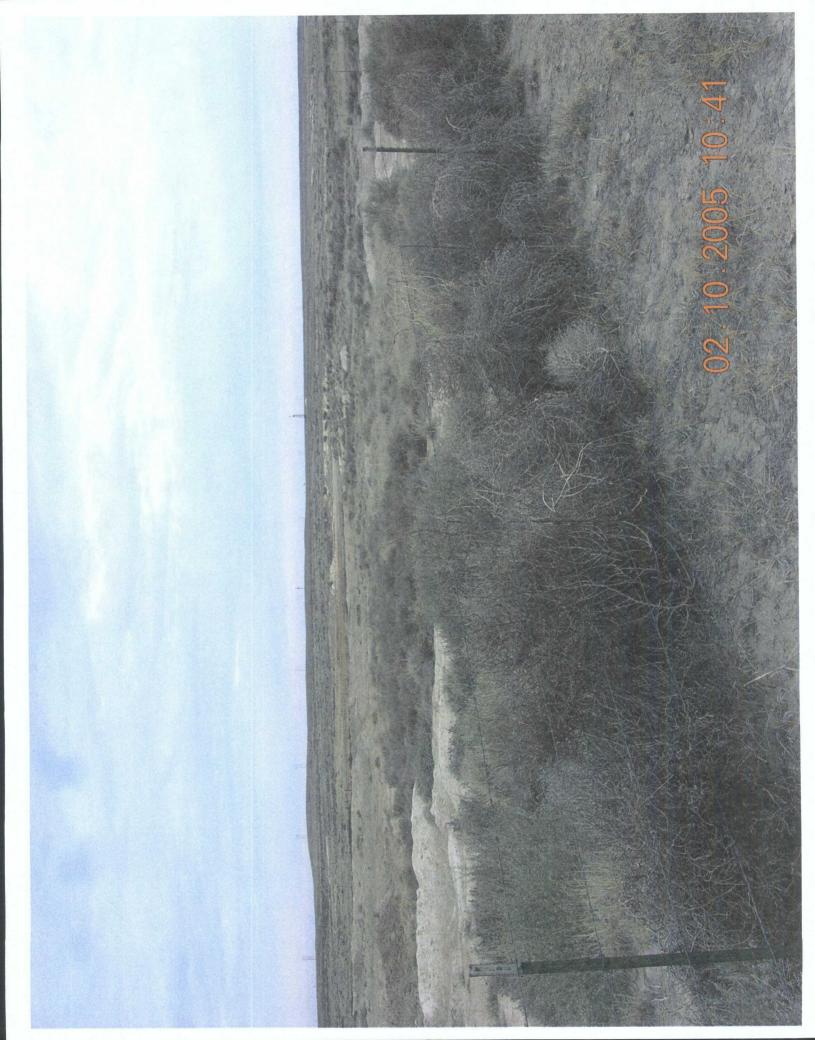
PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or torn, shall be limited to the amount paid by client for analyses. All claims, line of the provide the provi

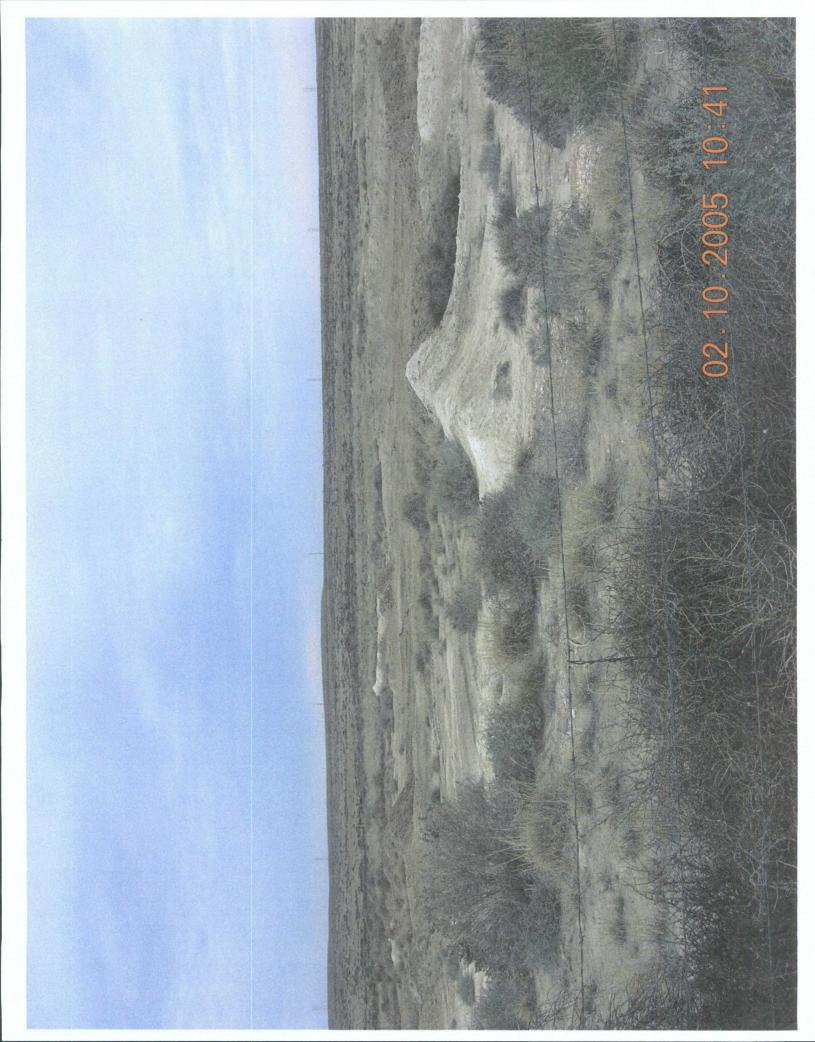
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Project #:	4	Project Owner:	City:	
Project Name:	LANE SALL LA	LAKE	State: Zip:	
Project Location:	CARL LI	Johnson, TAtum, NM	Phone #:	
6	Roy R. RASCON		Fax #:	
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† Cardinal cannot accept verbal changes. Please fax written changes to 575-393-2476.

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From: Sent: To: Subject: Mike Griffin [MikeG@vadose.us] Tuesday, March 24, 2009 9:50 AM Price, Wayne, EMNRD RE: Lane Salt Lake

Roy is breaking off his job in Jal & will head up to LSL right away. I should have photos to you today.

From: Price, Wayne, EMNRD [mailto:wayne.price@state.nm.us]
Sent: Tuesday, March 24, 2009 10:26 AM
To: Mike Griffin
Cc: Elliot Werner
Subject: RE: Lane Salt Lake

Mike I would like to have the most recent color photos. ASAP!

From: Mike Griffin [mailto:MikeG@vadose.us] Sent: Tuesday, March 24, 2009 9:12 AM To: Price, Wayne, EMNRD Cc: Elliot Werner Subject: Lane Salt Lake

Good Morning, Wayne:

Attached, please find a copy of the original final closure request, lab. analyticals, (witnessed by Jeff in your Hobbs office), and some photos of the remediated area taken some four years ago showing vegetative cover. Unfortunately, the photos were taken in February so the cover is rather sparse.

I spoke to Carl Lane Johnson a couple of months ago & he indicated that the remediated area is about the most productive acreage in his spread. If you wish, I can have Roy drive out there tonight to get new photos.

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From: Sent: To: Subject: Mike Griffin [MikeG@vadose.us] Tuesday, March 24, 2009 10:19 AM Price, Wayne, EMNRD RE: Lane Salt Lake

I just spoke to Carl Lane Johnson to get permission for Roy to take photos. Carl once again expressed his satisfaction with the revegetation but indicated that the only sustainable species are his native salt grass and four wing salt bush (sacatone). You may recall that back in '95 when the pits were closed, chlorides weren't even on the horizon as a criteria contaminant and we did nothing to ameliorate the salt concentrations other than throwing up a few berms to retard erosion.

As an aside, Carl advised that he fell off a horse a couple of months ago and managed to break seven ribs & puncture a lung. Naturally, he was in the middle of nowhere with no cell phone coverage. Though the guy is obviously made pure gristle, his recovery has been very slow and quite painful.

From: Price, Wayne, EMNRD [mailto:wayne.price@state.nm.us]
Sent: Tuesday, March 24, 2009 10:26 AM
To: Mike Griffin
Cc: Elliot Werner
Subject: RE: Lane Salt Lake

Mike I would like to have the most recent color photos. ASAP!

From: Mike Griffin [mailto:MikeG@vadose.us] Sent: Tuesday, March 24, 2009 9:12 AM To: Price, Wayne, EMNRD Cc: Elliot Werner Subject: Lane Salt Lake

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From: Sent: To: Subject: Price, Wayne, EMNRD Tuesday, March 24, 2009 1:00 PM Leking, Geoffrey R, EMNRD L:\HOBBS\Lekingphotos\Salt Playa Sampling

Dear Geoffrey:

Can you take a look at the photos you took on OCR 06, 2008 and give me a basic description. I know there are 3 MW's if you could match the photos with each MW I would really appreciate it.

Wayne Price-Environmental Bureau Chief Oil Conservation Division 1220 S. Saint Francis Santa Fe, NM 87505 E-mail <u>wayne.price@state.nm.us</u> Tele: 505-795-1222 Fax: 505-476-3462



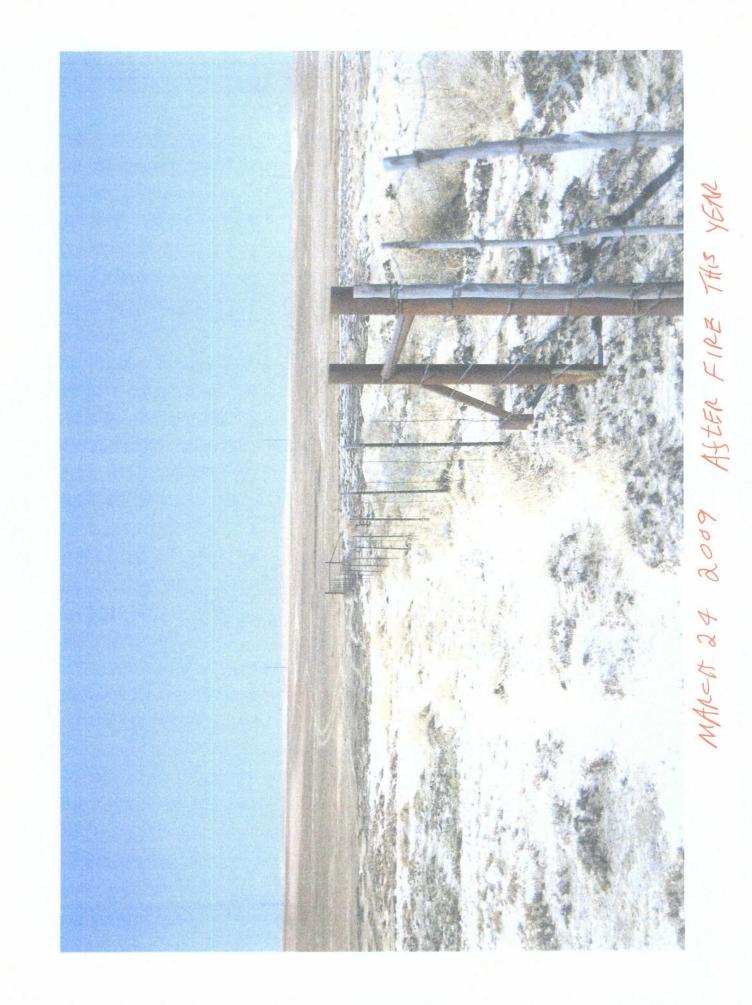
From:	Mike Griffin [MikeG@vadose.us]
Sent:	Wednesday, March 25, 2009 6:52 AM
То:	Price, Wayne, EMNRD
Cc:	'Roy Rascone'; Elliot Werner
Subject:	Lane Salt Lake Photos
Attachments:	LSL Photos 003.jpg; LSL Photos 001.jpg; LSL Photos 002.jpg

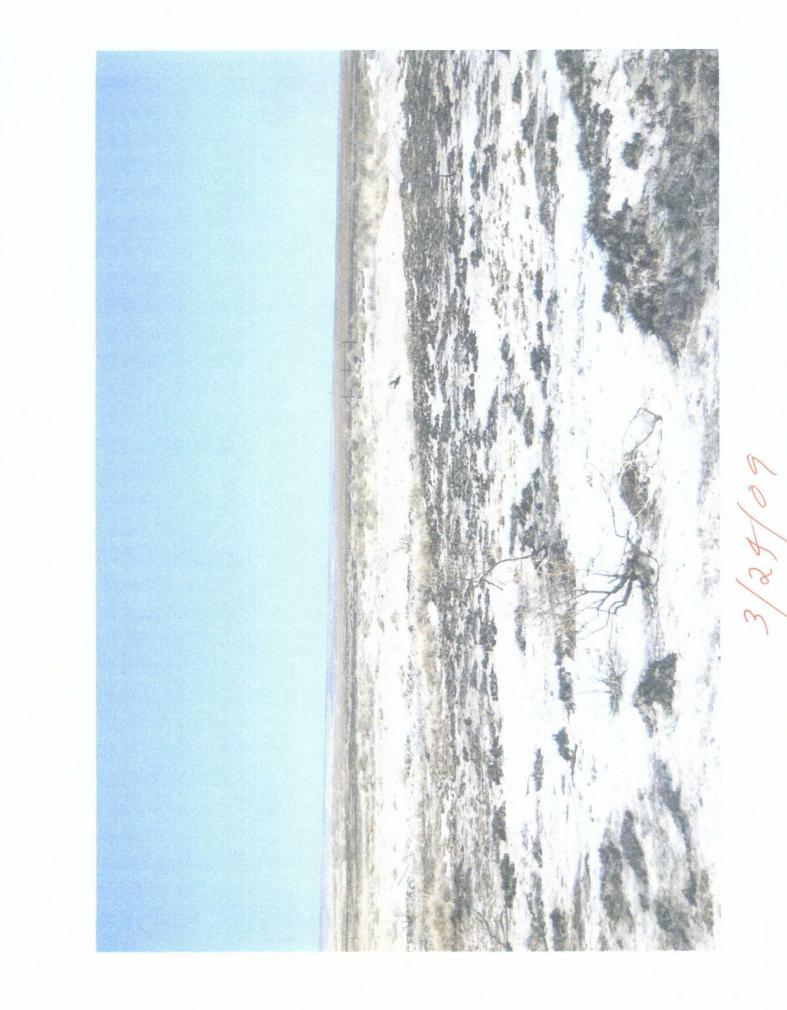
Good Morning, Mr. Price:

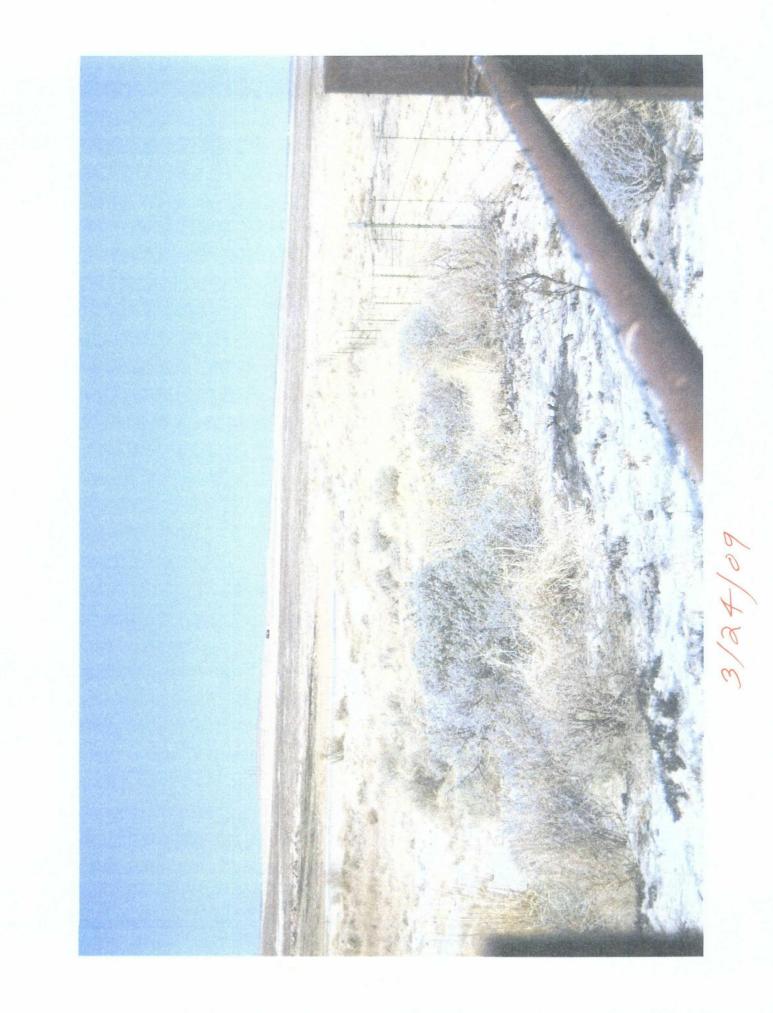
Attached, please find copies of three photos taken by Roy yesterday at Lane Salt Lake. As you will note, Spring hasn't quite made it to the Tatum area yet this year so nothing is green. The area was also recently affected by a wildfire. You can see the charred stumps of grasses on both sides of the fence line in pretty much equal proportion.

The only area not re-vegetated to background is the western-most area of the pit complex. It's at nearly the same elevation as the playa itself and therefore subject to periodic flooding as the water level within the playa rises and falls. The native soils in the area are sands and silts with a few gypsum stringers near the surface. There's really no way to berm it off as the water would either go under or through any containment we could devise.

Thank you again for your consideration. If you need any further information, please do not hesitate to ask.







From:Price, Wayne, EMNRDSent:Tuesday, March 24, 2009 9:26 AMTo:'Mike Griffin'Cc:Elliot WernerSubject:RE: Lane Salt Lake

Mike I would like to have the most recent color photos. ASAP!

From: Mike Griffin [mailto:MikeG@vadose.us] Sent: Tuesday, March 24, 2009 9:12 AM To: Price, Wayne, EMNRD Cc: Elliot Werner Subject: Lane Salt Lake

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From: Sent: To: Subject: Mike Griffin [MikeG@vadose.us] Wednesday, March 25, 2009 9:28 AM Price, Wayne, EMNRD LSL

To confirm our telecon of this morning, Burro Pipeline is a wholly owned subsidiary of Whole Earth Environmental, Inc. since May, 2007.

From:	Price, Wayne, EMNRD
Sent:	Wednesday, March 25, 2009 2:28 PM
То:	Price, Wayne, EMNRD; 'Whole Earth Environmental, Inc.'
Cc:	Hansen, Edward J., EMNRD; Kostrubala, Thaddeus
Subject:	RE: NM1-01
Attachments:	Lane Salt Lake.tif

Mike I will have our attorneys start working on the bond release so when you get us the MW plug report there should be very little lag time.

I will go ahead with the bond release if you promise you will fulfill you end. I know you will or I will come back to OCD and haunt you.

From: Price, Wayne, EMNRD Sent: Wednesday, March 25, 2009 2:25 PM To: 'Whole Earth Environmental, Inc.' Cc: Hansen, Edward J., EMNRD Subject: NM1-01

Wayne Price-Environmental Bureau Chief Oil Conservation Division 1220 S. Saint Francis Santa Fe, NM 87505 E-mail <u>wayne.price@state.nm.us</u> Tele: 505-795-1222 Fax: 505-476-3462

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



March 25, 2009

Mr. Mike Griffin Whole Earth Environmental, Inc. 2103 Arbor Cove Katy, TX 77484

Ref: OCD Permit # NM-1-1-0 BURRO PIPELINE/LANE SALT LAKE Case # 3570, 3607, 3663 and Order # R-3238-A, B, C.

Dear Mr. Griffin:

OCD understands that the "BURRO PIPELINE/LANE SALT LAKE" salt water disposal project originally permitted under Order R-3238, and subsequently amended and permitted under the OCD surface waste management rules (permit # NM-1-01) is currently owned by Burro Pipeline which is a wholly owned subsidiary of Whole Earth Environmental, Inc. OCD is in receipt of your closure request for this facility dated October 16, 2008 and subsequent information provided more recently, *hereby approves of your closure request and release of Bond No. 04128218 with the following conditions:*

Within 60 days provide written and photo documentation of plugging of the three monitor wells located in the lake bed.

OCD's determination for closure:

The history of this site is more or less as follows. The site was originally permitted under order R-3238 in 1967 to allow disposal of produced water into a playa called Lane Salt Lake. The site consisted of an incoming produced water pipeline that was connected to various oil and gas production well tank batteries. The operation consisted of tanks and series of pits to settle out solids and oil. The system operated up until sometime in 1995 and was shutdown. A closure plan was submitted to OCD for approval. The closure consisted of removing heavy BS&W from the tanks and pits and was hauled to an approved OCD site. The remaining activities consisted of aggressive soil aeration, compost, and blending with clean soil and reseeding with natural salt tolerant grasses found in the area. As pointed out in the file reports, it was known at that time that other unpermitted discharges were known to take place in the playa lake. After Order R-3221 "prohibition of produced waters in certain areas" requiring these

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types of discharges to be permitted in the future. Thus, R-3238 appears to have been the only facility permitted on the lake after R-3221.

The original site had three monitor wells located in the vicinity of the playa lake for the monitoring of local groundwater. OCD approved closure of these wells in 1995 as no contaminants were found to exceed the groundwater standards. In addition, OCD required that a windmill located in proximity of the site be sampled.

In 1998 OCD required additional monitor wells for site sampling near the inlet (outlet of the site) of the lake. Water level in this area was found a couple of feet below the lake bed. The water is highly saline as expected but did contained some volatile organics. From this point in time the monitoring reports have show a general increase in quality and for the most part and now meet the groundwater standards after several years of natural attenuation and monitoring.

OCD bases this closure approval on the fact that the most heavily contaminated material i.e. BS&W was removed from the site, the remaining contaminants was remediated on site to OCD's guidelines, and the nature salt tolerant grasses have began to be re-established. The Ogallala groundwater in the area does not appeared to have been impacted as of to date, and the fact that the geology underlying the site is the same as under the playa lake. The area now has the potential to be fully restored as a natural part of the landscape depending upon rainfall.

Therefore, as stated above, once Whole Earth provides documentation of the monitor well closure, OCD will close the permit file with no further action and release the bond.

Please be advised that approval of this plan does not relieve the owner/operator of responsibility should operations result in pollution of surface water, ground water or the environment. Nor does approval of the permit relieve the owner/operator of its responsibility to comply with any other applicable governmental authority's rules and regulations.

If you have any questions please so not hesitate to call Ed Hansen at 505-476-3489 or E-mail edwardi.hansen@state.nm.us.

Sincerely Yours,

Wayne Price Environmental Bureau Chief

Cc: OCD Hobbs Office NMSLO-Santa Fe Office Carl Lane Johnson-Ranch Owner