

## PHOENIX ENVIRONMENTAL LLC

P.O. Box 1856

2113 French Dr.

Hobbs, NM 88241-1856

Office 505-391-9685

Fax 505-391-9687

December 8, 2010

Tandem Energy Corp.  
P.O. Box 1559  
Midland, Texas 79702-1559

Attn: Mr. Rumaldo Hinojosa  
Production Superintendent

**RE: Work Plan to Clean Up the Barton A Fed # 1 Tank Battery Spill Located  
in UL-C Sec 22, T19S and R31E of Eddy County, New Mexico**

Dear Mr. Hinojosa:

Phoenix Environmental, LLC (Phoenix) would like to take this time to thank you and Tandem Energy, Corp. for the opportunity to provide our professional services. Please find attached our work plan for the above listed site.

If you have any questions and/or need more data in regards to projects please call at any time. My cell phone is 575-631-8314.

Sincerely,

Allen Hodge, REM  
VP Operations  
Phoenix Environmental LLC



## Summary/Overview

The Barton A Fed # 1 tank battery spill site should be completed and remediated in accordance with the standards of the NMOCD guidelines for Leaks and Spills. It is our understanding that any potential contamination from the site was a result of activities associated with the production of oil and gas.

The potential contaminates of concern are mid to high-level concentrations of hydrocarbons that was lost from a leak or spill from the oil tank and was absorbed by the surrounding near-surface soils inside the berm with only 1 to 2 bbl's getting into the pasture to the north.

The NMOCD regulates the remediation and disposal of non-domestic wastes resulting from the Oil and Gas industry. In addition, the NMOCD administers all Water Quality Act regulations pertaining to surface and ground water except sewage for the oil and gas industry. This authority includes the disposition of non-domestic, non-hazardous wastes at Oil and Gas facilities.

The Barton A Fed # 1 spill site is located in UL - C Sec. 22, T19S, and R31E in Eddy County New Mexico. The site had a GPS reading of 32°651406 N and 103°859276 W. The lands primary use is domestic pasture for ranching and the production of oil and gas.

The ground water depth data available for this section from the state engineer's office showed the depth to ground water to be in the 200' range BGS.

Pursuant to the standards of the NMOCD guidelines for leaks and spills, the clean up level for this site will be at <2,500ppm of TPH and <50ppm for BTEX. The NMOCD has also asked that the chlorides be at background or less than 250ppm for clean up.

The following scope of work that has been requested for the listed site was based on data from Tandem Energy and from our site visit.

**Note:** The BLM has requested that the site be cleaned up. The spill was 179bbl +/- with 139bbl recovered, with only 1bbl to 2bbl that got outside of the berm on the north side and was not reported, due to the fact that the field personal for Tandem were thinking that the 1bbl to 2bbl that got outside the berm was less than the reportable amount of 5bbl instead of the total amount of fluid that was lost and so was not reported to the NMOCD.



Tandem had a backhoe at the site to start clean up after the standing oil was recovered and to date there has been 12cyds of impacted soils taken off site for disposal at CRI a NMOCD approved facility that takes waste from the oil and gas industry. On site there is approximately 50cyds of impacted soils left, the spill for the most part has been cleaned up.

The BLM has asked that the site be delineated and then a work plan submitted for approval. The area to the north of the battery where 1bbl to 2bbl got outside the berms of the battery has already been cleaned or picked up but not backfilled at this point. The impacted soils that were inside the berms has been picked up and is stockpiled on location. The final and total clean up inside the berm will be completed once the well and battery are abandoned and plugged pursuant with the NMOCD.

### **Scope of Work for Completion of Spill Clean Up**

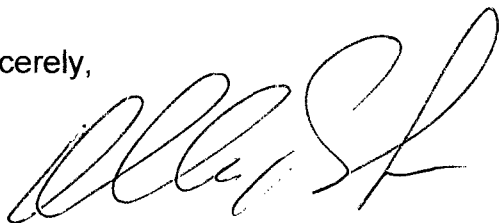
1. First Phoenix will call One-Call for line spot clearance before any excavation at the site is started.
2. Phoenix will mobilize to the site located west of Hobbs, NM off of county road 222 equipment and personnel necessary to start and complete the site remediation as required, getting the site back into compliance.
3. The site will be cleared of brush and debris and a staging area set up for site control and safety.
4. The saturated soils with high levels of hydrocarbons will be taken off site for disposal. The low level impacted soils below NMOCD levels will be utilized and mixed with clean caliche and used to rebuild berms around the storage tanks for secondary containment to prevent any future spills from getting into the pasture.
5. Once the impacted soils have been excavated bottom samples will be taken to confirm the site is below NMOCD levels for clean up.



6. Impacted soils at the site will then be transported to a NMOCD approved disposal facility for disposal.
7. Phoenix will field screen the site during the excavation, and, once the TPH and CL has dropped below clean-up requirements, final samples will be taken and sent to a third party lab for analysis.
8. Once all of the remediation criteria have been met for site closure and compliance, the site will be backfilled with clean material. The site will be contoured with a slight crown to prevent the ponding of any water and reseeded.

If you have any questions and/or need more data in regards to this project please call 575-631-8314 at any time.

Sincerely,



Allen Hodge, REM  
VP Operations  
Phoenix Environmental LLC

