

CHUZA OPERATING

REMEDIATION STATUS REPORT

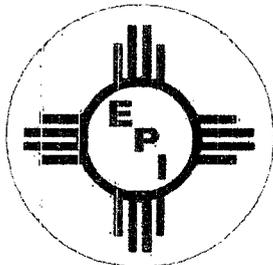
GINSBURG FEDERAL #5

Unit Letter D, NW¼ NW¼ Sec31, T25S, R38E,
~7 miles east of Jal
Lea County, New Mexico

May 31, 2001

Prepared by

Environmental Plus, Inc.
1324 North Main Street
P.O. Box 1558
Eunice, New Mexico 88231
Tele 505•394•3481 FAX 505•394•2601



CONTRACT #:

*Chuza-4452
incident - nPAC0608129777
application - pPAC0608129967*



ENVIRONMENTAL PLUS, INC.

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STATE APPROVED LAND FARM AND ENVIRONMENTAL SERVICES

May 31, 2001

New Mexico Oil Conservation Division (NMOCD)
1625 N. French Drive
Hobbs, New Mexico 88240

Attention: Mr. Paul Sheeley

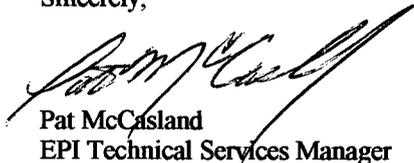
Subject: Chuza Operating Ginsburg Federal #5 Remediation Status

Dear Mr. Sheeley,

Environmental Plus, Inc. (EPI) of Eunice, New Mexico, on behalf of Mr. Jim Chandler of Chuza Operating, hereby submits for your review and consideration, two copies of the "Chuza Operating Remediation Status Report for the Ginsburg Federal #5, May 31, 2001". The report documents that the 0-1' bgs interval at the site remains above the acceptable Total Petroleum Hydrocarbon threshold of 1000 mg/Kg. Therefore, EPI, on behalf of Chuza Operating, requests that the NMOCD grant an extension of one year to the statutory 1-year term allowed to remediate hydrocarbon contaminated sites. The effective term end date will be March 22, 2002. The contamination at the site does not pose a risk to the ground water that occurs at ~61' bgs or to the livestock that graze the area.

If you have any questions please call me at the office or at 505.390.7864. I look forward to your response.

Sincerely,



Pat McCasland
EPI Technical Services Manager

cc: Jim Chandler, Chuza Operating
Ben Miller, Vice President and General Manager
Sherry Miller, President

ENVIRONMENTAL PLUS, INC.

Table of Contents

1.0	Introduction	3
2.0	Remediation Progress	3
3.0	Discussion	4
4.0	Conclusion.....	4
	Attachment I: Analytical Reports and Summary.....	5

1.0 INTRODUCTION

On March 22, 2000, the Chuza Ginsburg Federal #5 oil well flow-line ruptured and released approximately 5 barrels of production fluid, i.e., a mixture of saline water and crude oil, approximately 90% and 10%, respectively. The affected surface area extended approximately 500' southwest of the rupture tapering from approximately 50' to 2' in width. The surface at this site tilts slightly to the southwest. It was reported that a rain event occurred simultaneously with the release that caused the crude oil component to be washed down gradient and exaggerated the magnitude of the surface area of the spill. The site was characterized, the report submitted to the New Mexico Oil Conservation Division (NMOCD). The selected remediation strategy was to disk bovine manure into the affected surface area and monitor progress until closure thresholds were attained. This status report provides the analytical results from the May 12, 2001 sampling of the site and discusses remediation progress. The initial investigation determined that the only remedial action threshold exceeded was the 1000 mg/Kg Total Petroleum Hydrocarbon (TPH-EPA method 8015M) in the 0-1' below ground surface (bgs) interval, therefore, only the 0-1' bgs interval is being monitored.

2.0 REMEDIATION PROGRESS

Samples were obtained from the same general sample locations as during the 12-19-00 sampling event. The original analytical reports from the 5-12-01 sampling event are included as Attachment I and summarized below along with previous data.

		East Composite		
		7/6/2000	12/19/2000	5/12/2001
GRO ¹	mg/Kg	50	50	50
DRO ²	mg/Kg	15300	2620	12800
GRO+DRO	mg/Kg	15350	2670	12850
BTEX ³	mg/Kg	0.03	0.03	0.084
Benzene	mg/Kg	0.005	0.005	0.005
Toluene	mg/Kg	0.005	0.005	0.02
Ethyl Benzene	mg/Kg	0.005	0.005	0.01
Total Xylene	mg/Kg	0.015	0.015	0.049

		Middle Composite		
		7/6/2000	12/19/2000	5/12/2001
GRO	mg/Kg	50	50	na
DRO	mg/Kg	15300	2610	na
GRO+DRO	mg/Kg	15350	2660	na
BTEX	mg/Kg	0.03	na	na
Benzene	mg/Kg	0.005	na	na
Toluene	mg/Kg	0.005	na	na
Ethyl Benzene	mg/Kg	0.005	na	na
Total Xylene	mg/Kg	0.015	na	na

		West Composite		
		7/6/2000	12/19/2000	5/12/2001
GRO	mg/Kg	50	50	50
DRO	mg/Kg	15300	1620	2710
GRO+DRO	mg/Kg	15350	1670	2760
BTEX	mg/Kg	0.03	0.03	0.116
Benzene	mg/Kg	0.005	0.005	0.005
Toluene	mg/Kg	0.005	0.005	0.017
Ethyl Benzene	mg/Kg	0.005	0.005	0.014
Total Xylene	mg/Kg	0.015	0.015	0.08

¹GRO – Gasoline Range Organics

²DRO – Diesel Range Organics

³TPH – Total Petroleum Hydrocarbon (GRO+DRO)

3.0 DISCUSSION

The data indicates that the remediation strategy of mixing bovine manure with the hydrocarbon contaminated soil was initially effective in reducing TPH concentrations. Chloride concentrations are declining in the near surface, probably due to dispersion and leaching into the subsurface. The increase TPH level indicated in the east composite area is probably due to random sampling variation but nevertheless needs to be addressed.

4.0 CONCLUSION

Given that the site has not remediated to below the NMOCD guideline remedial goal for TPH, i.e., <1000 mg/Kg, the NMOCD will be asked to extend the time necessary to achieve the remediation goals to March 2002. During the interim, the site will be monitored and tilled as necessary to promote natural attenuation of the hydrocarbon.

Attachment I: Analytical Reports and Summary



PHONE (915) 873-7001 • 2111 BEECHWOOD • ABILENE, TX 79603

PHONE (505) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

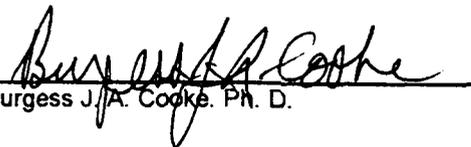
ANALYTICAL RESULTS FOR
 ENVIRONMENTAL PLUS, INC.
 ATTN: PAT McCASLAND
 P.O. BOX 1558
 EUNICE, NM 88231
 FAX TO: (505) 394-2601

Receiving Date: 05/17/01
 Reporting Date: 05/21/01
 Project Owner: CHUZA
 Project Name: GINSBURG FEDERAL #5
 Project Location: ULD NW/4 NW/4 S31, T25S, R38E

Sampling Date: 05/12/01
 Sample Type: SOIL
 Sample Condition: COOL & INTACT
 Sample Received By: GP
 Analyzed By: BC

LAB NUMBER	SAMPLE ID	GRO (C ₆ -C ₁₀) (mg/Kg)	DRO (>C ₁₀ -C ₂₈) (mg/Kg)	BENZENE (mg/Kg)	TOLUENE (mg/Kg)	ETHYL BENZENE (mg/Kg)	TOTAL XYLENES (mg/Kg)
ANALYSIS DATE:		05/18/01	05/18/01	05/17/01	05/17/01	05/17/01	05/17/01
H5876-1	S51201GF5EC	<50	12800	<0.005	0.020	0.010	0.049
H5876-2	S51201GF5WC	<50	2710	<0.005	0.017	0.014	0.080
Quality Control		926	1052	0.104	0.108	0.101	0.285
True Value QC		1000	1000	0.100	0.100	0.100	0.300
% Recovery		92.6	105	104	108	101	95.1
Relative Percent Difference		0.5	7.4	0.5	5.4	1.0	0.6

METHODS: TPH GRO & DRO - EPASW-846 8015 M; BTEX - SW-846 8260.


 Burgess J. A. Cooke, Ph. D.

5/21/01

 Date

H5876.XLS

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise.



CARDINAL LABORATORIES, INC.

2111 Beechwood, Abilene, TX 79603 101 East Marland, Hobbs, NM 88240
(915) 673-7001 Fax (915) 673-7020 (505) 393-2326 Fax (505) 393-2476

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Company Name: Environmental Plus, Inc. **BILL TO**

Project Manager: Pat McEasland

Address: P.O. Box 1557 **P.O. #:** SAME

City: Eunice **State:** NM **Zip:** 88231 **Company:**

Phone #: 505.394.2600 **Fax #:** 505.394.2601 **Addr:**

Project #: **Project Owner:** CHAZA **City:**

Project Name: Ginsburg Federal #5 **State:** **Zip:**

Project Location: WLD Highway 4 S31, T25S, R30E **Phone #:**

Sampler Name: Pat McEasland **Fax #:**

Lab I.D.	Sample I.D.	(GRAB OR C/OMP.	MATRIX				PRESERV		SAMPLING				
			GROUNDWATER	WASTEWATER	WASTEWATER	SOIL	CRUDE OIL	SLUDGE	OTHER:	ACID/BASE:	RE/COOL	OTHER:	DATE
U5876-1	S51201 G5 EC	C 1	✓									5.12.01	1330
-2	S51201 G5 WC	C 1	✓									5.12.01	1335

FOR LAB USE ONLY

Lab I.D. _____ **Sample I.D.** _____

(GRAB OR C/OMP. _____

MATRIX

PRESERV

SAMPLING

DATE _____ **TIME** _____

PHONE NOTE: Utility and Demog. Cardinal's liability and chain of custody records for any chain custody whether issued or not, will be linked to the request paid by the client for the analysis. All chain custody records for any other chain custody shall be deemed void unless made in writing and received by Cardinal within 30 days after completion of the analysis. In no event shall Cardinal be liable for incidental or consequential damages, including without limitation, business interruption, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise.

Sampler Notified: _____ **Received By:** _____

Relinquished By: *[Signature]* **Received By: (Lab Staff)** *[Signature]*

Date: _____ **Time:** _____

Date: 05/17/2001 **Time:** 1:30 P

Delivered By: (Circle One) Sampler - UPS Bus Other

Sample Condition

Cool Intact

Yes No

CHECKED BY: (Initials)

REMARKS: CofC requested

Phone Result: Yes No **Add'l Phone #:** _____

Fax Result: Yes No **Add'l Fax #:** _____

† Cardinal cannot accept verbal changes. Please fax written changes to 805-393-2476.

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 South First, Artesia, NM 88210
District III
00 Rio Brazos Road, Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

Form C-141
Revised March 17, 1999
Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action

OPERATOR

Initial Report Final Report

Name of Company <i>CHUZA OPERATING</i>	Contact <i>William K. Dean</i>
Address <i>P.O. Box 51010 Midland TX 79202</i>	Telephone No. <i>API# 3002512439 00 00</i>
Facility Name <i>Ginsburg Federal #5</i>	Facility Type <i>Flow line</i>

Surface Owner <i>ARCO Permian</i>	Mineral Owner <i>Federal</i>	Lease No.
--------------------------------------	---------------------------------	-----------

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
<i>D</i>	<i>31</i>	<i>25S</i>	<i>38E</i>	<i>NW4</i>	<i>NW4</i>			<i>LEA</i>

NATURE OF RELEASE

Type of Release <i>Production Fluid (oil+water)</i>	Volume of Release <i>< 5 bbls</i>	Volume Recovered <i>0</i>
Source of Release <i>Flowline</i>	Date and Hour of Occurrence <i>March 22, 2000</i>	Date and Hour of Discovery <i>March 22, 2000</i>
Was Immediate Notice Given? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input checked="" type="checkbox"/> Not Required	If YES, To Whom? <i>Buddy Hill</i> <i>Dennis Williams (at location)</i>	
Whom?	Date and Hour <i>June 27, 2000</i>	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*
Flow line ruptured. Repaired line. No fluid present on land surface.

Describe Area Affected and Cleanup Action Taken.*
Sampled on 7:6:00 to determine vertical extent of TPH, BTEX, + Chloride
Spill Dimension: ~50' wide tapering down 2'. Extends ~500 SW.
72 yds of bovine manure was raked into the surface of the impacted area.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

Signature: <i>William K. Dean by Art McNeil</i>	OIL CONSERVATION DIVISION	
Printed Name: <i>William K. Dean</i>	Approved by District Supervisor:	
Title: <i>Lease Operator</i>	Approval Date:	Expiration Date:
Date: <i>July 11, 2000</i> Phone: <i>39631-5010</i>	Conditions of Approval:	Attached <input type="checkbox"/>

* Attach Additional Sheets If Necessary