

3R - 331

**GENERAL
CORRESPONDENCE**

YEAR(S):

2000-1996

Olson, William
From: Olson, William
Sent: Monday, March 06, 2000 8:13 AM
To: 'Gannon, Maureen'
Subject: RE: Request for Extension on Annual Groundwater Report

The below requested extension is approved.

From: Gannon, Maureen [SMTP:MGannon@pnm.com]
Sent: Saturday, March 04, 2000 3:31 PM
To: Olson, William
Cc: Sikelianos, Mark; 'Ingrid Deklau'; Johnson, Ronald
Subject: Request for Extension on Annual Groundwater Report

As a follow-up to our phone conversation on Thursday, March 2, 2000, PNM herein requests an extension of the date for submittal of our San Juan Basin Annual Groundwater Report. The report is normally due on April 1st of each year. However, since PNM's environmental obligations associated with the purchase and sale of our former gas assets in the San Juan Basin will terminate on June 30, 2000 (with the exception of retained liabilities), we would like to file our annual report by July 15, 2000 so that the data and information contained in the annual report is current through the June 30th date.

Please let me know if this extension is acceptable to you. You may email me or call me at (505) 241-2974. Thank you for your time and consideration of this matter.

Maureen Gannon
Environmental Services
241-2974

Public Service Company
of New Mexico
Alvarado Square MS 0408
Albuquerque, NM 87158

SEP 14 1999

September 13, 1999

Mr. William Olson
Hydrogeologist
Oil Conservation Division
2040 So. Pacheco
Santa Fe, New Mexico 87505



RE: WELL INSTALLATION PLANS FOR SAN JUAN BASIN GROUNDWATER SITES

Dear Bill:

PNM herein submits monitoring well installation plans for several groundwater sites that we are managing in the San Juan Basin. You requested these plans in an August 16, 1999 letter entitled, "Final San Juan Basin Pit Closure Reports," that was sent to Ms. Kathy Juckes, PNM-Farmington. The subject groundwater sites are the Dogie Compressor Station North Pit, Florance #32A, Jacques #2A, Mangum #1E, McClanahan #22, Dogie Compressor Station East Pit, Honolulu Loop Line Drip, Ice Canyon Drip, Jicarilla Contract 147-6, and Randelman #1.

The well installation plan for each of the above-referenced sites consists of a map depicting the existing monitoring well configuration at the site with associated historical BTEX data. Any proposed new well location is denoted by a large "X" on the map. In some instances, the proposed wells have already been installed and sampled, and the analytical results for BTEX are reported next to these locations on the attached maps. PNM will prepare formal reports on all of the subject sites requiring new well installations in either individual groundwater/pit closure reports or the Annual Groundwater Report to be submitted to the OCD in 2000.

PNM would like to bring the Randelman 1 well site and the Honolulu Loop Line Drip to your attention. The Randelman 1 site is operated by Burlington Resources and poses many unique problems, including:

- an increase in benzene concentrations in PNM's source and downgradient wells after cessation of discharge, and primary and secondary remediation of PNM's former pit (see figure 10);
- elevated chloride levels groundwater monitoring wells on site (see attachment to figure 10); and
- potential impacts to underlying groundwater from Burlington's operations and their former pit (Approximately one year after remediation, Burlington's pit excavation and on site landfarm remain open).

The Honolulu Loop Line Drip is operated by Williams and has also experienced its own set of problems, including, most recently, a significant increase in benzene in MW-5 and MW-12 (see figure 7 and attachment to figure 7). As you may recall, PNM conducted extensive secondary removal of contaminated soils in the area and south of Williams pipeline in December of 1998 after the appearance of free product and high dissolved-phase BTEX contaminants. At both the Randelman 1 and the Honolulu Loop Line Drip, PNM agrees that the installation of additional wells is necessary to fully define the extent of the dissolved-phase contaminant plumes. However, such action, on the part of PNM, assumes that all responsibility at the site is ours. In contrast, we believe that the ongoing problems may be the responsibility of the producer or are at least shared with them. Therefore, before agreeing to install additional wells at these particular locations, PNM is considering several options at either site and will be contacting you in the very near future to inform you of our proposed strategies.

Mr. B. Olson
09/13/1999
Page 2

Please review the attached site maps and accept them as our groundwater monitoring well installation plans. All well installations and sampling events will be conducted in accordance with PNM's Groundwater Management Plan for Unlined Surface Impoundments, March 1996. If you need additional information or have any questions, you may call me at (505) 241-2974. Thank you for your time and consideration concerning this matter.

Sincerely,
PNM Environmental Services

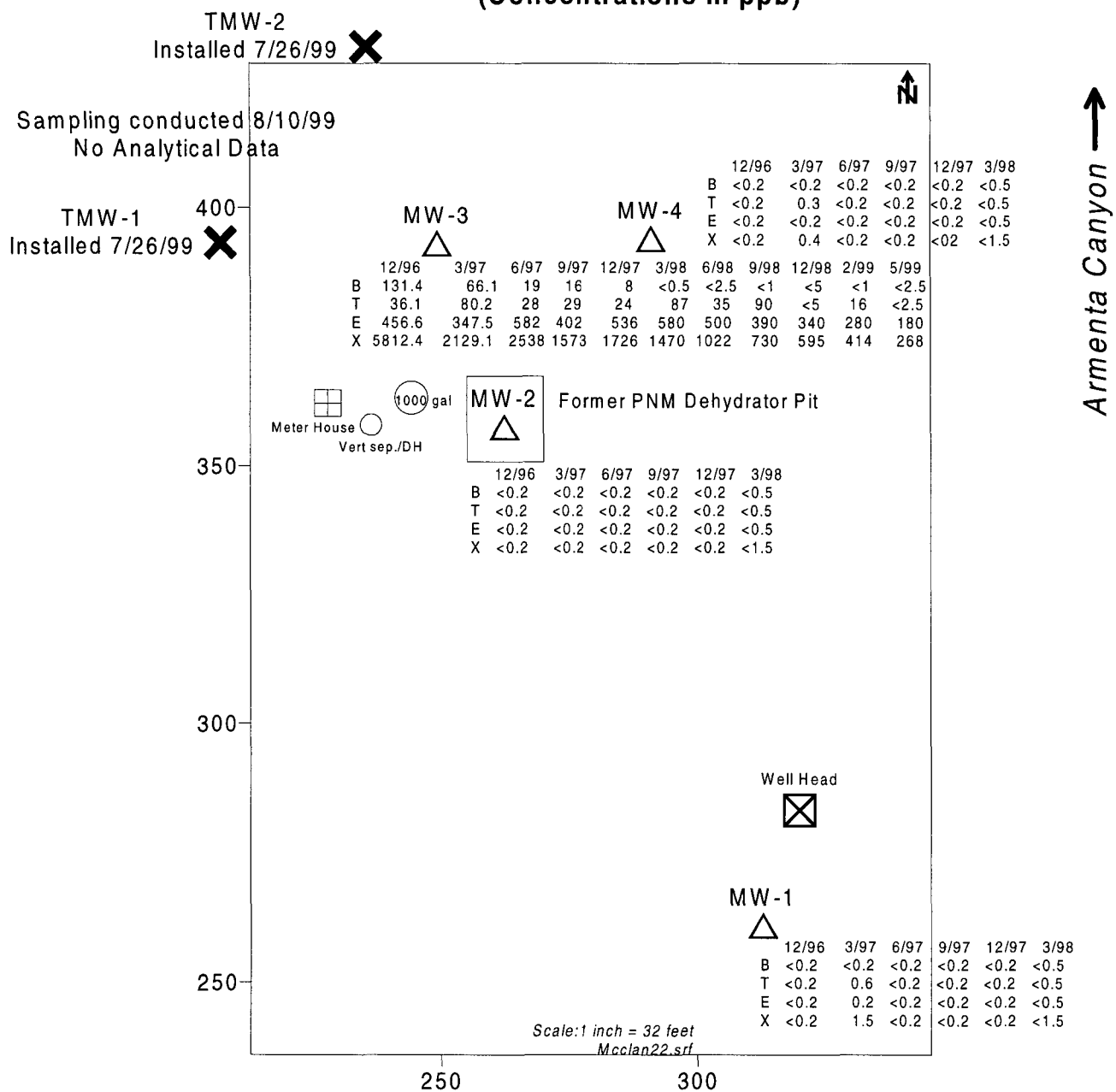


Maureen Gannon
Project Manager

Attachments

cc: Ingrid Deklau, WFS
Denny Foust, OCD-Aztec Office
Kathy Juckes, PNM Farmington File
Keith Manwell, Jicarilla Environmental Protection Office
Mark Sikelianos, PNM

**Figure 5. McClanahan 22 Site Map With Analytical Results
(Concentrations in ppb)**



Olson, William

From: Olson, William
Sent: Tuesday, August 31, 1999 8:07 AM
To: 'MGannon@pnm.com'
Subject: RE: Request for Extension
Importance: High

The below requested extension is approved.

From: MGannon@pnm.com[SMTP:MGannon@pnm.com]
Sent: Monday, August 30, 1999 4:30 PM
To: Olson, William
Cc: MSikeli@pnm.com
Subject: Request for Extension

As discussed with you last week during the OCC hearing on the Hampton 4M site, PNM requests an extension to complete our plans documenting additional ground water monitoring well installations at several sites we are currently managing in the San Juan Basin. Your letter of August 16, 1999 asks that a plan be submitted by Tuesday, August 31, 1999. We request an additional two weeks from this date to finish the plans and submit them to your office. We will have the plans to you by Tuesday, September 14, 1999.

We appreciate your patience in this matter. If you have any questions or concerns, please call me at (505) 241-2974.

Maureen Gannon
Environmental Services
241-2974



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

May 28, 1999

CERTIFIED MAIL
RETURN RECEIPT NO. Z-274-520-668

Ms. Maureen Gannon
Public Service Company of New Mexico
Alvarado Square, MS-0408
Albuquerque, New Mexico 87401

RE: 1999 SAN JUAN BASIN ANNUAL GROUNDWATER REPORT

Dear Ms. Gannon:

The New Mexico Oil Conservation Division (OCD) has reviewed Public Service Company of New Mexico's (PNM) April 5, 1999 "1999 SAN JUAN BASIN ANNUAL GROUNDWATER REPORT". This document contains the results of PNM's 1998 monitoring and remediation of contaminated ground water related to the closure of unlined oil and gas production pits in the San Juan Basin.

The OCD has the following comments and requirements regarding the above referenced document:

- A. On July 14, 1999, the OCD required that PNM install additional ground water monitoring wells at 7 sites to determine the extent of ground water contamination that was in excess of New Mexico Water Quality Control Commission (WQCC) ground water standards. According to the above referenced documents additional wells were installed at 2 of the sites. However, the documents do not contain any information on the installation of additional monitoring wells for the sites listed below. The OCD requires that PNM submit a plan to address this deficiency for these sites. The plan shall be submitted to the OCD Santa Fe Office by July 28, 1999 with a copy provided to the OCD Aztec District Office.

- | | |
|---------------------------------------|-----------------------------|
| 1. Dogie Compressor Station North Pit | Unit D, Sec. 04, T25N, R06W |
| 2. Florance #32A | Unit F, Sec. 15, T30N, R08W |
| 3. Jacques #2A | Unit D, Sec. 25, T30N, R09W |
| 4. Mangum #1E | Unit F, Sec. 33, T29N, R11W |
| 5. McClanahan #22 | Unit G, Sec. 14, T28N, R10W |

Ms. Maureen Gannon
May 28, 1999
Page 2

- B. The closure reports for the sites listed below show that the extent of ground water contamination in excess of New Mexico WQCC ground water standards has not been completely defined. Therefore, the OCD requires that PNM submit a plan for the installation of additional monitor wells to determine the extent of ground water contamination at these sites. The plan shall be submitted to the OCD Santa Fe Office by July 28, 1999 with a copy provided to the OCD Aztec District Office.

- | | |
|--------------------------------------|-----------------------------|
| 1. Dogie Compressor Station East Pit | Unit D, Sec. 04, T25N, R06W |
| 2. Honolulu Line Drip | Unit B, Sec. 15, T26N, R04W |
| 3. Ice Canyon Drip | Unit H, Sec. 13, T26N, R07W |
| 4. Jicarilla Contract 147-6 | Unit C, Sec. 06, T25N, R05W |
| 5. Randalman #1 | Unit K, Sec. 13, T31N, R11W |

- C. Several of the reports state that certain contaminants such as chloride, sulfate and total dissolved solids are not enforceable standards under State of New Mexico regulations. For your information, all of the WQCC standards as contained in 20 NMAC 6.2.3101 are enforceable standards.

If you have any questions, please call me at (505) 827-7154.

Sincerely,



William C. Olson
Hydrologist
Environmental Bureau

xc: Denny Foust, OCD Aztec District Office
Bill Liess, BLM Farmington District Office
Kurt Sandoval, Jicarilla Apache Environmental Protection Office



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

July 14, 1998

CERTIFIED MAIL
RETURN RECEIPT NO. Z-235-437-312

Ms. Maureen Gannon
Public Service Co. of New Mexico - Gas Services
Alvarado Square, MS-0408
Albuquerque, New Mexico 87401

RE: SAN JUAN BASIN ANNUAL GROUNDWATER REPORT

Dear Ms. Gannon:

The New Mexico Oil Conservation Division (OCD) has reviewed Public Service Company of New Mexico's (PNM) April 2, 1998 "1998 SAN JUAN BASIN ANNUAL GROUNDWATER REPORT". This document contains the results of PNM's 1997 monitoring and remediation of contaminated ground water related to the closure of unlined oil and gas production pits in the San Juan Basin.

Below is the OCD's review of this document:

- A. The closure reports for the sites listed below shows that the extent of ground water contamination in excess of New Mexico Water Quality Control Commission (WQCC) ground water standards has not been completely defined. Therefore, the OCD requires that PNM install additional ground water monitoring wells to monitor and determine the extent of ground water contamination pursuant to their previously approved ground water investigation plan.

- | | |
|-----------------------------------|-----------------------------|
| 1. Dogie Compressor Station North | Unit D, Sec. 04, T25N, R06W |
| 2. Florance #32A | Unit F, Sec. 15, T30N, R08W |
| 3. Jacques #2A | Unit D, Sec. 25, T30N, R09W |
| 4. Mangum #1E | Unit F, Sec. 33, T29N, R11W |
| 5. McClanahan #22 | Unit G, Sec. 14, T28N, R10W |
| 6. Miles Federal #1E Drip | Unit N, Sec. 05, T26N, R07W |
| 7. Zachry #18E | Unit O, Sec. 11, T28N, R10W |

Ms. Maureen Gannon
July 14, 1998
Page 2

B. A review of the ground water quality data for the sites listed below shows that either metals or chlorides and total dissolved solids are present in ground water in excess of WQCC standards at the sites. The OCD requires that PNM determine the extent of these ground water contaminants pursuant to their previously approved ground water investigation plan.

- | | | |
|----|------------------------|-----------------------------|
| 1. | Miles Federal #1E Drip | Unit N, Sec. 05, T26N, R07W |
| 2. | Randleman #1 | Unit K, Sec. 13, T31N, R11W |

If you have any questions, please call me at (505) 827-7154.

Sincerely,



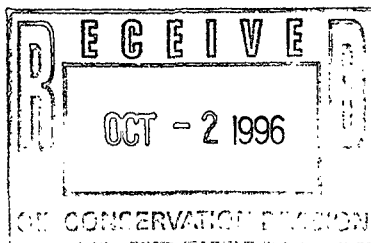
William C. Olson
Hydrologist
Environmental Bureau

xc: Denny Foust, OCD Aztec District Office
Bill Liess, BLM Farmington District Office

Public Service Company
of New Mexico
Alvarado Square MS. 0408
Albuquerque, NM 87158

October 1, 1996

Mr. William Olson
Hydrogeologist
Oil Conservation Division
2040 So. Pacheco
Santa Fe, New Mexico 87505



RECEIVED

OCT 2 1996

Environmental Bureau
Oil Conservation Division



RE: NOTIFICATION OF GROUNDWATER CONTAMINATION AT THE McCLANAHAN 22 WELL SITE

Dear Bill:

Pursuant to New Mexico Water Quality Control Commission (WQCC) Regulations, section 1-203, PNM hereby provides written notification of groundwater contamination at the McClanahan 22 well site, located in section 14, township 28 North, range 10 West, unit letter G. A topographic map showing the location of the site is provided as an attachment. The operator is Meridian Oil Company. This letter follows verbal notification provided to you on Wednesday, September 25, 1996 (M. Gannon, PNM to B. Olson. OCD, 9/25/96).

On September 13, 1996, field personnel collected a sample from groundwater in an excavation approximately 8 feet below ground surface. The groundwater sample was delivered to OnSite Technologies, Ltd., in Farmington, New Mexico, for laboratory analysis. A hardcopy of the analytical results are attached. Analytical results are provided below:

| Component | Units | WQCC Stds. | Pit Excavation Water Sample |
|-------------------|-------|------------|-----------------------------|
| Benzene | ppb | 10 | 64.9 |
| Toluene | ppb | 750 | 314.5 |
| Ethylbenzene | ppb | 750 | 169.2 |
| Xylenes | ppb | 620 | 1462.1 |
| Total BTEX | ppb | | 2010.7 |

Boldtype indicates a WQCC exceedance.

This letter serves as written notification of groundwater impact at the McClanahan 22. PNM will conduct future activities at the site pursuant to PNM's Groundwater Management Plan. If you have any questions, please call me at (505) 241-2974. Thank you.

Sincerely,
PNM

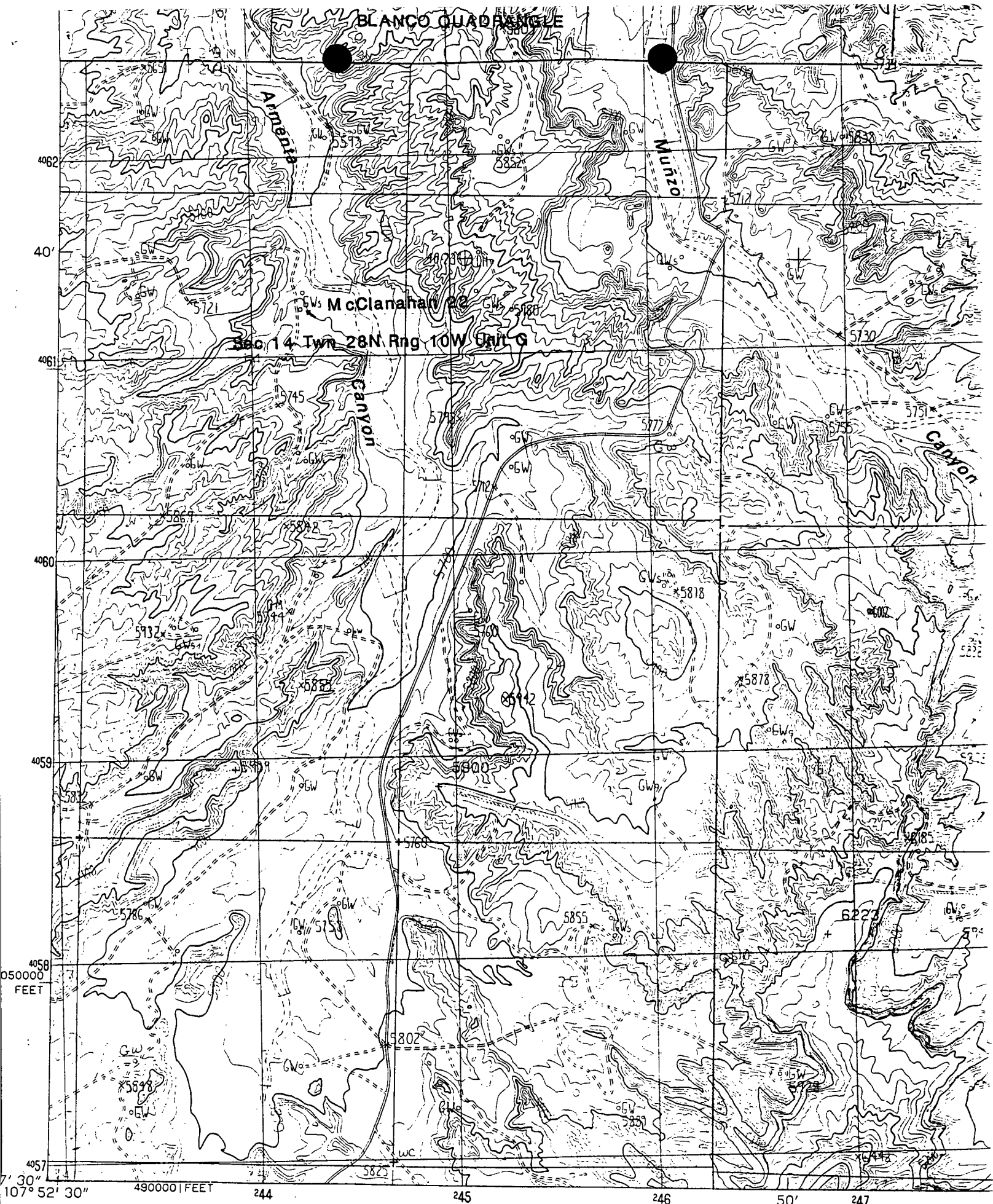
Maureen Gannon

Maureen Gannon
Project Manager

MDG/MCCLAN01.LTR.

Attachment

cc: Colin Adams, PNM
Denver Bearden, PNMGS
Denny Foust, OCD-Aztec Office
Leigh Gooding, WFS
Toni Ristau, PNM
Craig Boch, Meridian



PRODUCED BY THE UNITED STATES GEOLOGICAL SURVEY
 CONTROL BY USGS. NOS NOAA
 COMPILED FROM AERIAL PHOTOGRAPHS TAKEN 1977
 CHECKED 1981 MAP EDITED 1985
 PROJECTION TRANSVERSE MERCATOR
 SCALE 1:100,000
 DATUM 1983
 NEW MEXICO, WEST ZONE

NORTH

OFF: (505) 325-5667



LAB: (505) 325-1556

AROMATIC VOLATILE ORGANICS

Attn: *Maureen Gannon*
Company: *PNM Gas Services*
Address: *Alevardo Square, Mail Stop 0408*
City, State: *Albuquerque, NM 87158*

Date: 16-Sep-96
COC No.: 4877
Sample No. 12152
Job No. 2-1000

Project Name: *PNM Gas Services - McClanahan #22*
Project Location: *9609130845; Pit Excavation Ground Water Sample*
Sampled by: RH Date: 13-Sep-96 Time: 8:45
Analyzed by: HR Date: 13-Sep-96
Sample Matrix: *Water*

Laboratory Analysis

| Parameter | Result | Unit of Measure | Detection Limit | Unit of Measure |
|--------------|--------|-----------------|-----------------|-----------------|
| Benzene | 64.9 | ug/L | 0.2 | ug/L |
| Toluene | 314.5 | ug/L | 0.2 | ug/L |
| Ethylbenzene | 169.2 | ug/L | 0.2 | ug/L |
| m,p-Xylene | 1057.0 | ug/L | 0.2 | ug/L |
| o-Xylene | 405.1 | ug/L | 0.2 | ug/L |
| TOTAL | | 2010.7 | | ug/L |

Method - SW-846 EPA Method 8020 Aromatic Volatile Organics by Gas Chromatography

Approved by: *[Signature]*
Date: 7/16/96

OFF: (505) 325-5667



LAB: (505) 325-1556

QUALITY ASSURANCE REPORT
for EPA Method 8020

Date Analyzed: 13-Sep-96

Internal QC No.: 0486-QC

Surrogate QC No.: 0488-QC

Reference Standard QC No.: 0417-QC

Method Blank

| Parameter | Result | Unit of Measure |
|---|--------|-----------------|
| Average Amount of All Analytes In Blank | <0.2 | ppb |

Calibration Check

| Parameter | Unit of Measure | True Value | Analyzed Value | % Diff | Limit |
|--------------|-----------------|------------|----------------|--------|-------|
| Benzene | ppb | 20.0 | 20.7 | 4 | 15% |
| Toluene | ppb | 20.0 | 20.3 | 2 | 15% |
| Ethylbenzene | ppb | 20.0 | 20.7 | 3 | 15% |
| m,p-Xylene | ppb | 40.0 | 39.7 | 1 | 15% |
| o-Xylene | ppb | 20.0 | 20.0 | 0 | 15% |

Matrix Spike

| Parameter | 1 - Percent Recovered | 2 - Percent Recovered | Limit | %RSD | Limit |
|--------------|-----------------------|-----------------------|----------|------|-------|
| Benzene | 105 | 118 | (39-150) | 8 | 20% |
| Toluene | 103 | 119 | (46-148) | 10 | 20% |
| Ethylbenzene | 108 | 115 | (32-160) | 4 | 20% |
| m,p-Xylene | 99 | 107 | (35-145) | 5 | 20% |
| o-Xylene | 105 | 114 | (35-145) | 6 | 20% |

Surrogate Recoveries

| Laboratory Identification | S1 Percent Recovered | S2 Percent Recovered |
|---------------------------|-------------------------|-------------------------|
| Limit Percent Recovered | (70-130) | |
| 12152-4877 | 105 | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

S1: Fluorobenzene

CHAIN OF CUSTODY RECORD

4877

Page 7 of 7

Date:

9-13-94

TECHNOLOGIES, LTD.

657 W. Maple • P. O. Box 2606 • Farmington NM 87499
LAB: (505) 325-5667 • FAX: (505) 325-6256

| Purchase Order No.: | | Job No. | |
|--|--|-------------------------------------|-------------|
| Name | | Denver Bearden | |
| Company | | PNM Gas Services | |
| Address | | 603 W. Elm Street | |
| City, State, Zip | | Farmington, NM 87401 | |
| Sampling Location: <i>McClanahan #22; 1st excavation ground water sample</i> | | | |
| Sampler: <i>Ray Haston</i> | | | |
| SAMPLE IDENTIFICATION | | SAMPLE DATE | SAMPLE TIME |
| 9609130845 | | 9-13-96 | 0845 |
| MATRIX | | PRES. | |
| water | | ice | |
| RESULTS TO REPORT | | | |
| Name | | Maureen Gannon | |
| Company | | PNM Gas Services | |
| Mailing Address | | Alverado Square, Mail Stop 0408 | |
| City, State, Zip | | Albuquerque, NM 87158 | |
| Telephone No. | | 505-848-2974 | |
| Telefax No. | | | |
| ANALYSIS REQUESTED | | | |
| Number of Containers | | 2 | |
| LAB ID | | 12152-4817 | |
| Relinquished by: | | Date/Time 9-13-96 0837 | |
| Relinquished by: | | Date/Time | |
| Relinquished by: | | Date/Time | |
| Method of Shipment: | | 10 Working Days | |
| Authorized by: | | Date 9-13-96 | |
| Special Instructions: | | Results to be sent to both parties. | |

| Distribution: White - On Site | Yellow - AB | Pink - Sampler | Goldendred - Client |
|-------------------------------|-------------|----------------|---------------------|
|-------------------------------|-------------|----------------|---------------------|



State of New Mexico
ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT
Santa Fe, New Mexico 87505

STATE OF
NEW MEXICO
OIL
CONSERVATION
DIVISION

MEMORANDUM OF MEETING OR CONVERSATION



Telephone



Personal

Time

1510

Date

9/30/96

Originating Party

Maureen Gannon - PNM

Other Parties

Bill Olson - Envir. Bureau
@ Voice mail

Subject

McClannahan #22 Ground Water Contamination Notice

Discussion

PNM bely pit on Meridian - McClannahan #22 well site

Location - unit G, sec. 14 T28N, R10W

GW depth - 8-10'

Benzene - 65 ppb

BTEX - 2000 ppb

Conclusions or Agreements

Distribution

Signed

Will Olson