

1R - 295

**GENERAL
CORRESPONDENCE**

YEAR(S):

1995-

INSPECTION CHECKLIST FOR OILFIELD SERVICE COMPANIES

FACILITY NAME: AXELSON OPERATOR: AXELSON DATE: 9/12/95
 LOCATION: H/BBS
 COMPANY REP(S): Gary Kipper
 NMOCD REP(S): MA, WP, PHS
 SERVICE COMPANY TYPE: PUMP

1. LAB PRESENT (YES / NO)
2. Below grade sumps or tanks. (YES / NO)
3. Class IV or V Injection well(s). (YES / NO)
4. Surface impoundments (pits) of any kind. (YES / NO)
5. Hazardous shop solvents present. (YES / NO)
6. All tank/drum/fuel/lube oils stored onsite meet OCD guidelines for service company facilities. (i.e. berming and pad and curb type containments.) (YES / NO)
7. A written spill contingency plan posted/available and implemented at the facility. (Can be viewed at the facility by OCD) (YES / NO)
8. Wet paint waste stored at the facility-all paint cans dried before disposal. (YES / NO) - Air dried No Accumulation.
9. All wash facilities for vehicles on a pad and curb type containment. (YES / NO) - Need drum storage
10. Maximum volumes: (YES / NO)

- A. Chemical type drums < 25 @ 55 gal/drum or an aggregate volume of 1375 gal of chemical product.
- B. Fuel < 660 gal in above grade tank(s)
- C. Used oil < 660 gal in above grade tank(s)
- D. Lube oil < 660 gal in above grade tank(s)
- E. Maximum total volume of A thru D < 3355 gal

11. All wastes such as empty drums, buckets, oil filters, and etc stored/disposed by an OCD approved method. (YES / NO) - Needs further Clarification
12. All items that contain fluids are properly labelled. (YES / NO)
13. All stormwater contained within the facility. (YES / NO)

COMMENTS: Mark asked to sample Leach/MLL
- Gary to get Mark the data.
- OPEN Water well Needs to be P&A & Sampled.
- Has Bu Sol scale - NORM stored onsite for customers.
- Sumps:

facsimile
TRANSMITTAL

to: Tom S. Hoekstra, G&C (760-7332)
Paul Stephenson, BDFI (713/987-5810)
Gene Gonsoulin, EM&E (205/940-7701)

re: Letter to New Mexico - Hobbs Facility

date: August 31, 1995

pages: 4, including this cover sheet.

Enclosed is a draft of the letter proposed to be sent to the NM Groundwater Protection and Remediation Bureau.

Please review and give me your comments by 12:00 p.m. 1 September 1995, as I want to move this along in a timely fashion.

Regards,



LeRoy L. DeNooyer

LLD:dlh

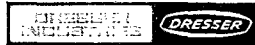
-

File: 76207/0188-215-131

From the desk of...

LeRoy L. DeNooyer
Senior Attorney
Dresser Industries, Inc.
2001 Ross Avenue
Dallas, TX 75201

214/740-6075
Fax: 214/740-6702



DRESSER INDUSTRIES, INC. • EXECUTIVE OFFICES • 2001 ROSS AVENUE • DALLAS, TEXAS 75201

RECEIVED
SEP 14 1995
135 SEP 14 1995 8 52

LeROY L. DeNOOYER
SENIOR ATTORNEY ENVIRONMENTAL
LAW DEPARTMENT

September 14, 1995

Certified Mail No. P394571357
Return Receipt Requested

Mr. Dennis McQuillan
Program Manager, Remediation Division
NM Groundwater Protection & Remediation Bureau
NM Environment Department
1190 Saint Francis Dr.
Santa Fe, NM 87502



Re: Axelson Facility - 2730 West Maryland, Hobbs, NM

Dear Mr. McQuillan:

This letter forwards information concerning the Hobbs facility and requests an opinion with respect to the environmental requirements pertaining to the status of the facility.

To understand this matter and put it into perspective, a review of prior events would be useful. There are four parties involved in this matter, Carisbrook Industries (Hanson), Wheatley TXT, Axelson, and Dresser Industries. In November 1993, Wheatley TXT acquired Axelson from Carisbrook (Hanson) which included the Hobbs facility and then in May, 1994, Dresser and Wheatley TXT merged. Accordingly, Dresser took over operations as Lessee for the Hobbs facility and acquired the rights under the acquisition documents from the Carisbrook (Hanson)-Wheatley TXT transaction. Included in the contractual obligations given by Carisbrook (Hanson) were certain environmental representation and warranties, and also an indemnification provision.

To establish the environmental status of the Hobbs facility, Dresser decided that more information concerning the Hobbs site was needed. Our consultant prepared a plan to evaluate the Hobbs facility, which was presented to Carisbrook (Hanson) at a meeting held January 13, 1995. Carisbrook (Hanson) was represented by two attorneys from an outside law firm and two parties from Beazer East, Inc., an environmental consulting firm which is part of Hanson. During the meeting, the Carisbrook (Hanson) representatives were offered the opportunity to conduct the study, which they declined; and then offered the opportunity to comment on the proposed plan, which they declined. Later, Carisbrook (Hanson) through its attorney advised in the letter of February 8, 1995 that "...the very act of engaging in all of the various investigatory activities may trigger reporting obligations and possibly remedial activities that would not have been required but for Dresser's pursuit of this increasingly broad Phase II investigation."

McQuillan, Dennis
Page 2
September 14, 1995

One of Dresser's concerns was the leach field on the property which, prior to the Wheatley acquisition, had received industrial and sanitary waste from the facility - when Wheatley acquired the Axelson Hobbs facility only sanitary waste was going to the leach field. Our consultant conducted a site investigation of the Hobbs facility and prepared a report, which is enclosed.

By letter of June 8, 1995, the site investigation for the Hobbs facility, as well as other reports, were sent to Hanson (Carisbrook) as specified by contract. The report was forwarded to Beazer for evaluation and response, as there had been a corporate restructuring. Outside Counsel for Carisbrook (Hanson)/Beazer responded by letter of August 4, 1995. The response concluded that "...our technical experts have reviewed the EM&E reports and have concluded that, with exception of a few isolated situations the various sites are relatively free of environmental problems." The "few isolated situations" referred to in Carisbrook's letter did not include the Hobbs facility, so their conclusion was that Hobbs was relatively free of environmental problems and no further action was required.

Dresser remained concerned about the environmental situation at Hobbs, as well as other former Carisbrook (Hanson) facilities, so Dresser directed its consultant to evaluate the data. By letter of August 17, 1995, our consultant advised that, in coordination with your office, there appeared to be a reporting requirement and that the responsible party, Carisbrook (Hanson/Beazer) should immediately report this matter to the Groundwater Protection & Remediation Bureau. On August 17, 1995, Beazer was fully informed on the advisability of making a report to your agency. By telephone call from Carisbrook's (Hanson's/Beazer's) outside counsel, Dresser's outside counsel was advised that it was their position that, "We do not think that it is clear that a reportable event occurred."

I trust that the above narrative will put this matter in perspective. You should also be advised that on August 29, 1995, Dresser Industries files suit against Carisbrook Industries.

Information can be obtained from Carisbrook/Hanson/Beazer as follows:

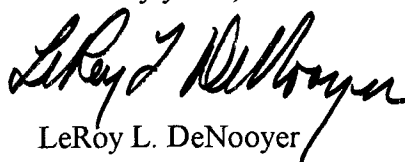
Beazer: Jill M. Blundon, General Counsel
Eric T. Mangus, Environmental Group
436 Seventh Avenue
Pittsburgh, PA 15219-1822

Carisbrook/ Ted Wesolowski & Michele M. Gutman (Outside Counsel)
Hanson/ Babst, Calland, Clements & Zomir
Beazer: Two Gateway Center
Pittsburgh, PA 15222

McQuillan, Dennis
Page 3
September 14, 1995

In sum, Dresser was concerned about the environmental status of the Hobb's facility due to historical usage and conducted a site investigation. This matter was reported to the prior operator who actively used the leach field. It was the prior operator's evaluation that no further action was required. This letter is written to ask for your evaluation.

Sincerely yours,



LeRoy L. DeNooyer

LLD:dlh

cc: T.S. Hoekstra, Counsel to Dresser
G.J. Gonsoulin, Consultant to Dresser
R.A. Langenheim, HQ-41
Paul Stephenson, Dresser/Houston
File: 76267/0188-215-131