GW-025

NORTH # 2 BRINE POND CLOSURE REPORT

DATE: July 17, 2009



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July 17, 2009

VIA EMAIL: Glenn.vongonten@state.nm.us VIA CERTIFIED MAIL

Mr. Glenn Von Gonten Acting Environmental Bureau Chief New Mexico Oil Conservation Division 1220 South St. Francis Drive Santa Fe, New Mexico 87505

Re: North (#2) Brine Pond Closure Report

Targa Midstream Services, L.P., Monument Gas Plant (GW-025)
Unit Letter N (SE/4, SW/4), Section 36, Township 19 South, Range 36 East
Lea County, New Mexico

Dear Mr. Von Gonten:

This letter transmits the above-referenced report to the New Mexico Oil Conservation Division (OCD) on behalf Targa Midstream Services, L.P. (Targa) by Larson & Associates, Inc. (LA), its consultant. The brine pond is located near the northwest corner of the Facility in unit N (SE/4, SW/4), Section 36, Township 19 South, Range 36 East, Lea County, New Mexico. Please contact myself at (432) 687-0901 or Cal Wrangham at (432) 688-0452, if you have questions. We may also be reached by emailing mark@laenvironmental.com or CWrangham@targaresources.com. Sincerely,

Larson and Associates, Inc.

Mark J. Larson, P.G., C.P.G., C.G.W.P. Senior Project Manager/President

Encl.

cc: Cal Wrangham, Targa Todd Young, Targa Carl Chavez, OCD, Santa Fe

Larry Hill, OCD, Hobbs

North (#2) Brine Pond Closure Report

Monument Gas Plant (GW-025) Lea County, New Mexico

Project No. 8-0178

July 16, 2009

Prepared for: Targa Midstream Services, L.P. 6 Desta Drive, Suite 3300 Midland, Texas 79705

Prepared by:

Mark J. Larson, CPG

Certified Professional Geologist No. 10490

Larson & Associates, Inc. 507 North Marienfeld, Suite 200 Midland, Texas 79701

North (#2) Brine Pond Closure Report Targa Midstream Services, L.P. Monument Gas Plant (GW-025) Lea County, New Mexico July 16, 2009

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1.0 Executive Summary

This report presents the closure documentation for the North (#2) Brine Pond (Site) at the Targa Midstream Services, L.P. (Targa) Monument Gas Plant (Facility) located about 2.6 miles southeast of Monument, New Mexico, in unit N (SE/4, SW/4), Section 36, Township 19 South, Range 36 East, Lea County, New Mexico (Figure 1). The Facility operates under New Mexico Oil Conservation Division (OCD) discharge permit GW-025. The brine pond closure activities were performed according to a work plan that was approved by the OCD on October 21, 2008, with the following conditions:

- 1. Include this approval in the final closure document.
- 2. Document that the remaining contamination will not be a threat to or add contaminants to the underlying groundwater.

On November 20, 2008, Targa proposed to the OCD to install two (2) monitoring wells (WP-19 and WP-20) northwest (up gradient) and southeast (down gradient) of Site to document that the remaining contamination in the soil will not threaten or add contaminants to the underlying groundwater. T OCD approved the proposal on November 20, 2008.

Between December 10, 2008 and January 7, 2009, Watson Construction Company, Inc. (Watson) collapsed the berm surrounding the pond and filled the remainder of the pond excavation with clean soil.

On December 29, 2008, Scarborough Drilling, Inc. (Scarborough) used an air rotary rig to drill monitoring wells WP-19 and WP-20 to approximately 50 feet below ground surface (BGS). The wells were constructed using 2 inch schedule 40 PVC threaded screen and riser. Groundwater stabilized in wells at approximately 28.20 feet BGS (wp-19) and 28.75 feet BGS (wp-20).

On January 6, 2009, groundwater samples were collected from the wells and submitted under preservation and chain of custody to DHL Analytical Services, which analyzed the samples for benzene, toluene, ethylbenzene, xylene (BTEX), metals (arsenic, barium, cadmium, chromium, lead, mercury, selenium, and silver) and general inorganics, including chloride, sulfate and total dissolved solids (TDS). No BTEX was reported in the samples and dissolved metals were below the New Mexico Water Quality Control Commission (WQCC) human health standards (20.6.2.3103(A) NMAC). Chloride, sulfate and TDS were reported in well WP-19 at 17,700 milligrams per liter (mg/L), 4,020 mg/L and 38,000 mg/L, respectively. Chloride, sulfate and TDS were reported in well WP-20 at 7,780 mg/L, 3,310 mg/L and 17,300 mg/L, respectively. The laboratory results demonstrate that the contaminants remaining in soil beneath the pond is not a threat to or has added contaminants to the underlying groundwater.

The chloride, sulfate and TDS is likely the result of unlined ponds that were once used at the Climax Chemical plant, located hydraulically up gradient of the Facility, for disposal of hydrochloric acid waste.

2.0 Pond Closure Chronology

The following events have been documented in connection with the North (#2) Brine Pond closure.

May 2002	Dynegy, successor to Targa, contracted Gandy Corporation to remove and dispose of the sediment and pond liners at Sundance Disposal Services, Inc.
June 7, 2002	LAI collected soil samples from three (3) hand auger borings (HA-1 through HA-3).
June 6, 2003	LAI supervised collecting soil samples from three (3) air-rotary drilled borings.
January 8, 2004	Investigation report submitted to the OCD.
October 21, 2008	Targa requests approval from OCD to close the pond excavation by filling with clean soil. OCD approves request to close the pond excavation with conditions.
November 20, 2008	Targa submits work plan to install monitoring wells to comply with OCD conditions. OCD approves plan to install monitoring wells.
December 10, 2008	Watson begins filling the pond excavation.
December 29, 2008	LAI supervises installation of monitoring wells WP-19 and WP-20.
January 6, 2009	LAI collect groundwater samples from monitoring wells WP-19 and WP-20.
January 7, 2009	Watson completes filling the pond excavation.

Appendix A presents OCD correspondence.

3.0 Closure Activities

Between December 10, 2008 and January 7, 2009, Watson Construction Company, Inc. (Watson) filled the pond excavation by collapsing the berm and leveling with clean soil acquired from an area near the north side of the Facility. Appendix B presents photographs.

On December 29, 2008, Scarborough Drilling, Inc. (Scarborough) used an air rotary rig to install monitoring wells WP-19 and WP-20 northwest (up gradient) and southeast (down gradient) of the brine pond. The wells were drilled to approximately 50 feet below ground surface (BGS) and constructed using 2 inch schedule 40 PVC screen and riser. Approximately 20 feet of 0.020 inch factory-slotted screen was positioned in the borings between approximately 30 and 50 BGS. Graded silica sand (8 to 16) was placed from the bottom of the boring to approximately 2 feet above the well screen. Bentonite chips were placed above the sand to about 1 foot BGS. The wells are secured with locking above-grade steel covers anchored in concrete pads measuring approximately 3 x 3 feet. LAI personnel developed the well by hand bailing with dedicated disposable bailers until water was visibly free of suspended material. The groundwater stabilized in wells WP-19 and WP-20 at approximately 28.20 and 28.75 feet BGS, respectively. Table 1 presents a summary of monitoring well drilling and completion details. Attachment C presents geological logs and construction diagrams.

On January 6, 2009, LAI personnel collected groundwater samples from the wells after purging approximately 12 gallons of water from each well using dedicated disposable PVC bailers. The groundwater samples were carefully poured from the disposable bailers into laboratory-prepared containers that were sealed, labeled, placed in an ice filled chest and delivered under chain of custody control to DHL Analytical Services located in Round Rock, Texas. DHL analyzed the samples for BTEX, metals (arsenic, barium, cadmium, chromium, lead, mercury, selenium, and silver) and general

North (#2) Brine Pond Closure Report Targa Midstream Services, L.P. Monument Gas Plant (GW-025) Lea County, New Mexico July 16, 2009

inorganics, including chloride, sulfate and TDS. The purged water was placed into a wastewater tank at the Facility for disposal in a permitted disposal well. Table 2 presents a summary of the BTEX analysis. Table 3 presents a summary of the metals analysis. Table 4 presents a summary of the general inorganic analysis. Appendix C presents the laboratory report.

No BTEX was reported in the samples and the dissolved metals exceeded the New Mexico WQCC human health standards (20.6.2.3103(A) NMAC). Chloride, sulfate and TDS were reported in WP-19 (up gradient) at 17,700 milligrams per liter (mg/L), 4,020 mg/L and 38,000 mg/L, respectively. Chloride, sulfate and TDS were reported in WP-20 (down gradient) at 7,780 mg/L, 3,310 mg/L and 17,300 mg/L, respectively.

4.0 Conclusions

The following observations are documented in this report:

- The laboratory results of groundwater samples from WP-19 and WP-20 demonstrate that the
 contaminants remaining in soil beneath the pond is not a threat to or has added contaminants
 to the underlying groundwater.
- The chloride, sulfate and TDS in groundwater is likely the result of unlined ponds that were once used at the Climax Chemical plant, located hydraulically up gradient of the Facility, for disposal of hydrochloric acid waste.
- Targa will continue monitoring groundwater quality in wells WP-19 and WP-20 during routine semi-annual groundwater monitoring at the Facility and include the laboratory results in the annual groundwater monitoring report.
- Targa has complied with the conditions required by the OCD and requests that the OCD issue a letter requiring no further action.

Page 1 of 1

Monitoring Well Completion and Gauging Summary Targa Midstream Services, L.P., Monument Gas Plant Gas Plant (GW-025) Lea County, New Mexico Table 1

Well Inform	ation			Groundwater Data	Data	A Same	1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1	46
Well ID	Well Diameter (inches)	Well Depti from TOC	TOC Elevation Date Gauged	Date Gauged	Depth to Fluid	Depth to	'LNAPL' Thickness	Corrected Water
WP-19	7	54.31	3,588.25	1/6/2009		30.74	-	3,557.51
WP-20	2	52.33	3,587.02	1/6/2009		31.36	-	3,555.66

All values are in feet, unless otherwise noted.

TOC - top of casing

Elevations are referenced to 1984 Geodetic Datum. LNAPL sheens are presented as 0.00 foot thickness

Table 2 Sumaary of BTEX Analysis of Groundwater Samples Targa Midstream Services, L.P., Monument Gas Plant Gas Plant (GW-025) Lea County, New Mexico

Monitor Well	Quarter/Year	Sampling Date	Benzene	Toluene	Ethylbenzene	Total Xylenes
NMWQCC Star	idard	But Ship had a second	, o.01	0.75	0.75	0.62
WP-19	1st / 2009	1/6/2009	<0.0008	<0.002	<0.002	<0.003
WP-20	1st / 2009	1/6/2009	<0.0008	<0.002	<0.002	<0.003
Duplicates				entral programme (Malagoria, Allina		
			i	l		

Notes

NMWQCC - New Mexico Water Quality Control Commission Human Health Standard Analyses after 1/2007 performed by DHL Analytical, Inc., Round Rock, Texas Results reported in milligrams/Liter (mg/L)

ND - not detected

- < Less than method detection limit
- -- Product in well no sample collected

Page 1 of 1

Table 3
Summary of Dissolved Metals Analysis of Groundwater Samples
Targa Midstream Services, L.P.,
Monument Gas Plant Gas Plant (GW-025)
Lea County, New Mexico

am Cadmium Chromium Lead Mercury Selenium Silver.	0.01 0.01 0.05 0.05 0.05 0.002 0.05 0.005 0.005 0.005 0.005 0.005 0.005 0.005 0.005 0.005 0.005 0.005 0.005 0.005	30 <0.0003 <0.002 0.0113 <0.00008 0.0131 <0.001	10 <0.0003 <0.002 0.00103 <0.00008 0.00456 <0.001	各种的 是不是我们的 的复数是对外的 · 我们就不是我们是我们的对方的人,我们也是不是我们的
m. Chromium	50.05			
Barium	1.0	0.180 <0.000	0.110 <0.0003	
Arsenic	.0.1	0.0851	0.00541	100 mm
Quarter/Year Sampling Date	A STATE OF THE STA	1/6/2009	1/6/2009	
	Jařdý 🐪 🛬	1st / 2009	1st / 2009	
Monitor Well ID	NMWQCC Standard	WP-19	WP-20	Duplicates

Notes

Results reported in milligrams/Liter (mg/L)

- < Less than method detection limit
- -- no sample collected

Page 1 of 1

Table 4
Summary of General Chemistry Analysis of Groundwater Samples
Targa Midstream Services, L.P.,
Monument Gas Plant Gas Plant (GW-025)
Lea County, New Mexico

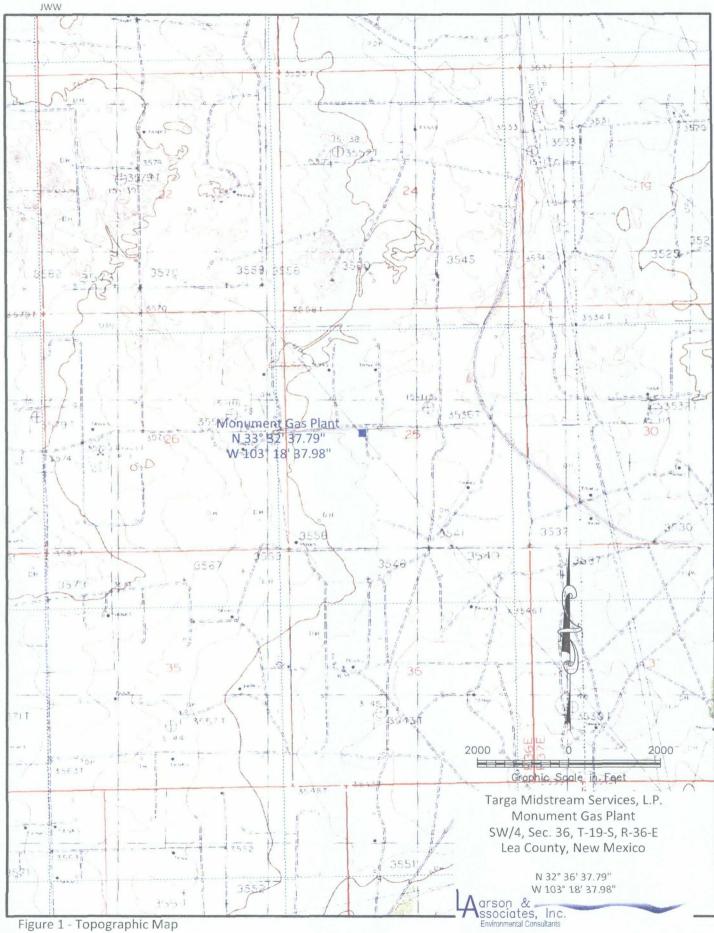
Monitor Well ID	/ell Quarter/Year Sampling Date Calcium	Sampling Date	Calcium	Magnesium	Potassium	Sodium	Sodium Chloride		Sulfate Alkalinity TDS	TDS
NMWQCC Standard	dard						250	009		1,000
WP-19	1st / 2009	1/6/2009	1,450	719	62.2	10,400	17,700	4.39 1 7	552	
WP-20	1st / 2009	1/6/2009	1,090	404	44.2	4,500	7,780	3,310	362	17,300
Duplicates	1	• • -								

Motos

Results reported in milligrams/Liter (mg/L)

- < Less than method detection limit
 - -- Sample not collected

Figures



Appendix A

OCD Correspondence

Mark Larson

To:

Price, Wayne, EMNRD

Subject:

RE: Re: GW-025, North (#2) Brine Pond Closure, Targa Midstream Services, L.P., Monument

Gas Plant

Will do. Thanks,

Mark

From: Price, Wayne, EMNRD [mailto:wayne.price@state.nm.us]

Sent: Thursday, November 20, 2008 4:15 PM **To:** Mark Larson; Chavez, Carl J, EMNRD

Cc: CWrangham@targaresources.com; TYoung@targaresources.com

Subject: RE: Re: GW-025, North (#2) Brine Pond Closure, Targa Midstream Services, L.P., Monument Gas Plant

Thank You Mark, also copy Carl Chavez in the future.

From: Mark Larson [mailto:Mark@laenvironmental.com]

Sent: Thursday, November 20, 2008 3:08 PM

To: Price, Wayne, EMNRD

Cc: CWrangham@targaresources.com; TYoung@targaresources.com

Subject: RE: Re: GW-025, North (#2) Brine Pond Closure, Targa Midstream Services, L.P., Monument Gas Plant

Wayne,

Targa Midstream Services, L.P. has approved installing two (2) monitoring wells to document that the remaining impacts at the North (#2) brine pond will not threaten or add contaminants to the underlying groundwater. One monitoring well will be positioned hydraulically up gradient (northwest) and the other hydraulically down gradient (southeast) of the former brine pond. The monitoring wells will be merged into the current groundwater monitoring program to assess groundwater quality. The initial sample results will be submitted to the New Mexico Oil Conservation Division (OCD) in a letter following closure of the brine pond and will include a copy of your approval. Notification will be submitted to the OCD at least 48-hours prior to installing the monitoring wells and before groundwater samples are collected. Your approval of this proposal is requested. Please contact me if you have questions. Sincerely,

Mark J. Larson Sr. Project Manager / President 507 N. Marienfeld St., Ste. 202 Midland, Texas 79701 (432) 687-0901 (office) (432) 687-0456 (fax) (432) 556-8656 (cell) mark@laenvironmental.com



Mark Larson

From:

Price, Wayne, EMNRD [wayne.price@state.nm.us]

Sent:

Tuesday, October 21, 2008 10:45 AM

To:

Mark Larson

Cc: Subject: CWrangham@targaresources.com; TYoung@targaresources.com; Chavez, Carl J, EMNRD RE: Re: GW-025, North (#2) Brine Pond Closure, Targa Midstream Services, L.P., Monument

Gas Plant

Attachments:

image001.jpg

OCD hereby approves of your request with the following conditions:

1. Include this approval in the final closure document.

2. Document that the remaining contamination will not be a threat to or add contaminants to the underlying groundwater.

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.

Cc: Carl Chavez

From: Mark Larson [mailto:Mark@laenvironmental.com]

Sent: Tuesday, October 21, 2008 8:44 AM

To: Price, Wayne, EMNRD

Cc: CWrangham@targaresources.com; TYoung@targaresources.com

Subject: FW: Re: GW-025, North (#2) Brine Pond Closure, Targa Midstream Services, L.P., Monument Gas Plant

Wayne,

On January 8, 2004, Larson & Associates, Inc. (LAI), on behalf of Dynegy Midstream Services, L.P. (Dynegy) as former owner of the Monument Gas Plant, submitted a report to the New Mexico Oil Conservation Division (OCD) titled, "Groundwater Discharge Plan Renewal Investigation Report, Dynegy Midstream Services, L.P., Monument Gas Plant (GW-025)" that contained the results of a subsurface investigation for the north (#2) brine pond. Liquid, sediment and liner were removed from the brine pond and disposed at an OCD approved facility (Sundance Disposal Services). Hand auger and machine-drilled soil samples were collected and analyzed for chloride to confirm concentrations in soil beneath the brine pond. The sample results showed the chloride concentration much lower than the brine concentration stored in the pond concluding that only minor leakage occurred. The report also concluded that the groundwater beneath the Monument Plant has been affected by chloride from the former Climax Chemical Company Plant that is located immediately northwest and upgradient of the brine pond. The report recommended no further remedial action for brine pond. Targa Midstream Services, L.P. (Targa), as current owner of the Monument Gas Plant, would like to fill the pond excavation using soil from the berm that surrounds the pond and level the pond excavation with clean soil. Your consideration of this request is appreciated. Please contact Mr. Cal Wrangham with Targa at (432) 688-0542 or email CWrangham@targaresources.com or you may contact me at the information provided below if you have questions.

Mark J. Larson Sr. Project Manager / President 507 N. Marienfeld St., Ste. 202 Midland, Texas 79701 (432) 687-0901 (office) (432) 687-0456 (fax) From: Price, Wayne, EMNRD [mailto:wayne.price@state.nm.us]

Sent: Tuesday, October 21, 2008 10:45 AM

To: Mark Larson

Cc: CWrangham@targaresources.com; TYoung@targaresources.com; Chavez, Carl J, EMNRD

Subject: RE: Re: GW-025, North (#2) Brine Pond Closure, Targa Midstream Services, L.P., Monument Gas Plant

OCD hereby approves of your request with the following conditions:

1. Include this approval in the final closure document.

2. Document that the remaining contamination will not be a threat to or add contaminants to the underlying groundwater.

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.

Cc: Carl Chavez

From: Mark Larson [mailto:Mark@laenvironmental.com]

Sent: Tuesday, October 21, 2008 8:44 AM

To: Price, Wayne, EMNRD

Cc: CWrangham@targaresources.com; TYoung@targaresources.com

Subject: FW: Re: GW-025, North (#2) Brine Pond Closure, Targa Midstream Services, L.P., Monument Gas Plant

Wavne.

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Mark J. Larson Sr. Project Manager / President 507 N. Marienfeld St., Ste. 202 Midland, Texas 79701 (432) 687-0901 (office) (432) 687-0456 (fax) (432) 556-8656 (cell) mark@laenvironmental.com



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Appendix B

Photographs



1. North (#2) Brine Prior to Closure Looking North



2. North (#2) Brine Pond Prio to Closure Looking Northwest



3. North (#2) Brine Pond Prior to Closure Looking Northeast



4. North (#2) Brine Ponding Filling Looking Northeast



5. North (#2) Brine Ponding Filling Looking Northeast



6. North (#2) Brine Pond Filling Looking East



7. North (#2) Brine Pond Filling Looking North



8. North (#2) Brine Pond Filling Looking North-Northwest



9. North (#2) Brine Pond Filling Looking Southeast



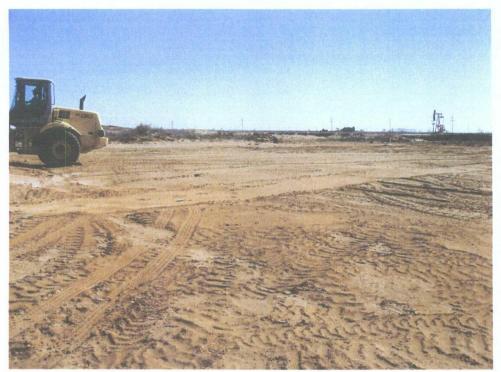
10. North (#2) Brine Pond Filling Looking South



11. North (#2) Brine Pond Filling Looking South-Southwest



12. North (#2) Brine Pond Final Grading Looking Northeast



13. North (#2) Brine Pond Final Grading Looking West



14. North (#2) Brine Pond Final Grading Looking Northwest

Appendix C

Monitoring Well Records

Monument Gas Plant SW/4, Sec. 36, T-19-S, R-36-E Lea County, New Mexico

> N 32° 36' 37.79" W 103° 18' 37.98"

↑arson & ssociates, Inc. **Environmental Consultants**

WP-19 Boring & Completion Log

10' bgs

40' bgs

50' bgs

60' bgs

70' bgs

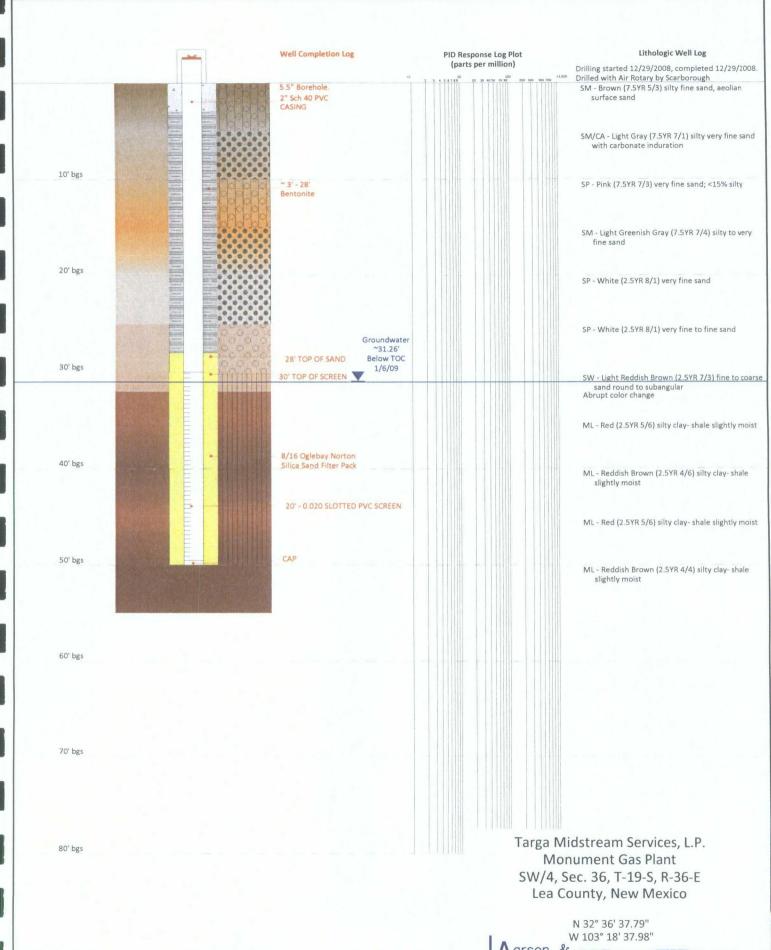
20' bgs

30' bgs

28' TOP OF SAND 30' TOP OF SCREEN

8/16 Oglebay Norton Silica Sand Filter Pack

20' - 0.020 SLOTTED PVC SCREEN



WP-20 Boring & Completion Log

Agrson & Inc. Environmental Consultants