

NM1 - 15

**GENERAL
CORRESPONDENCE**

YEAR(S):

2004-1992



DISPOSAL SERVICES, INC.
P.O. Box 2491•Hobbs, NM 88241
Ph: (505) 392-9996•Fx: (505) 392-9376

November 17, 2004

Mr. Ed Martin
NM Energy, Mineral and Natural Resources
Oil Conservation Division
Environmental Bureau
1220 South St. Francis Drive
Santa Fe, New Mexico 87505
Ph: (505) 476-3488
Fx: (505) 476-3462

RE: Goo-Yea Permit NM-01-0015 Renewal

Mr. Ed Martin,

On behalf of Goo-Yea, Inc., Diamondback Disposal Services, Inc. (Diamondback) would like to announce the intent to renew permit NM-01-0015. Goo-Yea permit is up for review on December 10, 2004. In order to ensure the acceptance of the renewal, Diamondback would like to make sure all paperwork and requirements are ready for your evaluation. I will be contacting you for specific requirements regarding this matter.

Thank you,

Linsey Dyer
Vice-President



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

September 17, 2004

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

Ms. Daniele Berardelli
Rhino Environmental Services, Inc.
P.O. Box 4232
Anthony, NM 88021

Dear Ms. Berardelli:

Since the New Mexico Oil Conservation Division (NMOCD) promulgated Rule 50 covering pits and below-grade tanks, there has arisen a need, in certain circumstances, for operators to transport their drill cuttings off-site and dispose of them.

NMOCD Rule 711, as it pertains to landfarms, does not specifically address the issue of exempt oilfield wastes that may be contaminated with salts. Your landfarm application and permit were written with only hydrocarbon-contaminated soils in mind. Salt-contaminated wastes cause the following problems:

1. Lessening the effectiveness of the biodegradation capacity of your landfarm
2. Rapid leachability causing adverse effects on groundwater

If you want to accept salt-contaminated cuttings or any other salt-contaminated wastes, your 711 permit must be modified to ensure that your acceptance of those wastes will not adversely affect public health or the environment.

Please check one of the following:

I have accepted or intend to accept salt-contaminated wastes in my landfarm. An OCD form C-137, applying for a modification to my 711 permit is attached. Included, as an attachment, is a demonstration that the accepted salt-contaminated soils will not adversely affect groundwater in the foreseeable future. (Closure requirements will also require modification to ensure the protection of groundwater. Should your acceptance of salt-contaminated wastes prove detrimental to groundwater, future liability for such damage rests with the landfarm operator).

I do not intend to accept salt-contaminated wastes in my landfarm. Should this condition change, I will submit an OCD Form C-137 for a modification to my 711 permit at that time.

New Mexico Oil Conservation Division
Attn: Ed Martin
1220 S. St. Francis
Santa Fe, NM 87505

This letter must be returned to the above address no later than October 31, 2004. An extension of time may be granted if you contact this office no later than that date.

If you have any questions, contact Ed Martin (505) 476-3492 or emartin@state.nm.us

Signed

Date



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

June 14, 2004

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Ms. Daniele Berardelli
Rhino Environmental Services, Inc.
P.O. Box 310
Canutillo, TX 79835

Dear Ms. Berardelli:

Your request for modification of Rhino's permits NM-01-0015 and NM-01-0021 as stated in your letter dated June 1, 2004 is hereby approved. In accordance with the description of the system in your letter, you may proceed with the construction and installation of the stabilization basin.

Further, you are permitted to accept non-hazardous oilfield liquid and semi-solid wastes for stabilization in said basin, followed by landfarming. All other stipulations as stated in your letter referenced above must be adhered to. These include:

1. All wastes will be stabilized within 48 hours of receipt.
2. In the event that free liquid must be left unattended for any period of time, a screen must be placed over the basin to prevent entry by wildlife.
3. Adequate berming must be constructed around the aboveground flow-through tank.
4. The ground surface will be double-lined with a 30-mil liner.
5. The system will be equipped with a monitor sump for leak detection.
6. The leak detection system will be checked weekly and OCD will be notified within 24 hours if any liquid is discovered.

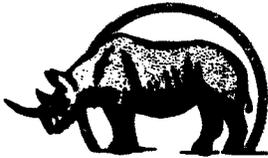
This OCD approval does not relieve Rhino Environmental Services, Inc. of any liability should its operations result in pollution of surface waters, ground water or the environment. Nor does it relieve Rhino Environmental Services, Inc. of its responsibility for compliance with other federal, state, or local laws and/or regulations.

NEW MEXICO OIL CONSERVATION DIVISION

A handwritten signature in cursive script that reads "Edwin E. Martin".

Edwin E. Martin
Environmental Bureau

cc: NMOCD-Hobbs District Office



RHINO

Environmental Services, Inc.

P.O. Box 310, Canutillo, Texas 79835
Phone (915) 886-4355 • Fax (915) 886-4358
www.rhinoservices.net

June 1, 2004

Ms. Martyne J. Kielling
NM Energy, Mineral and Natural Resources
Oil Conservation Division - Environmental Bureau
1220 South St. Francis Drive
Santa Fe, New Mexico 87505
Ph: (505) 476-3488, Fx: (505) 476-3482

RECEIVED
JUN 07 2004
L Per:

**Re: Modification- Permit NM-01-0015
 Permit NM-01-0021**

Dear Ms. Kielling:

In response to the Oil Conservation Division Pit and Below-Grade Tank Interim Guidelines, Rhino Environmental Services, Inc. and Goo Yea, Inc. would like to modify the above existing permits. Rhino and Goo Yea would like permission to accept non-hazardous oilfield liquid and semi-solid wastes for stabilization followed by landfarming. Wet materials will be stabilized by mixing the waste with either remediated or clean soils until the moisture content is acceptable for placement into landfarm treatment cells.

All wastes accepted at the facility will be stabilized within 48 hours of receipt. Wet materials will either be placed directly into a waste stabilization basin, or into a flow-through above ground storage tank. In the event that free liquid must be left unattended for any period of time, a screen will be used to cover the basin to prevent entry by wildlife.

In accordance with the attached drawings, the stabilization basin will be constructed of 12" reinforced concrete surrounded by a 3' dirt berm. The above ground flow-through tank will be placed in an above ground concrete basin with adequate berming. To minimize the chances of a release, the ground surface will be double-lined with a 30 ml liner. The double-liner system will be equipped with a monitor sump for leak detection. The leak detection system will be checked weekly and OCD shall be notified within 24 hours if any liquid is discovered.

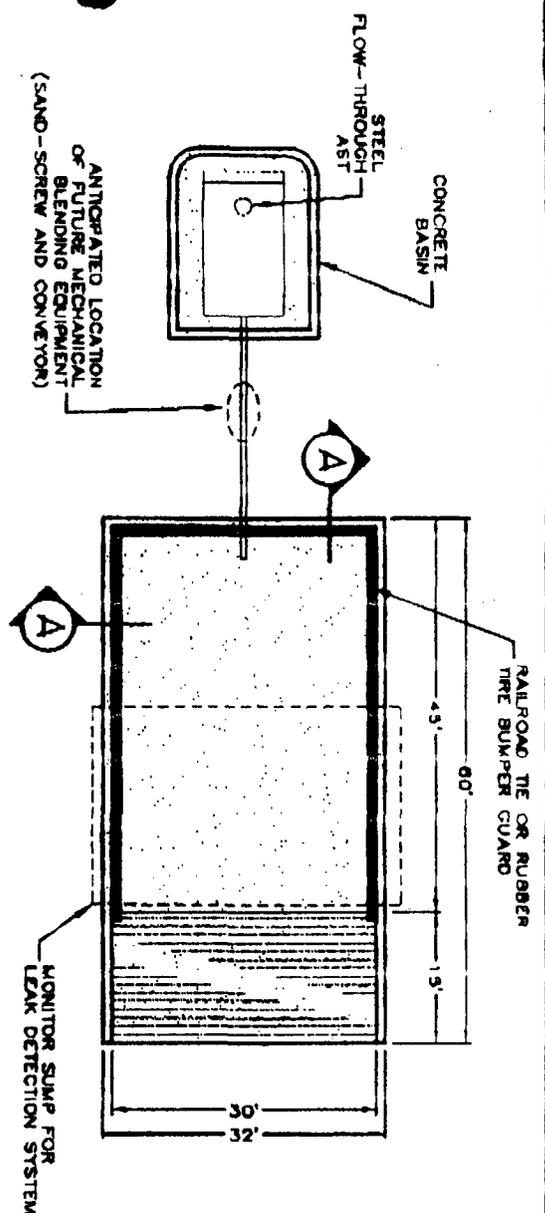
Rhino appreciates your consideration and assistance with this matter. Please call me if you have any questions or require additional information.

Sincerely,

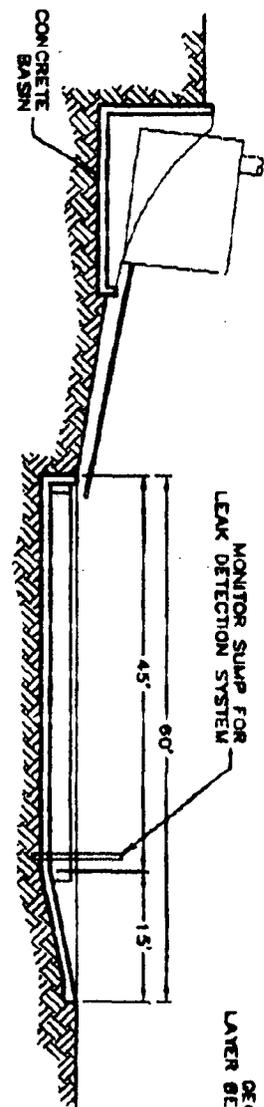
Daniele Berardelli
Rhino Environmental Services, Inc. for
Goo Yea, Inc.

Attachments

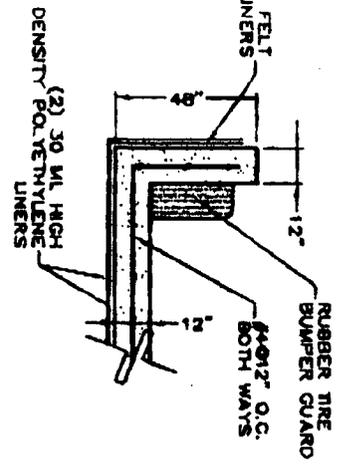
CC: NMOCD - District I
 1625 N. French Drive
 Hobbs, New Mexico 88240



WASTE STABILIZATION FACILITY - PLAN VIEW
 SCALE 1" = 20'-0"

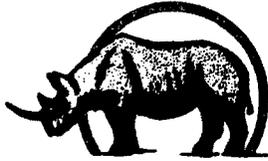


WASTE STABILIZATION FACILITY - SECTION VIEW
 SCALE 1" = 20'-0"



SECTION A
 SCALE 1" = 5'-0"

RHINO ENVIRONMENTAL SERVICES INC.	
WASTE STABILIZATION FACILITY	
PROJECT NAME COMMERCIAL LAND FARMS LEE COUNTY, NEW MEXICO	JOB No. 0431 DATE: 6/03/04 REV: SCALE: SHOWN
SHEET 1 OF 1	



RHINO

Environmental Services, Inc.

200 Sunset Drive, Suite D, El Paso, Texas 79922
Phone (915) 842-9911 • Fax (915) 842-9933
www.rhinoservices.net

May 13, 2003

Ms. Martyne J. Kieling
NM Energy, Mineral and Natural Resources
Oil Conservation Division
Environmental Bureau
1220 South St. Francis Drive
Santa Fe, New Mexico 87505
Ph: (505) 476-3488
Fx: (505) 476-3462

**Re: Permit NM-01-0015 - Goo Yea Commercial Landfarm
Permit NM-01-0021 - Rhino Commercial Landfarm**

Dear Ms. Kieling:

Rhino Oilfield Disposal, Inc. (Rhino) has recently contracted Diamonback Disposal and Services, Inc. (Diamondback) to manage both Oil Conservation Division (OCD) approved commercial landfarms located in Lea County, New Mexico. Rhino will maintain ownership of the facilities while Diamondback will be responsible for all operations, maintenance, and reporting requirements. Diamondback is a local business situated in Hobbs. All regular correspondence should be directed to:

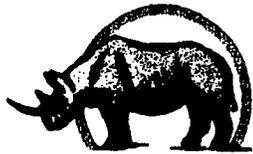
Ms. Linsey Dyer
DIAMONDBACK DISPOSAL AND SERVICES, INC.
4007 Lovington Highway
Hobbs, New Mexico 88240
Ph: (505) 392-4498
Fx: (505) 392-9376

Rhino will monitor Diamondback's performance by conducting audits on a bi-annual basis. In the event problems arise or there is any issue concerning compliance, please contact me immediately.

Sincerely,

Daniele Berardelli
Rhino Environmental Services, Inc. for
Rhino Oilfield, Inc.

CC: Mr. Paul Sheeley
NMOCD - District I
1625 N. French Drive
Hobbs, New Mexico 88240



RHINO

Environmental Services, Inc.

200 Sunset Drive, Suite D, El Paso, Texas
Phone (915) 842-9911 • Fax (915) 842-9933
www.rhinoservices.net

January 13, 2003

Ms. Martyne Keiling
NM Energy, Mineral and Natural Resources
Oil Conservation Division
Environmental Bureau
1220 South St. Francis Drive
Santa Fe, New Mexico 87505
Ph: (505) 476-3488
Fx: (505) 476-3462

**Re: Goo-Yea Landfarm Facility:
Response to Inspection Report – December 10, 2002**

Dear Ms. Keiling:

Rhino Environmental Services, Inc. (Rhino) has received your inspection and noted the deficiency under line item 6. Many customers line the ground with plastic prior to stockpiling impacted materials. This may be done for a variety of reasons while material is awaiting removal. Plastic is a constant, ongoing problem at each of our facilities. Once the material is dumped, the sheer weight of the soil, and weakness of the plastic, make it very difficult to remove. Our method has always been to remove what plastic is loose and comes to the surface each time the material is disked. We will continue to remove plastic on a regular basis, and operators will attempt to be more diligent in their efforts. If, during your inspections of other facilities you have noticed a more efficient method for plastic removal, Rhino would be more than happy to any suggestions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Daniele Berardelli', written over a horizontal line.

Daniele Berardelli
General Manager

STATE OF NEW MEXICO
ENERGY MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

MEMORANDUM OF MEETING OR CONVERSATION

Telephone Personal Time 9:30 Date 7-3-02

Originating Party

Tilish with Rhina

Other Parties

~~Tilish Rhina~~
Martyn Kicking

Subject

Quarterly March - June. Samples sent to
Ana Chem and the sample jars broke in route. Rhina
was notified late and will now be re sampling. For the
quarter.

Discussion

Conclusions or Agreements

Distribution

Signed

Martyn Kicking

200 Sunset Drive, Suite D
El Paso, Texas 79922
Ph: (915) 842-9911
Fx: (915) 842-9933
rhinoabq@hotmail.com

RHINO Environmental Services, Inc.

To: Martynne Kieling Fax: (505) 476-3462
From: Daniele Berardelli Date: 4/19/01
Re: _____ Pages: 5
CC: _____
 Urgent For Review Please Comment Please Reply Please Recycle

Notes: I've attached the info I sent off to the bonding company so you have a copy.

Also - I have not sent you out the latest quarterly for Rhino OCD Comm. farm. I am waiting for Allen (he's been out in the field + is a bit behind) to send me the rest of his documentation.

Thanks.

200 Sunset Drive, Suite D
El Paso, Texas 79922
Ph: (915) 842-9911
Fx: (915) 842-9933
rhinoabq@hotmail.com

RHINO Environmental Services, Inc.

Andrew on
To: Kathy/Comm. West Fax: (505) 266-6323
From: Daniele Berardelli Date: 4/19/01
Re: Bonds Pages: 3
CC:
 Urgent For Review Please Comment Please Reply Please Recycle

Notes:

I thought I had sent you these already, but I need to make sure these bonds are increased each year to the appropriate amount. On the dates specified, I have to provide proof to the State verifying this was done.

Currently, the bond for GooYea is not in the amount of \$ 37,615.00. Please do whatever is necessary to correct this as soon as possible.

In case you need info concerning the governing state agency:

Ms. Martyne Kieling
New Mexico Energy, Minerals + Nat. Resources
Oil Conservation Division
(505) 476-3488

Thanks very much for your help!

Bond No. W130007633

We have put in an application to double the size of the farm, the new bonding requirements will be as follows

8/3/2001 - \$56,650.00

8/3/2002 - \$68,100.00

8/3/2003 - \$79,450.00

8/4/2004 - \$99,800.00

Rhino Environmental Services, Inc.
711 Permit NM-01-0021
July 1, 1998
Page 5

assurance in the amount of \$11,350.

By August 3, 1999, Rhino Environmental Services, Inc must submit financial assurance in the amount of \$22,700.

By August 3, 2000, Rhino Environmental Services, Inc must submit financial assurance in the amount of \$34,050

By August 3, 2001, Rhino Environmental Services, Inc must submit financial assurance in the amount of \$45,400 → \$56,650

2. The conditions of this permit and the facility will be reviewed no later than five (5) years from the date of this approval and the facility will be inspected at least once a year. In addition, the closure cost estimate will be reviewed according to prices and remedial work estimates at the time of review. The financial assurance may be adjusted to incorporate any closure cost changes.

CLOSURE

1. The OCD Santa Fe and Hobbs District offices will be notified when operation of the facility is discontinued for a period in excess of six (6) months or when the facility is to be dismantled. Upon cessation of landfarming operations for six (6) consecutive months, the operator shall complete cleanup of constructed facilities and restoration of the facility site within the following six (6) months, unless an extension of time is granted by the Director.
2. A closure plan for the facility will be provided including the following OCD closure procedures:
 - a. When the facility is to be closed no new material will be accepted.
 - b. Existing landfarm soils will be remediated until they meet the OCD standards in effect at the time of closure.
 - c. The area will be contoured, reseeded with natural grasses and allowed to return to its natural state.
 - d. Closure will be pursuant to all OCD requirements in effect at the time of closure, and any other applicable local, state and/or federal regulations.

Bond No. 4180005080

Artesia Aeration L.L.C.
711 Permit NM-01-0015
December 10, 1999
Page 5

Goo Yea Landfarm, Inc. for the commercial surface waste management facility.

By January 10, 2000 Goo Yea must submit financial assurance in the amount of **\$25,000.**

By January 10, 2001 or when the facility is filled to 50% of the permitted capacity, whichever comes first, Goo Yea must submit financial assurance in the amount of **\$37,615.**

By January 10, 2002 or when the facility is filled to 75% of the permitted capacity, whichever comes first, Goo Yea must submit financial assurance in the amount of **\$56,423.**

By January 10, 2003 or when the facility is filled to 100% of the permitted capacity, whichever comes first, Goo Yea must submit financial assurance in the amount of **\$75,230.**

2. The facility is subject to periodic inspections by the OCD. The conditions of this permit and the facility will be reviewed no later than five (5) years from the date of this approval. In addition, the closure cost estimate will be reviewed according to prices and remedial work estimates at the time of review. The financial assurance may be adjusted to incorporate any closure cost changes.

CLOSURE

1. The OCD Santa Fe and Hobbs offices must be notified when operation of the facility is discontinued for a period in excess of six (6) months or when the facility is to be dismantled. Within six (6) months of discontinuing use or within 30 days of deciding to dismantle the facility a closure plan must be submitted to the OCD Santa Fe office. The operator must complete cleanup of constructed facilities and restoration of the facility site within the following six (6) months, unless an extension of time is granted by the Director.
2. Within six (6) months of discontinuing use or within 30 days of deciding to dismantle the facility a closure plan to include the following procedures must be submitted to the OCD Santa Fe office for approval:
 - a. When the facility is to be closed no new material may be accepted.
 - b. Existing landfarm soils will be remediated until they meet the OCD standards in effect at the time of closure.



THE REPRODUCTION OF

THE

FOLLOWING

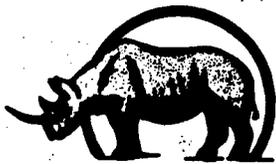
DOCUMENT (S)

CANNOT BE IMPROVED

DUE TO

THE CONDITION OF

THE ORIGINAL



RHINO

Environmental Services, Inc.

P.O. Box ~~9000~~ • Albuquerque, New Mexico ~~87109~~

Phone (505) 247-4646 • Fax (505) 797-4874

**Rhino Environmental Services, Inc.
(Rhino Solid Waste, Rhino Oilfield Disposal, Diamondback Drilling)
P.O. Box 57180
Albuquerque, NM 87187-7180**

8/28/00

Please update your records to reflect the **NEW** address for the following companies: Rhino Environmental Services, Inc., Rhino Solid Waste, Rhino Oilfield Disposal and Diamondback Drilling.

**P.O. Box 57180
Albuquerque, NM 87187-7180**

Please update your records to reflect the NEW address for the following companies: Rhino Environmental Services, Inc., Rhino Solid Waste, Rhino Oilfield Disposal and Diamondback Drilling.

Public Regulation Commission

3/6/2000

GOO-YEA LANDFARM, INC.

MAILING ADDRESS
PO BOX 25547 ALBUQUERQUE NEW MEXICO 87125

SCC Number: 1692946**Tax & Revenue Number:****INCORPORATED ON OCTOBER 19, 1994, IN NEW MEXICO.****CORPORATION IS A DOMESTIC PROFIT**

CORPORATION IS ACTIVE
GOOD STANDING THROUGH: 10/15/2000

PURPOSE OF THE CORPORATION
LAND FARM

CORPORATION DATES

Taxable Year End Date: 07/31/98 Filing Date: 12/24/99
Corporate Existence Expiration Date:

SUPPLEMENTAL POST MARK DATES

Supplemental: 05/24/95 Name Change: Purpose Change:

PRINCIPAL ADDRESS**11521 DEL REY, NE ALBUQUERQUE NEW MEXICO 87122****PRINCIPAL ADDRESS(Outside New Mexico)**

REGISTERED AGENT**STEVE DYER****11521 DEL REY, NE ALBUQUERQUE NEW MEXICO 87122**

Designation date: 12/24/99 Agent Post Mark Date: Resignation date:

COOP LICENSE INFORMATION

Number: Type: Expiration Year:

DYER, STEVE *President*
DYER, LINSEY *Vice President*
DYER, LINSEY *Secretary*

Treasurer

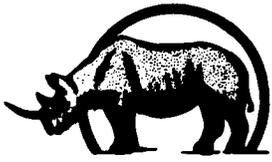
DIRECTORS

Date Election of Directors:

DYER, STEVE

11521 DEL REY, NE ALBUQUERQUE, NM 87122

New Search Inquiry Page



RHINO

Environmental Services, Inc.

P.O. Box 25547 • Albuquerque, New Mexico 87125

Phone (505) 247-4646 • Fax (505) 797-4874

December 8, 1999

Ms. Martyne J. Kieling
NM Energy, Mineral and Natural Resources
Oil Conservation Division
Environmental Bureau
2040 South Pacheco Street
Santa Fe, New Mexico 87505
Ph: (505) 827-7153
Fx: (505) 827-8177

**Re: Goo-Yea Commercial Landfarm, Inc.
Permit NM-01-0030**

Dear Ms. Kieling:

In reference to our telephone conversation, Rhino Environmental Services, Inc. (Rhino) would like to decrease the acreage permitted as Goo Yea Commercial Landfarm, Inc.. Rhino projects that no more than 15 five acre treatment cells will be necessary to accommodate the waste generated in that area. Please amend our existing permit to allow for 130 acres, 75 of which will be used as active treatment areas.

Please call me if you have any questions or require additional information. As always, I really appreciate your help.

Sincerely,

Daniele Berardelli
Rhino Environmental Services, Inc.

Attachments

**CC: Ms. Donna Williams
OCD-District 1
1625 N. French Drive
Hobbs, New Mexico 88240**

m/jk

TRANSMITTAL COVER SHEET

*Oil Conservation Division
(505) 827-7131 (Office)
(505) 827-8177 (Fax)*

Please Deliver This Fax To:

TO: Ms. Daniele Berardelli (505) 598-9627 Fax

FROM: Martynne Kieling (505) 827-7153 phone
examples of

SUBJECT: H₂S, Closure Plan, Routine Inspection Maintenance Plan

DATE: 7/15/97

PAGES: 5

*If You Have Any Problems Receiving This Fax ;
Please Call the Number Above*

- (1) origin
- (2) date received
- (3) quantity
- (4) exempt or non-exempt status and analysis, if required
- (5) transporter
- (6) cell location and any enhancement put in cells
- (7) any other information OCD may deem necessary.

→ X. CLOSURE PLAN

EPI will notify the Division of cessation of operations. Six months after cessation of disposal operations, the operator will complete cleanup of constructed facilities, and restoration of the facility site within the following six months, unless an extension for time is granted by the Director. When the facility is to be closed, no new material will be accepted. Existing soils will be remediated until they meet the OCD standard in effect at time of closure. The area will then be reseeded with natural grasses and allowed to return to its natural state. Closure will be pursuant to all OCD requirements in effect at the time of closure, and other applicable state or federal regulations.

XI. GEOGRAPHICAL AND HYDROLOGICAL INFORMATION

Geographically, the site is situated in the Southeastern corner of the Southern extension of the High Plains in Southeastern New Mexico. The site in question is a 40 acre tract located in the eastern 1/4 of Unit H Sect. 15 and the western 3/4 of Unit E sect. 14, Township 22, Range 37 E., Lea Co., NM.

The Eunice plains is underlain by a hard caliche surface and is almost entirely covered by reddish brown dune sand. In some places, underlying surface consists of alluvial sediments most commonly calcareous silt in buried valleys or Quaternary lake basins. The primary source of water for the Eunice area is piped in from wells west of Hobbs, NM. These wells are completed in the Ogallala formation. What water that is found in the Eunice area is alluvium. The site in question has as many dry holes drilled around it as it has completed wells. The majority of the producing water wells are completed between 180-220 ft. and are Triassic waters. Listed within are copies of drilling logs and water analysis.

→ VIII. CONTINGENCY PLAN

No spills are anticipated at the facility since no waste water or liquids are permitted. The only water permitted will be for dust control and a minimum amount to enhance remediation. In the event that any leak, spill, fire, break or blowout, or undesirable event were to occur, EPI shall adhere to Rule 116 C for notification.

→ IX. ROUTINE INSPECTION AND MAINTENANCE PLAN

Berms, fences and remediation area will be inspected frequently. Any repairs or general maintenance will be performed immediately. Records of date, kinds of inspections, and type of repairs shall be maintained. Berms for cells will be maintained in such a manner to prevent erosion from within or outside berm areas. Moisture will be added periodically both to prevent blowing dirt and to enhance remediation. During dryer and windy months, more moisture may be used and less in wetter months, water will not be allowed to pool or stand at facility.

All material accepted at the facility will be documented and logged, with records maintained at facility for 2 years. All material received at the facility will be spread and disked within 72 hours of receipt. Soils will be spread on the surface in 6 in. lifts and disked a minimum of one time every 2 weeks to enhance remediation of contaminants. Additional lifts of soils will not be spread until a laboratory test of (TPH) Total Petroleum Hydrocarbons, in the previous lift is less than 100 ppm. and the sum of all aromatic hydrocarbons (BTEX) is less than 50 ppm. and the benzene is less than 10 ppm. Records of the laboratory analysis and the sampling locations will be maintained at the facility. Results of analysis will be sent to OCD for approval to add new lifts.

Only solids which are non-hazardous by RCRA Subtitle C exemption or by characteristic testing will be accepted at the facility. Solids from operations not currently exempt under RCRA Subtitle C or mixed exempt and nonexempt solids will be tested for appropriate hazardous contaminants. Test results will be submitted to the OCD and only, with their approval, will the material be accepted at the facility. This procedure will be on a case by case basis.

Comprehensive records of all material accepted at the facility will be maintained and on hand at all times. Such information shall include but not limited to:

(F) Any other improvement as needed or required by OCD.

VII. DRAWING OF MONITOR WELL (attached)

Excavate land area down to redbed, dispose of contaminated soil in 6 in. lifts and till or plow every 30 to 60 days as needed to ensure proper aeration so soil can be cleaned up by natural remediation according to government standards. Have soil tested for TPH and BTEX before adding new lift as required.

VII. CONTINGENCY PLAN (NA)

There will be no liquids at facility. Any soil accidentally spilled at facility will be picked up with front end loader and deposited within landfill. No material will be accepted without documentation.

→ IX. ROUTINE INSPECTION AND MAINTENANCE PLAN

- (1) Weekly inspection of monitor wells.
- (2) Road area around facility will be graded and kept free of oily dirt.
- (3) All loads will be documented and logged.
- (4) No liquids accepted.
- (5) No tank bottoms accepted.
- (6) Area will be posted with proper signs.
- (7) No dumping will be allowed unless facility is open.
- (8) May require letter from company showing waste has not been mixed with non-exempt waste.
- (9) All area properly fenced with locked gates.
- (10) Each lift will be tested for BTEX Method 602 and TPH Method 8015 EPA test requirements before adding new lift.

X. CLOSURE PLAN

All overburden will be removed down to the redbed, averaging from 12 ft. on the east side, to 16 ft. on the west side.

Disposal of solids will start at redbed, when area has been filled and tested to within 1 ft. of surface elevation, area will be backfilled with top soil, mound over and compacted. The mound should prevent rain or water from standing or leaching into backfill.

All fences will be left in tact and monitor wells left in place for future monitoring.

The site will be located on deeded land, with no residence within the area of review. On the eastern side of the site, Mid American Pipeline has a gas pipeline running from North to South. The pipeline is a 4" gas line, which is approximately 18" deep. The line will be marked and a fifty ft. right-of-way maintained at all times. Mid American will be notified per Rule 711.

EPI will operate its facility in an environmentally safe and prudent manner. We feel that treatment zone monitoring will be the best safeguard against contamination from our site.

TREATMENT ZONE MONITORING

- (1) A treatment zone not to exceed (2) two ft. beneath the landfarm will be monitored. A minimum of one random soil sample will be taken from each cell, prior to any disposal and another sample (6) six months after soil has been received at the site and annually thereafter.
- (2) The soil samples will be analyzed for Total Petroleum Hydrocarbons (TPH) and volatile aromatic organics (BTEX) with a background sampling for metals, using EPA testing methods.
- (3) After obtaining samples, the boreholes will be filled with an impermeable material such as bentonite.
- (4) If any excessive moisture from rains were to occur, then upon OCD recommendation, additional testing would be done.
- (5) Analytical results from the treatment zone monitoring will be submitted to the OCD, Santa Fe office within 30 days of receipt from the laboratory.
- (6) Records of sampling points and analysis shall be maintained and on file.

EPI would also adhere to any other stipulation that the OCD may deem necessary to prevent any impact to fresh water.

XII. Attached are notices to landowners, as per Rule 711.

H_2S → XIII. No hydrogen sulphide problems are expected due to the nature of the facility. If encountered OCD Rule 118 will be adhered to. ↘ LAND FARM

XIV. All State of New Mexico Oil Conservation rules will be enforced and followed as they pertain to this system.

XV. EPI will furnish the OCD with a \$25,000 bond upon approval of permit as per Rule 711.

~~R~~ Goode
File

MEMORANDUM OF CONVERSATION

X TELEPHONE _____ PERSONAL _____ TIME _____ DATE 6/3/97 &
6/4/97

ORIGINATING PARTY Danielle Beradelli Rino Env.

OTHER PARTIES Martyn

DISCUSSION Regarding Cannon AFB 5000 cy Soil
From Petroleum oil & Lubricant yard. ? Can Rino Env
accept this in to an OCD Land Farm. The Soil
is Non exempt, Non hazardous, Non Oilfield,
Answer is No The only Non Oilfield waste that
can be accepted is emergency spill with an order by Dept
of Public Health & Safety. See Rule 711

CONCLUSIONS Danielle Said She figured this would be
The answer but wanted to check.

MARTYNE KIELING Martyn Kielig
C: FILE
DISTRICT OFFICE _____



RHINO

Environmental Services, Inc.

P.O. Box 25547 • Albuquerque, New Mexico 87125
Phone (505) 247-4646 • Fax (505) 797-4874

882-0445

December 7, 1999

Ms. Martyne J. Kieling
NM Energy, Mineral and Natural Resources
Oil Conservation Division
Environmental Bureau
2040 South Pacheco Street
Santa Fe, New Mexico 87505
Ph: (505) 827-7153
Fx: (505) 827-8177

Re: Goo-Yea Landfarm, Inc.
Permit NM-01-0030

Dear Ms. Kieling:

In reference to our telephone conversation, Rhino Environmental Services, Inc. (Rhino) would like to decrease the acreage permitted as Goo Yea, Inc.. Rhino projects that no more than 15 twenty acre treatment cells will be necessary to accommodate the waste generated in that area. Please amend our existing permit to allow for only 75 acres of active treatment area.

Please call me if you have any questions or require additional information. As always, I really appreciate your help.

Sincerely,

Daniele Berardelli
Rhino Environmental Services, Inc.

CC: Ms. Donna Williams
OCD, District - 1
P.O. Box 1908
Hobbs, New Mexico 88241-1980

ATTACHMENT 1
OCD Environmental Bureau Closure Cost Estimate
For
Goo Yea Landfarm, Inc., 120 acres
December 10, 1999

Quarterly Analytical Analysis for two years on fifteen (15) five (5) acre cells

State Contract Laboratory Prices per analysis:

BTEX	\$ 40.00	x	8 quarters	x	15 cells	=	\$4,800.00
TPH	\$ 50.00	x	8 quarters	x	15 cells	=	\$6,000.00
Metals	\$200.00	x	2 years	x	15 cells	=	<u>\$6,000.00</u>
							\$16,800.00 Analytical

Quarterly Sampling Time and Labor for 15 Cells

Labor \$55.00/hour
 Sample 30 min per cell
 Travel 2 hour
 Delivery & Paperwork 1 hour

Total Time = (30min/cell x 15 cells) + 2 hours + 1 hours = 10.5 hours

10.5 hours x \$55.00/hour = \$578.00/sampling event

\$578.00/sampling event x 8 quarters = **\$4,624.00 Labor**

Disking/Tilling for two Years Every Two Weeks for 75 acres
Price and Time Quotes from Equipment Operators and Landfarm Operators:

Small Tractor and Operator \$30.00 /hour
 5 acres per hour = 12 min per acre
 75 acres at 15 hours x 52 weeks = 780 hours
 780 hours x \$30.00/hour = **\$ 23,400.00 Disking/Tilling**

Water for Bioremediation

Price Quotes from Equipment Operators

Water Truck \$120.00/load

\$120.00/load x 10 loads x 12 Events in two Years = **\$14,400.00 Water**

Level and Contour Landfarm 120 Acres

Price and Time Quotes from and Equipment Operators

D-6 Dozer and Operator \$85.00/hour

\$85.00/hour x 30 min/acre x 120 acres = **\$5,100.00 Level Landfarm**

Revegetation for 120 Acres

Equipment and labor cost

Tractor and seed drill \$30.00/hour @ 15 min/acre for 120 acres = \$900.00

Materials Cost

Seed \$10.00/lb @ 5 lb/acre for 120 acres = \$6,000.00

\$900.00 + \$6,000.00 = **\$6,900 Revegetation**

Total Closure and Revegetation Cost of an 160 acre Landfarm

71,224	\$ 89,720.00	SubTotal
4006	<u>\$ 5,050.00</u>	NMGRT .05625
75,230	\$ 94,770.00	Total Financial Assurance

MEMORANDUM OF MEETING OR CONVERSATION

<input checked="" type="checkbox"/> Telephone	<input type="checkbox"/> Personal	Time 10:00	Date 11-29-99
<u>Originating Party</u>		<u>Other Parties</u>	
Marilyn Kieling		Daniel B. Beradelli	
		Rhino Goo'ya Land Farm	
<u>Subject</u>			
Decrease Size of Rhino Goo'ya Land Farm			
Down to 10 Cells average?			
<u>Discussion</u>			
<u>Conclusions or Agreements</u>			
Daniele B. Will send letter Requesting			
Decrease in Permitted Land Farm.			
<u>Distribution</u>		Signed	
		Marilyn J. Kieling	

District I - (505) 393-6161
P. O. Box 1980
Hobbs, NM 88241-1980
District II - (505) 748-1283
811 S. First
Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Road
Aztec, NM 87410
District IV - (505) 827-7131

New Mexico
Energy Minerals and Natural Resources Department
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

RECEIVED

SEP 13 1997

Form C-13
Originated 8/8/9
Revised 6/25/9

Submit Origin:
Plus 1 Cop
to Santa F
1 Copy to appropriate
District Office

Environmental Bureau
Oil Conservation Division

APPLICATION FOR WASTE MANAGEMENT FACILITY
(Refer to the OCD Guidelines for assistance in completing the application)

Commercial

Centralized

1. Type: Evaporation Injection Other _____

Solids/Landfarm Treating Plant

2. Operator: Goo Yea Landfarm, Inc.

Address: P.O. Box 25547, Albuquerque, New Mexico 87125 (505) 242-6464

Contact Person: Daniele Berardelli Phone: (505) 598-9626

3. Location: A SE /4 Section 14 Township 11 South Range 38 East
Submit large scale topographic map showing exact location On file with OCD

4. Is this a modification of an existing facility? Yes No

5. Attach the name and address of the landowner of the facility site and landowners of record within one mile of the site.
On file with OCD

6. Attach description of the facility with a diagram indicating location of fences, pits, dikes, and tanks on the facility.
Please see Attachment II (d)

7. Attach designs prepared in accordance with Division guidelines for the construction/installation of the following: pits or ponds, leak-detection systems, aerations systems, enhanced evaporation (spray) systems, waste treating systems, security systems, and landfarm facilities.
N/A

8. Attach a contingency plan for reporting and clean-up for spills or releases.
Please see Attachment II

9. Attach a routine inspection and maintenance plan to ensure permit compliance.
Please see Attachment II

10. Attach a closure plan.
Please see Attachment II

~~NA 11.~~ Attach geological/hydrological evidence demonstrating that disposal of oil field wastes will not adversely impact groundwater. Depth to and quality of ground water must be included.

~~NA 12.~~ Attach proof that the notice requirements of OCD Rule 711 have been met.

13. Attach a contingency plan in the event of a release of H₂S.
Please see Attachment II

14. Attach such other information as necessary to demonstrate compliance with any other OCD rules, regulations and orders.

15. CERTIFICATION

I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

Name: Steve Dyer

Title: President

Signature: Steve Dyer

Date: September 10, 1997

CHECKLIST FOR RULE 711 PERMIT APPLICATION COMPLETENESS

1. FACILITY TYPE *Land Farm*
2. OPERATOR NAME, ADDRESS, CONTACT PERSON AND PHONE#
3. LEGAL LOCATION *SE 1/4 Sec 14, T11S, R38E, N10PM
Lea County, NM*
4. MODIFICATION OR NEW FACILITY *Repermit*
5. NAME AND ADDRESS OF THE FACILITY SITE LANDOWNER *Steve Dyer Above Address*
6. NAME AND ADDRESS OF ALL LANDOWNERS OF RECORD WITHIN ONE MILE OF FACILITY SITE.
7. *NA* NOTIFICATION OF ALL LANDOWNERS OF RECORD WITHIN ONE MILE OF FACILITY SITE RETURN RECEIPT SUBMITTED
8. *NA* PUBLIC NOTICE IN TWO NEWSPAPERS ORIGINAL AFFIDAVIT OF PUBLICATION SUBMITTED.
9. FACILITY DESCRIPTION WITH DIAGRAMS INDICATING ALL PERTINENT FEATURES (FENCES, BERM, ROADS, PITS, DIKES, TANKS, MONITORING WELLS)
10. CONSTRUCTION INSTILLATION DESIGNS FOR PITS, PONDS, LEAK-DETECTION SYSTEMS, AERATION SYSTEMS, ENHANCED EVAPORATION SYSTEMS, WASTE TREATING SYSTEMS, SOLIDIFICATION SYSTEMS, SECURITY SYSTEMS, AND LANDFARM FACILITIES.
11. GEOLOGICAL/HYDROLOGICAL EVIDENCE THAT FACILITY WILL NOT IMPACT GROUNDWATER. DEPTH TO AND QUALITY OF GROUNDWATER INCLUDED.
12. CONTINGENCY PLAN FOR REPORTING AND CLEAN-UP OF SPILLS OR RELEASES.
13. H2S CONTINGENCY PLAN
14. ROUTINE INSPECTION AND MAINTENANCE PLAN TO ENSURE PERMIT COMPLIANCE
15. CLOSURE PLAN
16. CLOSURE COST ESTIMATE *Goxea 24,920.00*
17. BONDING AMOUNT # TYPE DATE APPROVED
18. ANY OTHER INFORMATION AS NECESSARY TO DEMONSTRATE COMPLIANCE WITH ANY OTHER OCD RULES REGULATIONS AND ORDERS.
19. CERTIFICATION SIGNATURE AND DATE ON PERMIT

~~RHISO ENVIRONMENTAL~~
GOOYEA LANDFARM, INC.
300 Broadway NE
Albuquerque, NM 87102
P.O. Box 25547,
Alb NM 87125

DRAFT

**ATTACHMENT 1
OCD Environmental Bureau Closure Cost Estimate
For
Goo Yea Landfarm, Inc., 160 acres
November 19, 1999**

Quarterly Analytical Analysis for two years on twenty (20) five (5) acre cells

State Contract Laboratory Prices per analysis:

BTEX	\$ 40.00	x	8 quarters	x	20 cells	=	\$6,400.00
TPH	\$ 50.00	x	8 quarters	x	20 cells	=	\$8,000.00
Metals	\$200.00	x	2 years	x	20 cells	=	<u>\$8,000.00</u>
							\$22,400.00 Analytical

Quarterly Sampling Time and Labor for 20 Cells

Labor \$55.00/hour
Sample 30 min per cell
Travel 2 hour
Delivery & Paperwork 1 hour

Total Time = (30min/cell x 20 cells) + 2 hours + 1 hours = 13 hours

13 hours x \$55.00/hour = \$715.00/sampling event

\$715.00/sampling event x 8 quarters = **\$5,720.00 Labor**

Disking/Tilling for two Years Every Two Weeks for 100 acres

Price and Time Quotes from Equipment Operators and Landfarm Operators:

Small Tractor and Operator \$30.00 /hour
5 acres per hour = 12 min per acre
100 acres at 20 hours x 52 weeks = 1040 hours
1040 hours x \$30.00/hour = **\$ 31,200.00 Disking/Tilling**

Goo Yea Landfarm, Inc.
Closure Cost Estimate
160 acres
November 19, 1999

Water for Bioremediation

Price Quotes from Equipment Operators

Water Truck \$120.00/load

\$120.00/load x 10 loads x 12 Events in two Years = **\$14,400.00 Water**

Level and Contour Landfarm

Price and Time Quotes from and Equipment Operators

D-6 Dozer and Operator \$85.00/hour

\$85.00/hour x 30 min/acre x 160 acres = **\$6,800.00 Level Landfarm**

Revegetation for 160 Acres

Equipment and labor cost

Tractor and seed drill \$30.00/hour @ 15 min/acre for 160 acres = \$1,200.00

Materials Cost

Seed \$10.00/lb @ 5 lb/acre for 160 acres = \$8,000.00

\$1,200.00 + \$8,000.00 = **\$9,200 Revegetation**

Total Closure and Revegetation Cost of an 160 acre Landfarm

\$ 89,720.00	SubTotal
\$ 5,050.00	NMGRT .05625
\$ 94,770.00	Total Financial Assurance

District I - (505) 393-6161
P. O. Box 1980
Hobbs, NM 88241-1980
District II - (505) 748-1283
811 S. First
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District III - (505) 334-6178
1000 Rio Brazos Road
Aztec, NM 87410
District IV - (505) 827-7131

New Mexico
Energy Minerals and Natural Resources Department
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

RECEIVED

SEP 13 1997

Environmental Bureau
Oil Conservation Division

Form C-137
Originated 8/8/95
Revised 6/25/97

Submit Original
Plus 1 Copy
to Santa Fe
1 Copy to appropriate
District Office

APPLICATION FOR WASTE MANAGEMENT FACILITY
(Refer to the OCD Guidelines for assistance in completing the application)

Commercial

Centralized

1. Type: Evaporation Injection Other _____
 Solids/Landfarm Treating Plant

2. Operator: Goo Yea Landfarm, Inc.

Address: P.O. Box 25547, Albuquerque, New Mexico 87125 (505) 242-6464

Contact Person: Daniele Berardelli Phone: (505) 598-9626

3. Location: 4 SE /4 Section 14 Township 11 South Range 38 East
Submit large scale topographic map showing exact location On file with OCD

4. Is this a modification of an existing facility? Yes No

5. Attach the name and address of the landowner of the facility site and landowners of record within one mile of the site.
On file with OCD

6. Attach description of the facility with a diagram indicating location of fences, pits, dikes, and tanks on the facility.
Please see Attachment II (d)

7. Attach designs prepared in accordance with Division guidelines for the construction/installation of the following: pits or ponds, leak-detection systems, aerations systems, enhanced evaporation (spray) systems, waste treating systems, security systems, and landfarm facilities.
N/A

8. Attach a contingency plan for reporting and clean-up for spills or releases. Please see Attachment II

9. Attach a routine inspection and maintenance plan to ensure permit compliance. Please see Attachment II

10. Attach a closure plan. Please see Attachment II

~~NA~~ 11. Attach geological/hydrological evidence demonstrating that disposal of oil field wastes will not adversely impact groundwater. Depth to and quality of ground water must be included.

~~NA~~ 12. Attach proof that the notice requirements of OCD Rule 711 have been met.

13. Attach a contingency plan in the event of a release of H₂S. Please see Attachment II

14. Attach such other information as necessary to demonstrate compliance with any other OCD rules, regulations and orders.

15. CERTIFICATION

I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

Name: Steve Dyer

Title: President

Signature: Steve Dyer

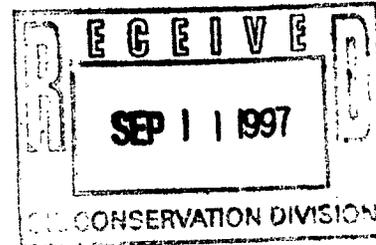
Date: September 10, 1997



RHINO

Environmental Services, Inc.

300 Broadway NE • Albuquerque, New Mexico 87102
(505) 242-6464 • Fax (505) 247-4941



September 10, 1997

Ms. Martyne J. Kieling
New Mexico Energy, Minerals, and Natural Resources Department
OIL CONSERVATION DIVISION - ENVIRONMENTAL BUREAU
2040 South Pacheco Street
Santa Fe, New Mexico 87505
Ph: (505) 827-7153
Fx: (505) 827-8177

Re: Goo Yea Landfarm Inspection
SE/4 of Section 14, T 11 S, R 38 E, NMPM
Lea County, New Mexico

Dear Ms. Kieling:

Goo Yea Landfarm, Inc. and Rhino Environmental Services, Inc. (Rhino) have received the July 9, 1997 Landfarm Inspection Report and would formally like to submit the enclosed documents to address deficiencies and the new Rule 711 requirements. The following information is attached for your review:

Attachment I: Response to OCD's Attachment 1 - Inspection Report, Sections 4 and 6

Detail description of corrections and a schedule for completion.

Attachment II: Application For Waste Management Facility - Form C-137

Provided in duplicate for the Santa Fe office (one copy shall be sent to the Hobbs District Office - I) according to the instructions in Attachment 1, Section 13.

Current ownership of the property located at SE/4 of Section 14, T11S, R38E, Lea County, New Mexico, belongs to Goo Yea Landfarm, Inc. which in turn is owned by Rhino. The principal officer of both companies is Steve Dyer.

Rhino appreciates your time and consideration. Please don't hesitate to call me if you have any questions or require additional information.

Sincerely,

Daniele Berardelli
Landfarm Manager

CC: Mr. Wayne Price
OCD District - I
Hobbs, New Mexico



RHINO ENVIRONMENTAL SERVICES, INC.

ATTACHMENT I - Response to OCD's Attachment 1 - Inspection Report, Sections 4 and 6



RHINO ENVIRONMENTAL SERVICES, INC.

Response to OCD's Attachment 1 - Inspection Report, Sections 4 and 6

4. Soil Spreading, Disking and Lift Thickness

This issue was addressed as soon as weather conditions improved. Currently, all soils located in both Cell 1 and Cell 2 are spread in six inch lifts. As part of normal operations, soils are spread within 72 hours of receipt (unless prevented by extenuating circumstances such as wet, rainy weather) and disked a minimum of once every two weeks to enhance biodegradation of contaminants.

6. Trash and Potentially Hazardous Materials:

Plastic in the landfarm cells is an ongoing problem. Rhino routinely employs personnel to remove plastic from the facility. Rhino shall continue to perform this task as part of normal operations, and will immediately step up efforts to improve efficiency and cleanliness.



RHINO ENVIRONMENTAL SERVICES, INC.

ATTACHMENT II: Application For Waste Management Facility - Form C-137



RHINO ENVIRONMENTAL SERVICES, INC.

Application For Waste Management Facility - Form C-137

Pursuant to the instructions received by OCD in the July 9, 1997 Inspection Report, this application has been completed in accordance with Attachment 1, Section 13.

13. Application Requirements for Permit Under the New Rule 711:

- (a) The names and addresses of the applicant and all principal officers of the business;

Applicant: Goo Yea Landfarm, Inc.
300 Broadway NE, Albuquerque, New Mexico 87102
P.O. Box 25547, Albuquerque, New Mexico 87125

Principal: Steve Dyer (address is the same)

- (d) Description of facility;

Please see Attachment II (d)

- (e) Plan for management of approved wastes;

Once material has been approved for acceptance into the facility, the following shall occur:

- i. Material will be accepted only when an attendant is present. The facility will be secured during all other times.
- ii. All contaminated soils will be disked within 72 hours of receipt (unless prevented by extenuating circumstances, such as bad weather conditions).
- iii. Soils will be spread in six inch lifts or less.
- iv. Soils will be disked once every two weeks to enhance biodegradation.
- v. Successive lifts of contaminated soils will not be spread until a laboratory reports the level of TPH in the previous lift as less than 100 ppm, the total BTEX as less than 50 ppm and the benzene concentration as less than 10 ppm. Comprehensive records of laboratory analysis and sample locations will be maintained by Rhino's Landfarm Manager. Authorization from the OCD will be obtained prior to the spreading of successive lifts and/or removal of remediated soils.
- vi. The facility is authorized to accept only:
 - a. Oilfield contaminated solids which are exempt from RCRA Subtitle C regulations.
 - b. Non-exempt, non-hazardous oilfield contaminated soil (acceptance is on a case by case basis, only after OCD approval).
 - c. Other non-oilfield contaminated soils which are RCRA exempt or non-hazardous by characteristic testing (only on an emergency basis if ordered by the Department of Public Safety).
- vii. At no time will the landfarm accept wastes which are hazardous by either testing or listing.
- viii. All loads received will be accompanied by the following:
 - a. A "Certification of Waste Status" signed by the generator or a "Verification of Waste Status" issued by the New Mexico Environment Department (NMED) or appropriate agency from another state for wastes regulated by that agency.
 - b. The analytical results of Hazardous Waste Characterization for non-exempt waste including reactivity, corrosivity, ignitability (RCI) and toxic constituents and a certification that no listed hazardous wastes are contained within the material. Samples will be collected before material is



RHINO ENVIRONMENTAL SERVICES, INC.

Form C-137,
page 2

removed from the generators facility an without dilution in accordance with EPA SW-846 sampling procedures.

- ix. The transporter of all wastes to the facility will supply certification that wastes delivered are those wastes received from the generator and that no additional materials have been added.
- x. Moisture will be added as necessary to enhance biodegradation and to control blowing dust. There will be no ponding, pooling or runoff. Any ponding of precipitation will be removed within seventy-two (72) hours of discovery.
- xi. Enhanced bioremediation through the application of microbes and/or fertilizers will only be permitted after prior approval from the OCD. Request for the application of microbes must include the location of the area designated for the bioremediation program, composition of additives, and the method, amount and frequency of application.
- xii. No free liquids or soils with free liquids will be accepted at the facility.
- xiii. Comprehensive records of all materials received at the facility will be maintained by the landfarm manager. The records for each load will include:
 - a. Origin
 - b. Date received
 - c. Quantity
 - d. Exempt or non-exempt status and analyses if required
 - e. Transporter
 - f. Exact cell location and any addition of microbes, fertilizers, etc.

- (f) Contingency plan for reporting a cleanup of spills or releases;

No spills or releases are anticipated at the facility. The only water allowed on site is used for the purposes of bioremediation and dust control. In the event that a spill or release does occur, the OCD will be notified in accordance with Rule 116.

- (g) Routine inspection and maintenance plan;

Fences, berms and treatment cells will be inspected frequently. Berms shall be maintained in a manner to prevent erosion from inside or outside the treatment area. Lifts will be inspected to ensure the maximum of six inches is not exceeded. Cells will be checked for any pooling or ponding. The landfarm will also be surveyed for trash or plastic. Any repairs or general maintenance will be performed immediately.

Comprehensive records of all materials accepted into the facility will be maintained by the landfarm manager and made available to the OCD upon request.

General operation and maintenance procedures can be found in more detail listed under item (e) Plan for Management of Approved Wastes.

- (h) Hydrogen Sulfide (H₂S) prevention and contingency plan to protect public health;

Due to the nature of operations and materials accepted at a landfarm facility, no hydrogen sulfide problems are expected. In the event that such a problem is encountered, adherence to OCD Rule 118 will apply.

- (i) Closure plan and cost estimate to close the facility;

OCD will be notified thirty (30) days prior to intent to cease accepting material and close the



RHINO ENVIRONMENTAL SERVICES, INC.

Form C-137,
page 3

facility. Existing soils will be remediated until they meet the OCD standards in effect at the time of closure. Cleanup of constructed facilities will be complete within 12 months, unless an extension is granted by the Director of the OCD.

Restoration of the facility location will take place within the following six months, unless an extension is granted by the Director of the OCD. The area will be reseeded with indigenous grasses and allowed to return to its natural state.

Closure will be pursuant to all OCD requirements in affect at the time of closure, and other applicable state or federal regulations.

Cost estimate to ensure proper closure - please see Attachment II(i)

(I) Certification by authorized representative;

I certify that the information submitted in this application is true, accurate and complete to the best of my knowledge.



Steve Dyer
President, Goo Yea Landfarm, Inc.
President, Rhino Environmental Services, Inc.

9-10-97
Date



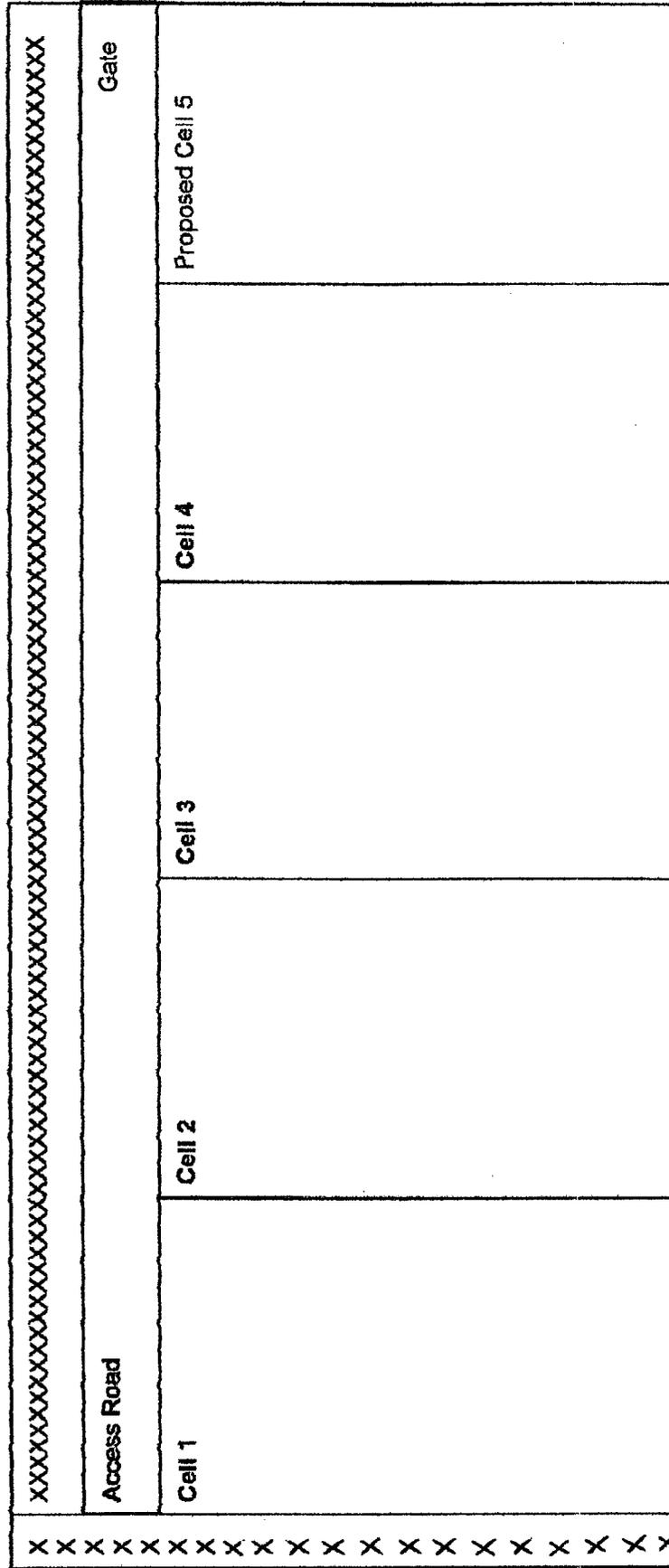
RHINO ENVIRONMENTAL SERVICES, INC.

ATTACHMENT II (d) - Facility Map, Showing all Current Cells and Those Under Construction

**Goo-Yea Commercial Landfarm
SE/4 of Section 14, Township 11 South, Range 38 East
Lea County, New Mexico**

Each cell is approximately 5 acres in size and is surrounded by berms. The treatment area itself lies in the north west corner of the property. The entire permitted facility (160 acres) is fenced. A locking gate, located at the east end of the access road, is the only entrance.

N
↑
↓
S



Not to Scale

XXX - Perimeter fence and berm.



RHINO ENVIRONMENTAL SERVICES, INC.

ATTACHMENT II (i) - Cost Estimate



THE REPRODUCTION OF

THE

FOLLOWING

DOCUMENT (S)

CANNOT BE IMPROVED

DUE TO

THE CONDITION OF

THE ORIGINAL



P.O. Box 1875
 Hobbs, New Mexico 88241

Phone (505) 392-5021
 Fax (505) 397-2597

September 1, 1997

Rhino Environmental Services, Inc.
 P.O. Box 25547
 Albuquerque, NM 87125

Attn: Damele Berardelli

Re: Cost estimate to close Goo Yea

Dear Ms Berardelli

Western Environmental Consultants (WEC) would like to take this time to thank you and Rhino Environmental for the opportunity to be of service, on the closure of the Goo Yea land farm, located north of Bronco. Please find below a brief outline and cost estimate to close the site.

Scope of Work

WEC will close the site over a 18 month period, (12 months to remediate the soils and 6 months to return the site back to original state). Closure of the site will be done by disking the soils until closure levels have been met for the state OCD.

Cost Estimate

Disking twice a month for 12 months @ 600.00/mo	7,200.00
Moisture addition once a month for 12 months @ 300.00/mo	3,600.00
Analysis one composite sample per cell @ 120.00/cell x 6	720.00
Dirt work to level berms and restore site	10,000.00
Reseed with BLM # 2 range grass @ 80.00/acer x 20	1,600.00
Water truck to get grass up 2 x / week for 3 weeks	<u>1,800.00</u>
TOTAL ESTIMATED COST	24,920.00

Page two

If you have any questions or need more data on this project please call at any time 505-392-5021

Sincerely,



Allen Hodge, REM
VP Operations
Western Environmental Consultants



RHINO

Environmental Services, Inc.

300 Broadway NE • Albuquerque, New Mexico 87102
(505) 242-6464 • Fax (505) 247-4941

RECEIVED

SEP 12 1997

Environmental Bureau
Oil Conservation Division

RECEIVED

JUL 15 1997

Environmental Bureau
Oil Conservation Division

September 10, 1997

Ms. Martyne J. Kieling
New Mexico Energy, Minerals, and Natural Resources Department
OIL CONSERVATION DIVISION - ENVIRONMENTAL BUREAU
2040 South Pacheco Street
Santa Fe, New Mexico 87505
Ph: (505) 827-7153
Fx: (505) 827-8177

**Re: Goo Yea Landfarm Inspection
SE/4 of Section 14, T 11 S, R 38 E, NMPM
Lea County, New Mexico**

Dear Ms. Kieling:

Goo Yea Landfarm, Inc. and Rhino Environmental Services, Inc. (Rhino) have received the July 9, 1997 Landfarm Inspection Report and would formally like to submit the enclosed documents to address deficiencies and the new Rule 711 requirements. The following information is attached for your review:

Attachment I: Response to OCD's Attachment 1 - Inspection Report, Sections 4 and 6

Detail description of corrections and a schedule for completion.

Attachment II: Application For Waste Management Facility - Form C-137

Provided in duplicate for the Santa Fe office (one copy shall be sent to the Hobbs District Office - I) according to the instructions in Attachment 1, Section 13.

Current ownership of the property located at SE/4 of Section 14, T11S, R38E, Lea County, New Mexico, belongs to Goo Yea Landfarm, Inc. which in turn is owned by Rhino. The principal officer of both companies is Steve Dyer.

Rhino appreciates your time and consideration. Please don't hesitate to call me if you have any questions or require additional information.

Sincerely,

Daniele Berardelli
Landfarm Manager

CC: Mr. Wayne Price
OCD District - I
Hobbs, New Mexico

Environmental Bureau
Oil Conservation Division

SEP 12 1997

RECEIVED

RHINO ENVIRONMENTAL SERVICES, INC.





RHINO ENVIRONMENTAL SERVICES, INC.

ATTACHMENT I - Response to OCD's Attachment 1 - Inspection Report, Sections 4 and 6



RHINO ENVIRONMENTAL SERVICES, INC.

Response to OCD's Attachment 1 - Inspection Report, Sections 4 and 6

4. Soil Spreading, Disking and Lift Thickness

This issue was addressed as soon as weather conditions improved. Currently, all soils located in both Cell 1 and Cell 2 are spread in six inch lifts. As part of normal operations, soils are spread within 72 hours of receipt (unless prevented by extenuating circumstances such as wet, rainy weather) and disked a minimum of once every two weeks to enhance biodegradation of contaminants.

6. Trash and Potentially Hazardous Materials:

Plastic in the landfarm cells is an ongoing problem. Rhino routinely employs personnel to remove plastic from the facility. Rhino shall continue to perform this task as part of normal operations, and will immediately step up efforts to improve efficiency and cleanliness.



RHINO ENVIRONMENTAL SERVICES, INC.

ATTACHMENT II: Application For Waste Management Facility - Form C-137



RHINO ENVIRONMENTAL SERVICES, INC.

Application For Waste Management Facility - Form C-137

Pursuant to the instructions received by OCD in the July 9, 1997 Inspection Report, this application has been completed in accordance with Attachment 1, Section 13.

13. Application Requirements for Permit Under the New Rule 711:

- (a) The names and addresses of the applicant and all principal officers of the business;

Applicant: Goo Yea Landfarm, Inc.
300 Broadway NE, Albuquerque, New Mexico 87102
P.O. Box 25547, Albuquerque, New Mexico 87125

Principal: Steve Dyer (address is the same)

- (d) Description of facility;

Please see Attachment II (d)

- (e) Plan for management of approved wastes;

Once material has been approved for acceptance into the facility, the following shall occur:

- i. Material will be accepted only when an attendant is present. The facility will be secured during all other times.
- ii. All contaminated soils will be disked within 72 hours of receipt (unless prevented by extenuating circumstances, such as bad weather conditions).
- iii. Soils will be spread in six inch lifts or less.
- iv. Soils will be disked once every two weeks to enhance biodegradation.
- v. Successive lifts of contaminated soils will not be spread until a laboratory reports the level of TPH in the previous lift as less than 100 ppm, the total BTEX as less than 50 ppm and the benzene concentration as less than 10 ppm. Comprehensive records of laboratory analysis and sample locations will be maintained by Rhino's Landfarm Manager. Authorization from the OCD will be obtained prior to the spreading of successive lifts and/or removal of remediated soils.
- vi. The facility is authorized to accept only:
 - a. Oilfield contaminated solids which are exempt from RCRA Subtitle C regulations.
 - b. Non-exempt, non-hazardous oilfield contaminated soil (acceptance is on a case by case basis, only after OCD approval).
 - c. Other non-oilfield contaminated soils which are RCRA exempt or non-hazardous by characteristic testing (only on an emergency basis if ordered by the Department of Public Safety).
- vii. At no time will the landfarm accept wastes which are hazardous by either testing or listing.
- viii. All loads received will be accompanied by the following:
 - a. A "Certification of Waste Status" signed by the generator or a "Verification of Waste Status" issued by the New Mexico Environment Department (NMED) or appropriate agency from another state for wastes regulated by that agency.
 - b. The analytical results of Hazardous Waste Characterization for non-exempt waste including reactivity, corrosivity, ignitability (RCI) and toxic constituents and a certification that no listed hazardous wastes are contained within the material. Samples will be collected before material is



RHINO ENVIRONMENTAL SERVICES, INC.

Form C-137,
page 2

removed from the generators facility an without dilution in accordance with EPA SW-846 sampling procedures.

- ix. The transporter of all wastes to the facility will supply certification that wastes delivered are those wastes received from the generator and that no additional materials have been added.
- x. Moisture will be added as necessary to enhance biodegradation and to control blowing dust. There will be no ponding, pooling or runoff. Any ponding of precipitation will be removed within seventy-two (72) hours of discovery.
- xi. Enhanced bioremediation through the application of microbes and/or fertilizers will only be permitted after prior approval from the OCD. Request for the application of microbes must include the location of the area designated for the bioremediation program, composition of additives, and the method, amount and frequency of application.
- xii. No free liquids or soils with free liquids will be accepted at the facility.
- xiii. Comprehensive records of all materials received at the facility will be maintained by the landfarm manager. The records for each load will include:
 - a. Origin
 - b. Date received
 - c. Quantity
 - d. Exempt or non-exempt status and analyses if required
 - e. Transporter
 - f. Exact cell location and any addition of microbes, fertilizers, etc.

- (f) Contingency plan for reporting a cleanup of spills or releases;

No spills or releases are anticipated at the facility. The only water allowed on site is used for the purposes of bioremediation and dust control. In the event that a spill or release does occur, the OCD will be notified in accordance with Rule 116.

- (g) Routine inspection and maintenance plan;

Fences, berms and treatment cells will be inspected frequently. Berms shall be maintained in a manner to prevent erosion from inside or outside the treatment area. Lifts will be inspected to ensure the maximum of six inches is not exceeded. Cells will be checked for any pooling or ponding. The landfarm will also be surveyed for trash or plastic. Any repairs or general maintenance will be performed immediately.

Comprehensive records of all materials accepted into the facility will be maintained by the landfarm manager and made available to the OCD upon request.

General operation and maintenance procedures can be found in more detail listed under item (e) Plan for Management of Approved Wastes.

- (h) Hydrogen Sulfide (H₂S) prevention and contingency plan to protect public health;

Due to the nature of operations and materials accepted at a landfarm facility, no hydrogen sulfide problems are expected. In the event that such a problem is encountered, adherence to OCD Rule 118 will apply.

- (i) Closure plan and cost estimate to close the facility;

OCD will be notified thirty (30) days prior to intent to cease accepting material and close the



RHINO ENVIRONMENTAL SERVICES, INC.

Form C-137,
page 3

facility. Existing soils will be remediated until they meet the OCD standards in effect at the time of closure. Cleanup of constructed facilities will be complete within 12 months, unless an extension is granted by the Director of the OCD.

Restoration of the facility location will take place within the following six months, unless an extension is granted by the Director of the OCD. The area will be reseeded with indigenous grasses and allowed to return to its natural state.

Closure will be pursuant to all OCD requirements in affect at the time of closure, and other applicable state or federal regulations.

Cost estimate to ensure proper closure - please see Attachment II(i)

(i) **Certification by authorized representative;**

I certify that the information submitted in this application is true, accurate and complete to the best of my knowledge.



Steve Dyer
President, Goo Yea Landfarm, Inc.
President, Rhino Environmental Services, Inc.

9-10-97
Date



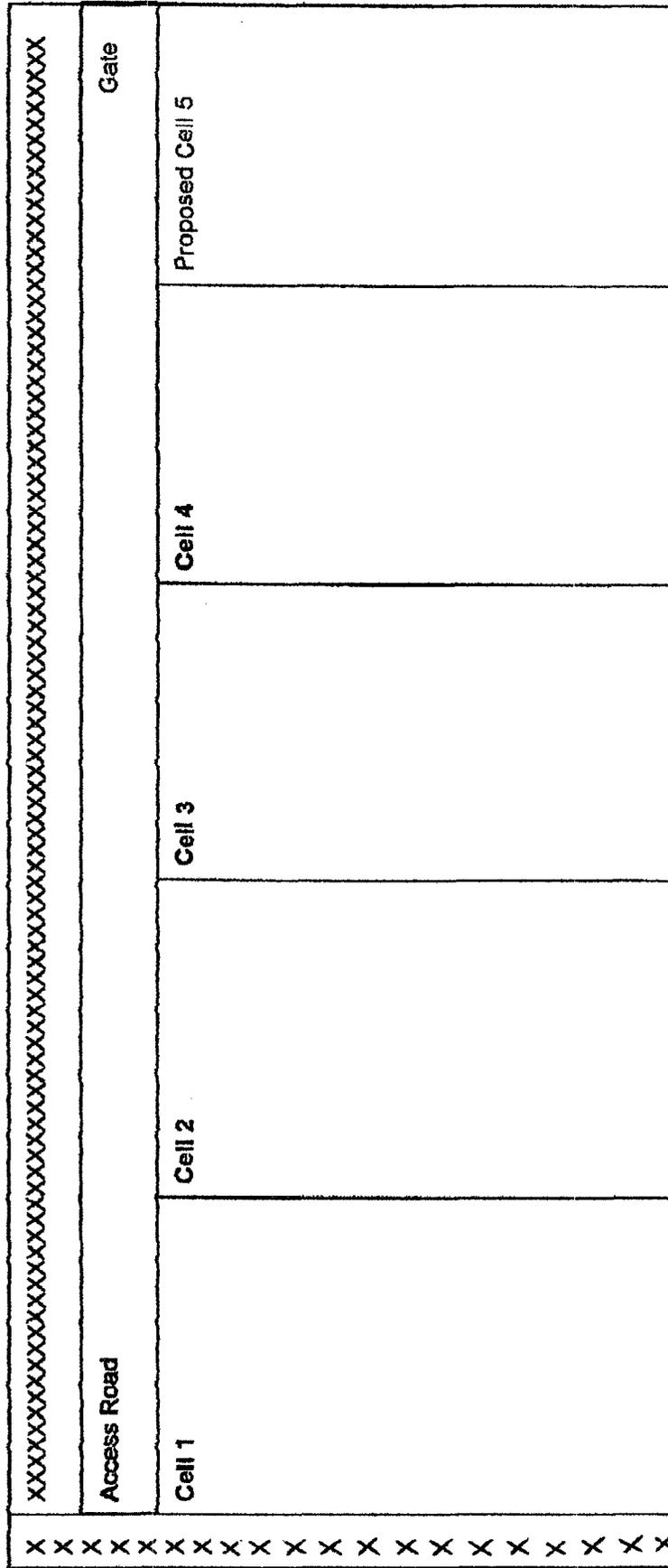
RHINO ENVIRONMENTAL SERVICES, INC.

ATTACHMENT II (d) - Facility Map, Showing all Current Cells and Those Under Construction

**Goo-Yea Commercial Landfarm
 SE/4 of Section 14, Township 11 South, Range 38 East
 Lea County, New Mexico**

Each cell is approximately 5 acres in size and is surrounded by berms. The treatment area itself lies in the north west corner of the property. The entire permitted facility (160 acres) is fenced. A locking gate, located at the east end of the access road, is the only entrance.

N
 ↑
 ↓
 S



Not to Scale

XXX - Perimeter fence and berm.



RHINO ENVIRONMENTAL SERVICES, INC.

ATTACHMENT II (I) - Cost Estimate



THE REPRODUCTION OF

THE

FOLLOWING

DOCUMENT (S)

CANNOT BE IMPROVED

DUE TO

THE CONDITION OF

THE ORIGINAL



P.O. Box 1875
 Hobbs, New Mexico 88241

Phone (505) 392-5021
 Fax (505) 397-2597

September 1, 1997

Rhino Environmental Services, Inc.
 P.O. Box 25547
 Albuquerque, NM 87125

Attn: Daniele Berardelli

Re: Cost estimate to close Goo Yea

Dear Ms Berardelli

Western Environmental Consultants (WEC) would like to take this time to thank you and Rhino Environmental for the opportunity to be of service, on the closure of the Goo Yea land farm, located north of Bronco. Please find below a brief outline and cost estimate to close the site.

Scope of Work

WEC will close the site over a 18 month period, (12 months to remediate the soils and 6 months to return the site back to original state). Closure of the site will be done by disking the soils until closure levels have been met for the state OCD.

Cost Estimate

Disking twice a month for 12 months @ 600.00/mo	7,200.00
Moisture addition once a month for 12 months @ 300.00/mo	3,600.00
Analysis one composite sample per cell @ 120.00/cell x 6	720.00
Dirt work to level berms and restore site	10,000.00
Reseed with BLM # 2 range grass @ 80.00/acer x 20	1,600.00
Water truck to get grass up 2 x / week for 3 weeks	<u>1,800.00</u>
TOTAL ESTIMATED COST	24,920.00

Page two

If you have any questions or need more data on this project please call at any time 505-392-5021

Sincerely,



Allen Hodge, REM
VP Operations
Western Environmental Consultants

MEMORANDUM OF CONVERSATION

✓ TELEPHONE _____ PERSONAL _____ TIME 2:00 DATE 5/9/97

ORIGINATING PARTY Daniele Beradelli RHINO ENV. Serv.

OTHER PARTIES Martyne Kieling OGD

DISCUSSION GOOYEA LAND FARM

Returned Phone Message - I asked that GooYea
Submit originals ^{not} copies of Lab Report & Chain of
Custody - And that Chain of Custody Note temperature
& Preservative (ICE). (Daniele said she would submit originals
and ask Lab to Note Temperature From Now on)

Daniele Asked that they Switch Quarterly Sampling to
Fall with other Sampling Schedules. They will be ~~May~~
May August November & February. After checking with
Roger Anderson I gave Daniele a Verbal Approval For
Switching GooYea Quarterly Sampling From April to ~~the~~ May

CONCLUSIONS and continuing on with the New Schedule.

MARTYNE KIELING Martyne Kieling
C: FILE
DISTRICT OFFICE _____

FROM: Wayne Price
TO: Chris Eustice
CC: Jerry Sexton
Wayne Price

BILL CONSERVATION DIVISION
RECEIVED

'95 APR 13 PM 8 52

DATE: 04-12-95
TIME: 07:37

SUBJECT: Goo-Yea Landfarm
PRIORITY: 4
ATTACHMENTS: GOO-YEA

Dear Chris,

Please note, I have attached a copy of the minutes of a meeting that was held in my office on April 10, 1995. Would you please review when you get a chance and call me so we can discuss some of the issues raised by Goo-Yea. Some of their questions presented were answered by me, however there were other issues raised that will require your input. Also, please note if any questions answered by the District at the time of the meeting is in error and needs to be refined please do not hesitate to let us know so we can correct it.

Thanks!

STATE OF NEW MEXICO
NMOCD District I

INTER-OFFICE MEMO

To file: Goo-Yea Landfarm

Date: April 10, 1995

Time: 3:00 pm

Telephone call: _____ Meeting: X Other: _____

Person called or attending:

Steve Dyer-Rhino 242-6464

Royce Cooper- " 392-4498

Max Hudson- "

Danyiel Berardelli- Rhino

Wayne Price-NMOCD

REFERENCE: Goo-Yea Landfarm

Subject: Permit conditions and procedures for accepting Non-exempt waste.

Comments:

Royce Cooper requested a meeting to discuss the operating permit conditions for their new landfarm and open up a dialogue with the NMOCD district office personnel. They also wanted to discuss the procedure that the NMOCD uses to approve RCRA Non-exempt non-hazardous waste.

Mr. Steve Dyer wanted this office to know that Goo-Yea wants to ensure that their company stays in full compliance that is required by their operating permit and any other rules and regulations that they may not be aware of.

The above topics were discussed in detail with the following issues to be resolved.

1. Goo-Yea will copy the NMOCD District I on the letter of approval for the bonding requirements.
2. Goo-Yea will make a formal request to the NMOCD Santa Fe office to request that the facility records be allowed to be stored off-site. *will provide in writing*

3. Goo-Yea wanted to know if the requirements of having an attendant on duty could be substituted with an employee such as truck driver during delivery of waste.

Mr. Price commented ok as long as this employee is trained and familiar with the operations of the landfarm and that the facility is secured otherwise. *I concur, check w/ RCRA*

4. Goo-Yea wanted to know if they would be allowed to use on site testing equipment for their day to day operations.

Mr. Price agreed as long as they document their findings and the test equipment is maintained and has the capability to perform the required test. Goo-yea indicated that any treatment zone monitoring would be performed by a third party lab.

5. Goo-Yea wanted to know if they could notify the District on day to day operations such as moving soil that has been remediated to other areas? *NO!*

6. Goo-Yea wanted to define what testing requirements are required, for example if they have 10 different cells set up do they have to test each one, or can they take a composite of all ten and run one test as long as the total surface area does not exceed 5 acres.

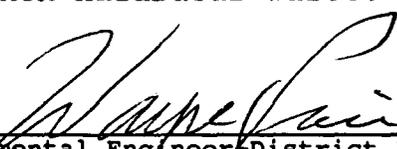
7. Goo-Yea discussed bringing in a soil "Burner" in the future.

Mr. Price informed them this would require a permit status change and they should contact Mr. Chris Eustice or Roger Anderson of the NMOCD Environmental Bureau. *Must modify permit*

8. Goo-Yea wanted to know if there is any special requirements for accepting "Oil field" exempt waste, other than what is required in the permit conditions. They also wanted to know if there is any special requirements or special notifications for accepting exempt "out-of-state" waste.

Mr. Price indicated that the NMOCD is not presently tracking exempt waste in District I.

The meeting concluded with Mr. Price giving Goo-Yea the RCRA E&P waste classification list of exempt and non-exempt waste and a written handout that describes the procedures for accepting RCRA non-exempt non-hazardous waste.

Wayne Price 
NMOCD Environmental Engineer District I

Affidavit of Publication

STATE OF NEW MEXICO)
) ss.
COUNTY OF LEA)

Joyce Clemens being first duly sworn on oath deposes and says that he is Adv. Director of THE LOVINGTON DAILY LEADER, a daily newspaper of general paid circulation published in the English language at Lovington, Lea County, New Mexico; that said newspaper has been so published in such county continuously and uninterruptedly for a period in excess of Twenty-six (26) consecutive weeks next prior to the first publication of the notice hereto attached as hereinafter shown; and that said newspaper is in all things duly qualified to publish legal notices within the meaning of Chapter 167 of the 1937 Session Laws of the State of New Mexico.

That the notice which is hereto attached, entitled
Notice Of Publication

~~and numbered~~ ~~in the~~

~~Court of Lea~~
~~County, New Mexico~~ was published in a regular and entire issue of THE LOVINGTON DAILY LEADER and not in any supplement thereof, ~~once each week on the same day of the week~~, for one (1) day

~~consecutive weeks~~, beginning with the issue of
December 6, 19 94.

and ending with the issue of
December 6, 19 94.

And that the cost of publishing said notice is the sum of \$ 1.01

which sum has been (Paid) ~~(Assessed)~~ as Court Costs

Joyce Clemens

Subscribed and sworn to before me this 14th day of December, 19 94

Jean Serier
Notary Public, Lea County, New Mexico

My Commission Expires Sept. 28, 19 98

LEGAL NOTICE NOTICE OF PUBLICATION STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

Notice is hereby given that pursuant to the New Mexico Oil Conservation Division Regulations, the following request has been submitted to the Director of the Oil Conservation Division, 2040 South Pacheco, Santa Fe, New Mexico 87505, Telephone (505) 827-7131:

Goo-Yea Landfarm, Inc., Dan Field, Owner, P.O. Box 1105, Lovington, New Mexico, 88260, has requested to transfer ownership of the previously approved permit to construct and operate a Rule 711 commercial landfarm facility for remediation of hydrocarbon contaminated soils. The permit was previously granted to Tierra Environmental Corporation, Richard Cheney, Vice President. The facility is to be located in the SE/4 of Section 14, Township 11 South, Range 38 East, NMPM, Lea County, New Mexico. The facility is proposed to consist of a 160 acre land management area where only solids classified as "non-hazardous" oilfield waste by RCRA Subtitle C exemption or by characteristic testing will be spread on the ground surface in six inch lifts or less and periodically stirred to enhance biodegradation of contaminants. No liquids will be allowed to be accepted for disposal at the facility. Ground water most likely to be affected by an accidental release is at a depth of 90 feet with a total dissolved solids concentration of approximately 600 mg/l. The permit addresses the construction, operation, spill/leak prevention and monitoring procedures to be utilized at the facility site.

Any interested person may obtain further information from the Oil Conservation Division and may submit written comments to the Director of the Oil Conservation Division at the address given above. The permit may be viewed at the above address between 8:00 a.m. and 4:00 p.m., Monday thru Friday. Prior to ruling on any proposed permit transfer request, the Director of the Oil Conservation Division shall allow at least thirty (30) days after the date of publication of this notice during which comments may be submitted to him and public hearing may be requested by any interested person. Request for public hearing shall set forth the reasons why a hearing shall be held. A hearing will be held if the director determines that there is significant public interest.

If no hearing is held, the Director will approve or disapprove the permit transfer request based on the information available. If a public hearing is held, the Director will approve the permit transfer request based on the information in the request and information presented at the hearing.

GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 30th day of November, 1994.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION
WILLIAM J. LEMAY, Director

SEAL
Published in the Lovington Daily Leader December 6, 1994.

NOTICE OF PUBLICATION
STATE OF NEW MEXICO
ENERGY, MINERALS AND
NATURAL RESOURCES
DEPARTMENT
OIL CONSERVATION DIVISION

Notice is hereby given that pursuant to the New Mexico Oil Conservation Division Regulations, the following request has been submitted to the Director of the Oil Conservation Division, 2040 South Pacheco, Santa Fe, New Mexico 87505, Telephone (505) 827-7131:

Geo-Yes Landfarm, Inc., Dan Field, Owner, P.O. Box 1106, Lovington, New Mexico, 88260, has requested to transfer ownership of the previously approved permit to construct and operate a Rule 711 commercial landfarm facility for remediation of hydrocarbon contaminated soils. The permit was previously granted to Tierra Environmental Corporation, Richard Cheney, Vice President. The facility is to be located in the SE/4 of Section 14, Township 11 South, Range 38 East, NMPM, Lea County, New Mexico. The facility is proposed to consist of a 160 acre land management area where only solids classified as 'non-hazardous' oilfield waste by RCRA Subtitle C exemption or by characteristic testing will be spread on the ground surface in six inch lifts or less and periodically stirred to enhance biodegradation of contaminants. No liquids will be allowed to be accepted for disposal at the facility. Ground water most likely to be affected by an accidental release is at a depth of 90 feet with a total dissolved solids concentration of approximately 600 mg/l. The permit addresses the construction, operation, spill/leak prevention and monitoring procedures to be utilized at the facility site.

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GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 30th day of November, 1994.

STATE OF NEW MEXICO
 OIL CONSERVATION DIVISION
 /s/William J. Lemay, Director
 Journal: December 16, 1994



NOTARY PUBLIC
 STATE OF NEW MEXICO
 William J. Lemay
 5/20/98

STATE OF NEW MEXICO
County of Bernalillo

ss

Bill Tafoya being duly sworn declares and says that he is Classified Advertising Manager of **The Albuquerque Journal**, and that this newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Session Laws of 1937, and that payment therefore has been made or assessed as court costs; that the notice, copy of which is hereto attached, was published in said paper in the regular daily edition, for one times, the first publication being on the 16th day of Dec, 1994 and the subsequent consecutive publications on none, 1994

Bill Tafoya

Sworn and subscribed to before me, a notary Public in and for the County of Bernalillo and State of New Mexico, this 16th day of Dec 1994.

PRICE \$ 35.81

Statement to come at end of month.

CLA-22-A (R-1/93) ACCOUNT NUMBER C80932

NOTICE OF PUBLICATION

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

Notice is hereby given that pursuant to the New Mexico Oil Conservation Division Regulations, the following request has been submitted to the Director of the Oil Conservation Division, 2040 South Pacheco, Santa Fe, New Mexico 87505, Telephone (505) 827-7131:

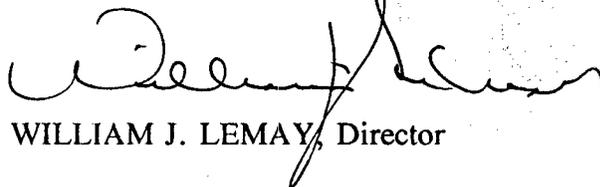
Goo-Yea Landfarm, Inc., Dan Field, Owner, P.O. Box 1105, Lovington, New Mexico, 88260, has requested to transfer ownership of the previously approved permit to construct and operate a Rule 711 commercial landfarm facility for remediation of hydrocarbon contaminated soils. The permit was previously granted to Tierra Environmental Corporation, Richard Cheney, Vice President. The facility is to be located in the SE/4 of Section 14, Township 11 South, Range 38 East, NMPM, Lea County, New Mexico. The facility is proposed to consist of a 160 acre land management area where only solids classified as "non-hazardous" oilfield waste by RCRA Subtitle C exemption or by characteristic testing will be spread on the ground surface in six inch lifts or less and periodically stirred to enhance biodegradation of contaminants. No liquids will be allowed to be accepted for disposal at the facility. Ground water most likely to be affected by an accidental release is at a depth of 90 feet with a total dissolved solids concentration of approximately 600 mg/l. The permit addresses the construction, operation, spill/leak prevention and monitoring procedures to be utilized at the facility site.

Any interested person may obtain further information from the Oil Conservation Division and may submit written comments to the Director of the Oil Conservation Division at the address given above. The permit may be viewed at the above address between 8:00 a.m. and 4:00 p.m., Monday thru Friday. Prior to ruling on any proposed permit transfer request, the Director of the Oil Conservation Division shall allow at least thirty (30) days after the date of publication of this notice during which comments may be submitted to him and public hearing may be requested by any interested person. Request for public hearing shall set forth the reasons why a hearing shall be held. A hearing will be held if the director determines that there is significant public interest.

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GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 30th day of November, 1994.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY, Director

SEAL



TIERRA
ENVIRONMENTAL CORPORATION

CORPORATE OFFICE
P. O. Drawer 15250
Farmington, NM 87401
(505) 325-0924

October 26, 1994

Mr. Roger Anderson
Director of Environmental Services
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

RE: TIERRA COMMERCIAL LANDFARM PERMIT - LEA COUNTY,
NEW MEXICO

Dear Mr. Anderson:

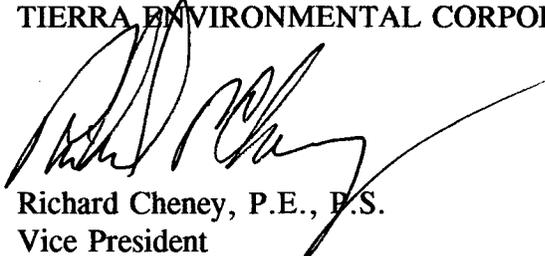
It is the desire of Tierra Environmental Corporation to transfer the above referenced permit to Goo-Yea, Inc. Goo-Yea, Inc. desires to assume responsibility for the permit and operation of the landfarm. By this letter, they also agree to abide by the conditions of the permit.

As previously stated, Tierra Environmental Corporation is requesting a transfer of the permit to Goo-Yea, Inc. If additional information is required, please contact us at your earliest convenience.

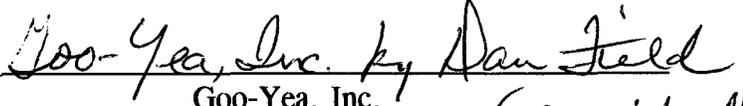
The address of Goo-Yea, Inc. is P. O. Box 1105, Lovington, New Mexico, 88260.

Sincerely yours,

TIERRA ENVIRONMENTAL CORPORATION


Richard Cheney, P.E., F.S.
Vice President

RPC/lp


Goo-Yea, Inc. by Dan Field
Goo-Yea, Inc. (President)

OIL CONSERVATION DIVISION
RECEIVED

OCTOBER 10, 1994 8:52 AM

CHRIS EUSTHERS
OIL CONSERVATION DIVISION
BOX 2088
SANTA FE, NM 87504

RE: TIERRA COMMERCIAL LANDFARM
OCD RULE 711 PERMIT APPROVAL
LEA COUNTY, NEW MEXICO

DEAR MR. EUSTHERS,

ENCLOSED YOU WILL FIND A COPY OF A PURCHASE AGREEMENT BETWEEN TIERRA ENVIRONMENTAL CO., INC. AND DAN AND GLENDA FIELD. THIS AGREEMENT IS CONSIDERED NULL AND VOID AS OF THIS DATE. THE PERMIT ISSUED TO TIERRA ENVIRONMENTAL FOR THE LANDFARM TO BE LOCATED IN SE/4, SEC. 14, TOWNSHIP 11 SOUTH, RANGE 38 EAST, LEA CO, NM WAS TIED TO THE LAND IN THE NOW VOID CONTRACT. TIERRA ENVIRONMENTAL NEVER OWNED THE ABOVE REFERENCED LAND.

ALSO ENCLOSED ARE COPIES OF TWO LETTERS TO TIERRA ENVIRONMENTAL REFERENCING THE VOIDING OF THE PURCHASE AGREEMENT, AND A COPY OF THE LETTER FOR THE APPROVAL OF THE PERMIT FROM THE OCD. THESE COPIES HAVE BEEN INCLUDED FOR YOUR REVIEW.

PLEASE LET THIS LETTER SERVE AS OUR NOTICE OF INTENT TO HAVE THIS PERMIT TRANSFERRED TO GOO-YEA LANDFARM INC., P.O. BOX 1105, LOVINGTON, NM 88260. IF TRANSFERRING THIS PERMIT IS NOT AN OPTION, PLEASE INSTRUCT AS TO HOW WE NEED TO PROCEED. EDDIE SEAY CONSULTING HAS BEEN HIRED TO ASSIST US IN THIS MATTER. MR. SEAY CAN BE REACHED AT 601 W. ILLINOIS, HOBBS, NM 88240, 505-392-2236.

YOUR PROMPT ATTENTION TO THIS MATTER WOULD BE GREATLY APPRECIATED.

SINCERELY,



DAN FIELD
P.O. BOX 1105
LOVINGTON, NM 88260

DF:gf

cc: SENATOR DON KIDD
SENATOR BILLY McKIBBEN
EDDIE SEAY

PURCHASE AGREEMENT

THIS AGREEMENT, is entered into this 15 day of April, 1993, by and between Tierra Environmental Company, Inc. (hereinafter "Purchaser") and Dan Fields and Glenda Fields (his wife) (hereinafter "Seller").

R E C I T A L S:

WHEREAS, Seller is the owner of 160 acres of real property located in Lea County, New Mexico, more particularly described as the southeast one-quarter of section 14, Township 11 South, Range 38 East, N.M.P.M. (the "subject property"); and

WHEREAS, Purchaser is in the business of environmental remediation of soils contaminated with non-hazardous oil field waste as defined and exempted by the Resource Conservation and Recovery Act (RCRA); and

WHEREAS, as a necessary part of Purchaser's business, the Purchaser requires property deemed suitable and acceptable by the New Mexico Oil Conservation Division (OCD), pursuant to its regulations, for the construction and operation of a landfarm facility to treat and store the remediated soils referred to above; and

WHEREAS, Purchaser has examined documentation indicating that the subject property may be approved and permitted by the OCD for purposes of operating a landfarm facility; and

WHEREAS, in order to obtain access to the subject property, Purchaser requires access through other real property owned by Seller; and

WHEREAS, Purchaser is desirous of acquiring the subject property owned by Seller; and

WHEREAS, Seller is willing to sell the subject property;

NOW, THEREFORE, it is mutually agreed as follows:

1. Purchase of Subject Property. In accordance with the terms stated herein, Seller agrees to sell and Purchaser agrees to purchase, the subject property referred to above and located in Lea County, New Mexico.

2. Purchase Price. The purchase price shall be DOLLARS (with FIVE THOUSAND DOLLARS (\$5,000) to be paid by Purchaser as earnest money upon execution of this Agreement by Sellers and DOLLARS) to be paid at closing.

3. Payment of Tipping Fee. In consideration of Seller providing access to Purchaser to the subject property through other real property owned by Seller, for purposes of conducting landfarm operations on the subject property, Purchaser agrees to pay a "tipping fee" of per cubic yard of all material (including contaminated soils) brought to the facility for

remediation, for so long as remediation activities are conducted on the subject property. Seller shall have the right to inspect and audit the records of Tierra Environmental Company, Inc., (during regular business hours) regarding the quantity of material delivered to the landfarm facility, in order to verify tipping fee payments. However, such right is limited to only those records pertaining to the quantity of such material delivered to the landfarm facility. Tipping fee payments shall be made by Purchaser to Seller at the following address:

Mr. and Mrs. Dan Fields
Branch Ranch
P.O. Box 1105
Lovington, New Mexico 88260

Purchaser, on or before the twentieth (20th) day of each calendar month, shall render to Seller a statement showing the number of cubic yards of material that have been brought to the subject property for remediation during the preceding calendar month and the aforesaid tipping fee shall be paid by Purchaser to Seller on or before the thirtieth (30th) day of the calendar month following such deliveries.

4. Contingencies. The purchase contemplated hereby shall be consummated upon the closing date set forth herein. However, in the event that the contingencies set forth below shall not have been satisfied within one year of the date of signing of this Agreement (or as agreed to between the parties), Seller shall have no obligation to sell the property and Seller shall retain the aforementioned FIVE THOUSAND DOLLARS (\$5,000) earnest money deposit. Seller may waive any or all of the listed contingencies. The contingencies are as follows:

(a) Seller will provide access to Tierra Environmental Company, Inc., its personnel or representatives, to enter upon the subject property prior to purchase in order to conduct an environmental assessment of the property to determine if the property is technically suitable to be operated as a landfarm facility and in compliance with all applicable federal and state regulations. Seller recognizes that such environmental assessment may include a geological study and the drilling of test holes. All of the environmental assessment work performed by Tierra Environmental Company, Inc. shall be at Purchaser's sole expense;

(b) If, in the opinion of Purchaser following the environmental assessment, the subject property appears to be suitable for a landfarm facility, Purchaser will (prior to purchase), make application to the OCD for permission to construct and operate a landfarm facility upon the subject property;

(c) Purchaser's application for construction and operation of a landfarm facility must be approved and properly permitted by the OCD within one year of the date of this Agreement.

5. In the event the OCD approves the construction and operation of a landfarm facility upon the subject property, and properly permits such facility, Purchaser agrees to abide by all

5. In the event the OCD approves the construction and operation of a landfarm facility upon the subject property, and properly permits such facility, Purchaser agrees to abide by all requirements of such OCD permit, including required monitoring, fencing and security of the landfarm facility. Purchaser agrees to operate the landfarm facility in compliance with all current and applicable federal or state laws or regulations. Purchaser furthermore agrees to indemnify and hold harmless Seller from any and all damages, injuries, attorneys fees, and costs of suit, involved in any claim made by or against Seller that may arise from Purchaser's operation of the landfarm facility on the subject property.

6. In the event Purchaser, through the exercise of reasonable diligence, is unable to obtain the requisite OCD permits within the one year period referred to in paragraph 4, then the sale contemplated by this Agreement shall not take place (unless an additional period of time is mutually agreed to in writing between these parties) and Seller shall return the Five Thousand Dollars (\$5,000.00) earnest money deposit to Purchaser. If, for any other reason, the closing does not occur within one year from the date of this Agreement, the sale shall not take place and Seller shall retain the Five Thousand Dollars (\$5,000.00) earnest money deposit.

7. Purchaser agrees to control its personnel, visitors and clients in order to prevent trespassing upon other property owned by Seller that is adjacent to the subject property.

8. The rights and obligations outlined in this Agreement are binding upon Purchaser irrespective of whether Purchaser assigns, transfers, or otherwise conveys any interest in the subject property to any third party. In the event such a conveyance is anticipated, Purchaser shall provide notice to Seller of such conveyance and any third party purchasing any interest in the subject property shall be bound by the terms of this Agreement.

9. Purchaser shall conduct all operations concerning the landfarm facility, including its eventual closure or termination of operations, in compliance with any and all state or federal regulations (including OCD regulations) in effect at the time of such operations or closure.

10. Purchaser agrees that Seller shall have the right to graze livestock upon any portion of the subject property that is not then currently utilized by Purchaser in its operation of the subject property as a landfarm facility.

11. Representations and Warranties of Seller. Seller represents and warrants to Purchaser as follows:

(a) Condemnation. There are no pending condemnation or similar proceedings affecting the property or any portion thereof, nor has Seller knowledge that any such action is presently contemplated.

(b) Pending Litigation. There are no legal actions, suits or other legal proceedings pending or threatened against the subject property, and Seller is not aware of any facts which might result in any such action, suit or other proceeding.

12. Title. The property will be conveyed to Purchaser by general warranty deed, in fee simple absolute, subject only to the following permitted encumbrances:

(a) Taxes for the current, year, prorated between Seller and Purchaser, to the time of closing;

(b) Such other encumbrances as Purchaser may chose to accept.

13. General Warranty Deed and Documents of Title. At closing, Purchaser shall deliver the purchase price, in cash or certified check, and Seller shall deliver the executed General Warranty Deed conveying the subject property from Seller to Purchaser.

14. Closing. The closing of this sale shall occur within thirty (30) days of Tierra Environmental Company, Inc. receiving final written approval and permitting from OCD to operate a landfarm facility upon the property as described in this Agreement. Such closing shall occur no later than one year after the date Seller executes this Agreement.

15. Closing Fees. Seller and Purchaser agree to share equally the expenses of recording fees and set up fees. Each party shall pay their respective attorneys' fees.

IN WITNESS WHEREOF, this Agreement has been duly executed by the parties on the date and year first above written.

SELLER:



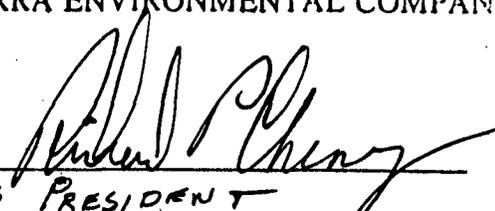
DAN FIELD



GLENDA FIELD

PURCHASER:

TIERRA ENVIRONMENTAL COMPANY, INC.

By: 
Its PRESIDENT



Branch Ranch

PO Box 1105 • Lovington, NM 88260
Home (505) 396-3205
Fax (505) 396-2386 • Mobile (505) 369-5232

AUGUST 8, 1994

TIERRA ENVIRONMENTAL CO. INC.
907 WEST APACHE
FARMINGTON, NM 87401
ATTN: MR. PHIL NOBIS

MR. NOBIS,

PLEASE LET THIS LETTER SERVE AS NOTICE THAT THE PURCHASE AGREEMENT BETWEEN TIERRA ENVIRONMENTAL AND DAN AND GLENDA FIELD HAS EXPIRED ACCORDING TO PARAGRAPH 14.

THIS CONTRACT MAY BE RE-NEGOTIATED WITHIN TWO WEEKS OF YOUR RECEIPT OF THIS LETTER.

YOUR PROMPT ATTENTION TO THIS MATTER WOULD BE GREATLY APPRECIATED.

SINCERELY,

Dan Field

OCTOBER 10, 1994

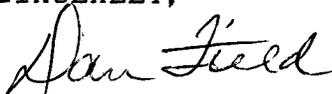
TIERRA ENVIRONMENTAL CO. INC.
907 WEST APACHE
FARMINGTON, NM 87401
ATTN: MR. PHIL NOBIS

MR. NOBIS

ON AUGUST 9, 1994, YOU RECEIVED A LETTER GIVING YOU A TWO WEEK GRACE PERIOD TO RE-NEGOTIATE THE PURCHASE CONTRACT BETWEEN TIERRA ENVIRONMENTAL CO., INC. AND DAN AND GLENDA FIELD. THIS CONTRACT WAS FOR THE PURCHASE OF THE FOLLOWING; SE/4, SECTION 14, TOWNSHIP 11 SOUTH, RANGE 38 EAST, NMPM, LEA COUNTY, NEW MEXICO. THERE WAS NO ACTION TAKEN ON YOUR PART TO RE-NEGOTIATE THIS CONTRACT.

PLEASE LET THIS LETTER SERVE AS NOTICE THAT THE PURCHASE AGREEMENT BETWEEN TIERRA ENVIRONMENTAL CO. INC. AND DAN AND GLENDA FIELD HAS EXPIRED ACCORDING TO PARAGRAPH FOUR AND PARAGRAPH FOURTEEN.
THIS CONTRACT IS NOW NULL AND VOID.

SINCERELY,



DAN FIELD

DF:gf

CC:STATE OF NEW MEXICO
ENERGY, MINERALS, AND NATURAL RESOURCES DEPT
OIL CONSERVATION DIVISION

EDDIE SEAY



MEMORANDUM OF MEETING OR CONVERSATION

OIL CONSERVATION DIVISION

<input checked="" type="checkbox"/> Telephone	<input type="checkbox"/> Personal	Time 3:30 PM -	Date Oct. 13, 1993
---	-----------------------------------	-------------------	-----------------------

<u>Originating Party</u>	<u>Other Parties</u>
K.M. Brown NM OGD	Joe Rodriguez Texas RRCC

Topic
Tierra land farm - Lea County
→ Letting Texas know we're about to permit land farm on NM/Texas border

Discussion
Letting them know. Any problem? Probably not. Joe will let his supervisor know and if they have a problem she'll call. Texas has monitoring for land farms, but ~~it's~~ the method is up to the company. Sounds similar to ours. Told Joe we'd cc them on the permit which I'll be finishing up in a few days.

Texas Railroad Commission ATTN: Jill Hybner
Environmental Services 512-463-6797
PO. Box 12967
Austin, Texas 78711

Conclusions or Agreements
Will cc: TRRC. If they have any problems/questions/conditions they will call.

Signature
Signed *K Brown*



TIERRA
ENVIRONMENTAL CORPORATION

OIL CONSERVATION DIVISION
RECEIVED

93 SEP 23 PM 9 04

CORPORATE OFFICE
6846 S. Canton, Suite 100
Tulsa, OK 74136
918-496-3200

REGIONAL OFFICE
909 W. Apache
Farmington, NM 87401
505-325-0924

September 22, 1993

Ms. Kathy M. Brown
State of New Mexico Energy,
Minerals & Natural Resources Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504

RE: COMMERCIAL LANDFARM REQUEST TIERRA ENVIRONMENTAL
CORPORATION, LEA COUNTY, NEW MEXICO

Dear Ms. Brown:

The following information is furnished as per your request of August 26, 1993.

1. APPLICATION FORM:

Application form date has been corrected to reflect the date that the application was actually submitted, that is July 21, 1993.

2. GROUND WATER BENEATH THE SITE:

It is estimated that ground water beneath the site is encountered at approximately 105 feet. I am submitting two (2) logs of water wells that have been drilled in the vicinity of the proposed landfarm facility. Well #1 is approximately 1,000 feet north and 1,000 feet east of the northwest corner of the proposed landfarm. Water was encountered in this well at approximately 114 feet. The water lies below a layer of hard rock encountered at 101 feet and continuing to approximately 114 feet. The water continues to a total depth of approximately 201 feet. The second well is in Texas, approximately 1/2 mile east of the southeast corner of the proposed landfarm facility. Again, water in this well was encountered at approximately 109 feet immediately below a layer of hard rock. The hard rock layer in this location was approximately 2 feet thick. Water in this formation, again, continued to a total depth of approximately 201 feet.

3. CALICHE BENEATH THE SITE:

The shot hole reports were from a series of logs completed in the mid 60's. I am transmitting a sketch showing the approximate location of each shot hole. In addition, I am transmitting copies of shot holes 23 and 24. Shot hole 23 shows sand from 0 to 64 feet. From other logs, I am sure that this was interspersed with layers of caliche. At 86 feet, a sandstone was encountered that continued that continued to 102 feet. Shot hole 24 shows caliche and sand from 1 to 44 feet. The next notation is a dry sandstone at 87 feet. I am also transmitting a copy shot hole 22. The copy is difficult to read, however, it shows sand from 0 to 5 feet, caliche from 5 to 55 feet and a layer that they labeled as hard lime from 50 to 90 feet.

The southeast corner of section 24 is typical of the "sandhill" lands that occur in southeastern New Mexico. The tan silty sands or red silty sands that occur in this area are commonly referred to as blow sand. It is the opinion of Tierra that the layer of material to be monitored for contamination would be the tan clayey sand layer that occurred in the test holes drilled by Pettigrew and Associates from 2' 4" to 5' 6".

4. TREATMENTS ZONE MONITORING REQUIREMENTS:

A. Tierra proposes to obtain background soil samples from the landfarm at the approximate center of the 160 acres. We propose to take the sample from the tan clayey sand layer that begins approximately 2.5 feet below the surface of the ground. It is our opinion that after the required leveling of the site, this layer will be the undisturbed layer that will need to be monitored and sampled. The sample will be analyzed for Total Petroleum Hydrocarbons (TPH), Volatile Aromatic Organics (BTEX), major cations/anions, and heavy metals using EPA approved methods. This background analysis of the native soil will be used as a baseline measurement to compare samples and determine if leaching of contaminants is occurring after the landfarm becomes operational. These samples will be submitted prior to the time that the landfarm is placed into operation.

B. Tierra proposes to open the landfarm in forty (40) acre increments. Each forty (40) acres will be subdivided into smaller cells not to exceed five (5) acres each. A minimum of one (1) random soil sample will be taken quarterly from each individual cell.

C. Tierra proposes to analyze each soil sample for TPH and BTEX quarterly and for general chemistry and heavy metals annually.

Again, we are proposing to monitor the zone of tan clay sand that begins at approximately 2.5 feet and extends to 5.6 feet below the existing natural ground surface.

Ms. Kathy M. Brown
September 22, 1993
Page 3

5. FACILITY BUFFER ZONE:

This facility is surrounded on all sides by the Branch Ranch. It is our opinion that a buffer zone that allows for a road and drainage around the perimeter of the facility is a sufficient buffer zone in this instance.

6. CLOSURE SCHEDULE:

Tierra proposes to operate the landfarm as a commercial surface disposal facility. At such time that Tierra closes the facility, the OCD director will be notified and Tierra will complete a clean-up and restoration of the facility within six (6) months in accordance with all OCD regulations at the time of closure.

If you have additional questions regarding any of the above information, please feel free to contact me at your earliest convenience.

Sincerely yours,

TIERRA ENVIRONMENTAL CORPORATION



Phil Nobis
Vice President

PCN/lp

State of New Mexico
Energy, Minerals and Natural Resources Department
OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, NM 87501

APPLICATION FOR SURFACE WASTE DISPOSAL FACILITY

(Refer to OCD Guidelines for assistance in completing the application.)

- I. Type: Produced Water Drilling Muds Treating Fluids
 Solids Other Land Farm
- II. OPERATOR: Tierra Environmental Company, Inc.
ADDRESS: 909 West Apache, Farmington N.M. 87401
CONTACT PERSON: (See Attached) PHONE: _____
- III. LOCATION: SE 1/4 --- /4 Section 14 Township 11 S Range 38 E
Submit large scale topographic map showing exact location.
- IV. IS THIS AN EXPANSION OF AN EXISTING FACILITY? Yes No
- V. Attach the name and address of the landowner of the disposal facility site and landowners of record within one-half mile of the site.
- VI. Attach description of the facility with a diagram indicating location of fences, pits, dikes, and tanks on the facility.
- VII. Attach detailed engineering designs with diagrams prepared in accordance with Division guidelines for the construction/installation of the following: pits or ponds; leak-detection systems; aerations systems; enhanced evaporation (spray) systems; waste treating systems and security systems.
- VIII. Attach a contingency plan for reporting and clean-up of spills or releases.
- IX. Attach a routine inspection and maintenance plan to ensure permit compliance.
- X. Attach a closure plan.
- XI. Attach geological/hydrological evidence demonstrating that disposal of oil field wastes will not adversely impact fresh water.
- XII. Attach proof that the notice requirements of OCD Rule 711 have been met. (Commercial facilities only.)
- XIII. Attach a contingency plan in the event of a release of H₂S.
- XIV. Attach such other information as is necessary to demonstrate compliance with any other OCD rules, regulations and/or orders.
(see attachments)
- XV. CERTIFICATION

I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

Name: Richard P. Cheney Title: President
Signature: *Richard P. Cheney* Date: 7-23-93

DISTRIBUTION: Original and one copy to Santa Fe with one copy to appropriate Division District Office.



THE REPRODUCTION OF

THE

FOLLOWING

DOCUMENT (S)

CANNOT BE IMPROVED

DUE TO

THE CONDITION OF

THE ORIGINAL

Section 6. LOG OF HOLE

Depth in Feet		Thickness in Feet	Color and Type of Material Encountered
From	To		
0	3	3	soil
3	12	9	clay
12	32	20	caliche
32	45	13	sand
45	54	9	hard rock
54	57	3	sand
57	63	6	hard rock
63	80	13	sand
80	81	1	rock
81	107	26	sand
107	109	2	hard rock
109	159	50	sand WATER
159	175	16	loose sand
175	189	14	sand with clay stringers
189	201	12	sand and gravel
201	217	16 XXX	XXXXXXXXXX yellow clay
217	265	48	blue clay
265	267	2	hard rock
267	277	10	blue clay
277	279	2	hard rock
279	282	3	clay
282	289	7	hard rock
289	295	6	soft rock
295	301	6	hard rock
301	317	16	soft rock sand
317	375	58	red clay

Section 7. REMARKS AND ADDITIONAL INFORMATION

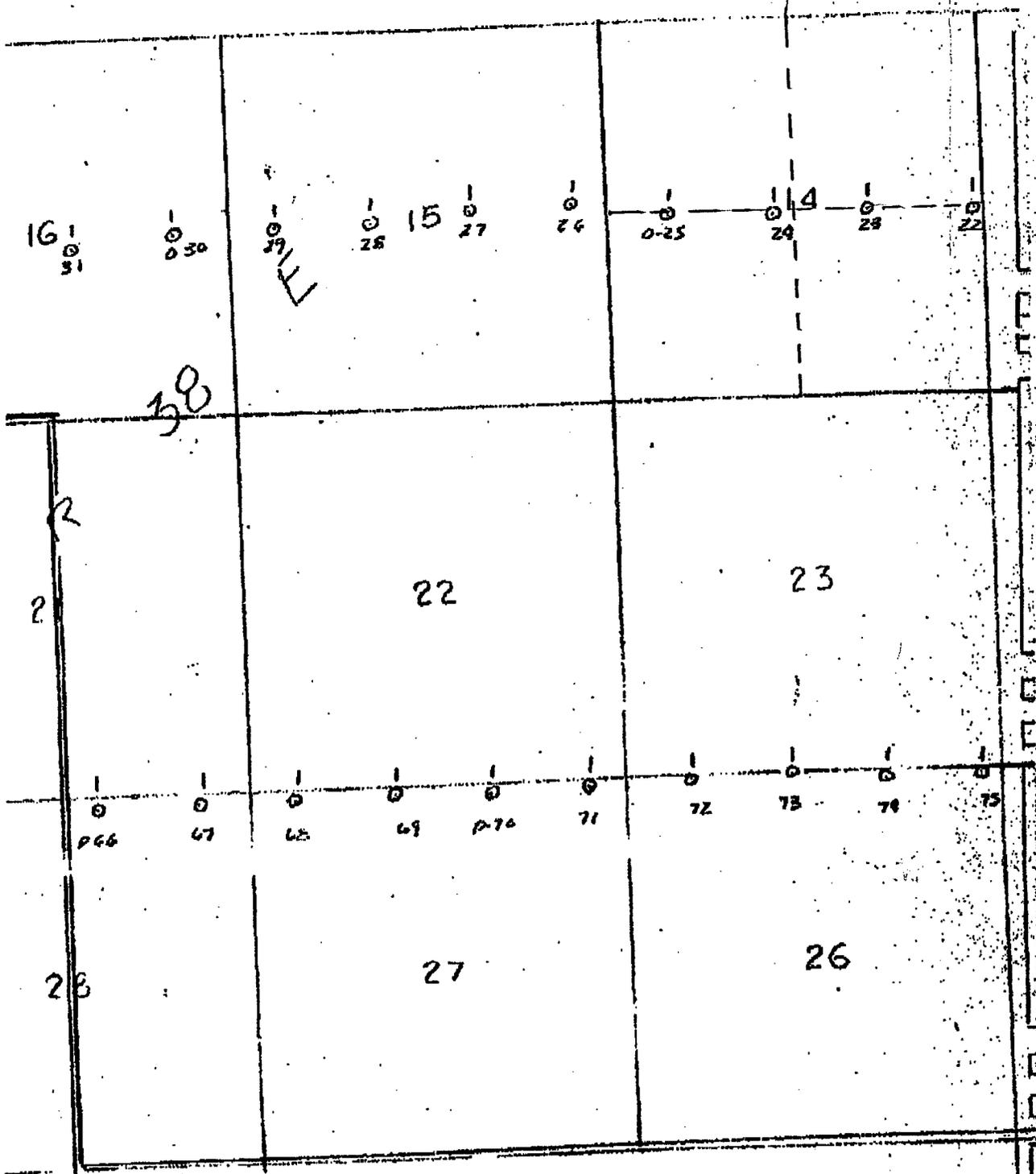
375	384	19	sandy clay
384	412	28	red clay

TEXAS 1/2 MILE ±
EAST OF SE COR 14

The undersigned hereby certifies that, to the best of his knowledge and belief, the foregoing is a true and correct record of the above described hole.

Driller

INSTRUCTIONS: This form should be executed in triplicate, preferably typewritten, and submitted to the appropriate district office of the State Engineer. All sections, except Section 5, shall be answered as completely and accurately as possible when any well is drilled, repaired or deepened. When this form is used as a plugging record, only Section 1(a) and Section 3 need be completed.



county Texas

DRILLING REPORT CONTINENTAL GEOPHYSICAL COMPANY

DRILL No. _____

AREA _____

PARTY _____

SHOT POINT 0-24 LOCATION _____

PROFILE _____

FROM	TO	FORMATION	Time	A.M. P.M.
0	44	Caliche & Sand		
	87	Clay ss		
	130	Sand		
	170	Gravel		
	181	yellow clay		
	265	Blue clay		
	280	Limestone		

TOTAL DEPTH _____

TIME _____ A.M.
P.M.

*PATTERN HOLE (Show formations above)

*No. Holes Drilled _____

*Depth each _____

*Total footage _____

BITS USED _____

WATER NO. LOADS _____ FROM _____

CHARGE TOP _____ BOTTOM _____ NO. CAPS _____

CASING _____

MUD _____

REMARKS _____

RATE _____ DRILLER _____

Drive Carefully

Work Safely

DRILLING REPORT CONTINENTAL GEOPHYSICAL COMPANY

DRILL No. _____

AREA _____ PARTY _____

SHOT POINT 0-23 LOCATION _____ PROFILE _____

FROM	TO	FORMATION	Time	AM PM
0	64	SAND		
	86	SS		
	102	SAND & SANDSTONE		
	137	Gravel		
	164	yellow clay		
	260	Blue clay		

TOTAL DEPTH _____ TIME _____ AM
PM

*PATTERN HOLES (Show formations above)

*No. Holes Drilled _____ *Depth each _____ *Total footage _____

BITS USED _____

WATER NO. LOADS _____ FROM _____

CHARGE TOP _____ BOTTOM _____ NO. CAPS _____

CASING _____

MUD _____

REMARKS _____

DATE _____ DRILLER _____

Drive Carefully

Work Safely



THE REPRODUCTION OF

THE

FOLLOWING

DOCUMENT (S)

CANNOT BE IMPROVED

DUE TO

THE CONDITION OF

THE ORIGINAL



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

August 26, 1993

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

CERTIFIED MAIL
RETURN RECEIPT NO. P-667-242-010

Mr. Phillip C. Nobis
Tierra Environmental Corporation
909 W. Apache
Farmington, NM 87401

**RE: COMMERCIAL LANDFARM REQUEST
TIERRA ENVIRONMENTAL CORPORATION
LEA COUNTY, NEW MEXICO**

Dear Mr. Nobis:

The New Mexico Oil Conservation Division (OCD) has received and is in the process of reviewing the above referenced application for an oil field related solids landfarm located in the SE/4 of Section 14, Township 11 South, Range 38 East, NMPM, Lea County, New Mexico. The following comments and requests for additional information are based on review of the application, dated July 21, 1993. In order for the review process to continue the OCD requires the following information:

1. **Application Form**: The cover letter submitted with your application for a surface waste disposal facility is dated July 21, 1993; however, the actual application form is dated April 13, 1992. Because there is a discrepancy of over one year between the two dates the OCD requests that Tierra submit a new application form (enclosed) that is signed and dated to reflect the actual time frame in which the application is submitted.
2. **Groundwater Beneath the Site**: Under Part XI. of the application Tierra has failed to state the depth to and quality of groundwater beneath the site. Submit the approximate depth and quality of groundwater beneath the site including the source of the information.

Mr. Phillip C. Nobis
August 26, 1993
Page 2

Justify any extrapolations made from data for groundwater located outside of the proposed landfarm boundary.

3. Caliche Beneath the Site: Under Part XI. of the application Tierra states that "data from the Logs indicates that there is one foot of top soil cover followed by six feet of caliche," and to "See attached Exhibit "C" log data". Review of the application indicates a discrepancy in the depth to the top of the caliche as detailed by the following:
 - a. Exhibit "C" contains two drilling reports from Continental Geophysical Company but there is no information indicating the location of the shot points and what method was used to make lithology classifications (drill hole, geophysical interpretation, etc.). In addition, the one geophysical report identifies caliche and sand from 0 to 44 feet and the other geophysical report does not identify any of the lithology as caliche.
 - b. Exhibit "C" also contains two logs from borings drilled on the proposed landfarm as shown on Exhibit "A". One of these logs first identifies caliche at 7 feet 2 inches, and the other fist identifies caliche at 13 feet 8 inches.

It is important for Tierra to accurately classify the lithology underlying the proposed landfarm facility since it will determine whether monitoring of a treatment zone is feasible and environmentally safe. Please submit information to clarify the depth to, thickness and lithology of the sediments underlying the proposed site including the top soil and caliche layers.

4. Treatment Zone Monitoring Requirement: Under Part XIV. of the application Tierra has proposed to monitor a treatment zone not to exceed two (2) feet beneath the landfarm. The following items are the current conditions that the OCD requires for landfarms operating under the treatment zone monitoring system. Please submit the required information:
 - a. Tierra has not proposed to obtain a background soil sample from the landfarm. The OCD currently requires landfarms to obtain a background soil sample from the center portion of the landfarm two (2) feet below the native ground surface prior to operation. The sample is analyzed for total petroleum hydrocarbons (TPH), volatile aromatic organics (BTEX), major cations/anions, and heavy metals using approved EPA methods. A background analysis of the native soils is necessary as a baseline measurement to compare samples and determine if leaching of contaminants has occurred after the landfarm becomes operational. Either commit to sampling and analyzing a background soil sample or justify why it is not necessary.

Mr. Phillip C. Nobis
August 26, 1993
Page 3

- b. The OCD currently requires a minimum of one random soil sample be taken quarterly from each individual cell, with no cell being larger than five (5) acres. Tierra has proposed to take a sample six months after the first contaminated soils are received in the cell and then annually thereafter. Tierra has requested to develop the 160 acre landfarm into four cells containing approximately 40 acres per cell. If Tierra would like to operate under their proposed less stringent requirements then please justify that these procedures are sufficient to adequately detect leaching of contaminants beneath the landfarm surface.
- c. The OCD currently requires soil samples to be analyzed for TPH and BTEX quarterly, and for general chemistry and heavy metals annually. Tierra has only proposed to analyze for TPH and BTEX. Either commit to also analyzing for major cations/anions and heavy metals or justify why these analyses are not needed.

Please note that to monitor a treatment zone not to exceed two (2) feet beneath the landfarm as Tierra has proposed you would have to sample the soils one to two (1-2) feet below the native ground surface. Since you have proposed to sample from two to three (2-3) feet below the native ground surface you are actually monitoring a treatment zone not to exceed three (3) feet beneath the landfarm.

5. Facility Buffer Zone: The OCD currently requires that no contaminated soils be placed within one-hundred (100) feet of the boundary of the facility unless it can be demonstrated that a smaller buffer zone will not adversely impact the adjacent properties. Either propose a buffer zone around the facility or justify why a buffer zone is not required.
6. Closure Schedule: The OCD requires both a closure plan and schedule for commercial surface disposal facilities. Under Part X. of the application Tierra has proposed closure plan but does not provide a schedule for closure. Please note that pursuant to OCD Rule 711, upon cessation of disposal operations for six (6) consecutive months, the operator will complete cleanup of constructed facilities and restoration of the facility site within the following six (6) months, unless an extension is granted by the Director. The operator will notify the Division of cessation of operations for six (6) consecutive months. Submit a closure schedule in accordance with OCD requirements.

Mr. Phillip C. Nobis
August 26, 1993
Page 4

Submission of the above requested information will allow the review process to continue. If you have any questions please do not hesitate to contact me at (505) 827-5884.

Sincerely,

A handwritten signature in cursive script that reads "Kathy M. Brown". The signature is written in black ink and is positioned below the word "Sincerely,".

Kathy M. Brown
Geologist

Enclosure

xc: Jerry Sexton, OCD Hobbs Office

NOTICE OF PUBLICATION
STATE OF NEW MEXICO
ENERGY, MINERALS & NATURAL
RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

Notice is hereby given that pursuant to New Mexico Oil Conservation Commission Regulations, the following application for a commercial surface waste disposal facility has been submitted for approval to the Director of the Oil Conservation Division, State Land Office Building, P.O. Box 2068, Santa Fe, New Mexico 87504-2068, Telephone (505) 827-5800:

Tierra Environmental Corporation, Richard P. Cheney, 909 West Apache, Farmington, New Mexico 87401, has submitted an application to construct and operate a commercial landfarm facility for the remediation of hydrocarbon contaminated soils. The proposed facility is in the SE/4, Section 14, Township 11 South, Range 38 East, NMPM, Lea County, New Mexico. The facility is proposed to consist of a 160 acre land management area where only solids classified as "non-hazardous" oil field waste by RCRA Subtitle C exemption or by characteristic testing will be spread on the ground surface in six inch lifts or less and periodically diked to enhance biodegradation of contaminants. No liquids will be allowed to be accepted for disposal at the landfarm. The ground water must likely to be affected by any accidental discharges is at an approximate depth of 60 feet and has an estimated total dissolved solids content of approximately 600 mg/l. The permit application addresses the construction, operations, spill/leak prevention and monitoring procedures to be utilized at the site. Any interested person may obtain further information from the Oil Conservation Division and may submit written comments to the Director of the Oil Conservation Division at the address given above. The discharge plan application may be viewed at the above address between 8:00 a.m. and 4:00 p.m., Monday through Friday. Prior to ruling on any proposed discharge plan or its modification, the Director of the Oil Conservation Division shall allow at least thirty (30) days after the date of publication of this notice during which comments may be submitted to him and public hearing may be requested by any interested person. Requests for public hearing shall set forth the reasons why a hearing should be held. A hearing will be held if the Director determines there is significant public interest. If no public hearing is held, the Director will approve or disapprove the proposed plan based on information available. If a public hearing is held, the director will approve or disapprove the proposed plan based on information in the plan and information submitted at the hearing.

GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 3rd day of August, 1993.

STATE OF NEW MEXICO
 OIL CONSERVATION DIVISION
 William J. LeMay
 Director

Journal: August 11, 1993

STATE OF NEW MEXICO
 County of Bernalillo

OIL CONSERVATION DIVISION
 RECEIVED

'93 AUG 16 AM 9 08

Paul D. Campbell being duly sworn declares and says that he is National Advertising Manager of **The Albuquerque Journal**, and that this newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Session Laws of 1937, and that payment therefore has been made or assessed as court costs; that the notice, copy of which is hereto attached, was published in said paper in the regular daily edition, for 1 times, the first publication being on the 11 day of Aug., 1993, and the subsequent consecutive publications on _____, 1993

Paul D Campbell

Sworn and subscribed to before me, a notary Public in and for the County of Bernalillo and State of New Mexico, this 11 day of Aug, 1993.

PRICE

\$ 33.40

Statement to come at end of month.



OFFICIAL SEAL
Bernadette Ortiz
 BERNADETTE ORTIZ
 NOTARY PUBLIC-NEW MEXICO

NOTARY BOND FILED WITH SECRETARY OF STATE
 My Commission Expires 12-18-93

CLA-22-A (R-1/93) ACCOUNT NUMBER C81184

KMB

NOTICE OF PUBLICATION

STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

Notice is hereby given that pursuant to New Mexico Oil Conservation Commission Regulations, the following application for a commercial surface waste disposal facility has been submitted for approval to the Director of the Oil Conservation Division, State Land Office Building, P.O. Box 2088, Santa Fe, New Mexico 87504-2088, Telephone (505) 827-5800:

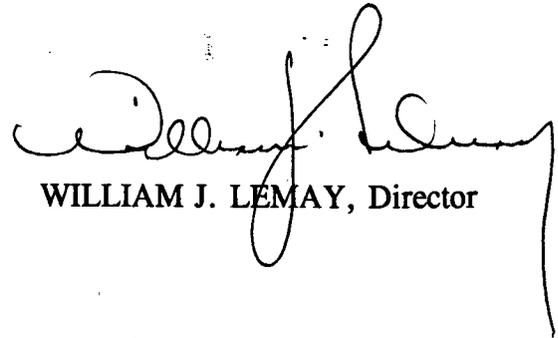
Tierra Environmental Corporation, Richard P. Cheney, 909 West Apache, Farmington, New Mexico 87401, has submitted an application to construct and operate a commercial landfarm facility for the remediation of hydrocarbon contaminated soils. The proposed facility is in the SE/4, Section 14, Township 11 South, Range 38 East, NMPM, Lea County, New Mexico. The facility is proposed to consist of a 160 acre land management area where only solids classified as "non-hazardous" oil field waste by RCRA Subtitle C exemption or by characteristic testing will be spread on the ground surface in six inch lifts or less and periodically disked to enhance biodegradation of contaminants. No liquids will be allowed to be accepted for disposal at the landfarm. The groundwater most likely to be affected by any accidental discharges is at a approximate depth of 90 feet and has an estimated total dissolved solids content of approximately 600 mg/l. The permit application addresses the construction, operations, spill/leak prevention and monitoring procedures to be utilized at the site.

Any interested person may obtain further information from the Oil Conservation Division and may submit written comments to the Director of the Oil Conservation Division at the address given above. The discharge plan application may be viewed at the above address between 8:00 a.m. and 4:00 p.m., Monday through Friday. Prior to ruling on any proposed discharge plan or its modification, the Director of the Oil Conservation Division shall allow at least thirty (30) days after the date of publication of this notice during which comments may be submitted to him and public hearing may be requested by any interested person. Requests for public hearing shall set forth the reasons why a hearing should be held. A hearing will be held if the Director determines there is significant public interest.

If no public hearing is held, the Director will approve or disapprove the proposed plan based on information available. If a public hearing is held, the director will approve or disapprove the proposed plan based on information in the plan and information submitted at the hearing.

GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico,
on this 3rd day of August, 1993.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in black ink, appearing to read "William J. Lemay", is written over the typed name. The signature is fluid and cursive, with a large loop at the end of the last name.

WILLIAM J. LEMAY, Director

S E A L



BY
TIERRA

**Environmental Company, Inc.
909 West Apache
Farmington, New Mexico 87401**

RECEIVED

JUL 23 1993

**OIL CONSERVATION DIV.
SANTA FE**

APPLICATION FOR LANDFARM FACILITY

**PERMIT APPLICATION FOR A
LAND FARM FACILITY,
LEA COUNTY, NEW MEXICO**

**LYING IN THE
SE1/4 OF SECTION 14, T11S R38E,
N.M.P.M., LEA COUNTY, NEW MEXICO**

**Prepared for
The New Mexico Oil Conservation Division**

July 21, 1993

INDEX

- I. COVER LETTER
- II. OCD FORM
- III. APPLICATION

EXHIBITS:

- A. Engineering
Survey Plat
Location Map
- B. Purchase Agreement
- C. Well Logs and Soils Information



TIERRA
ENVIRONMENTAL CORPORATION

CORPORATE OFFICE

6846 S. Canton, Suite 100
Tulsa, OK 74136
918-496-3200

REGIONAL OFFICE

909 W. Apache
Farmington, NM 87401
505-325-0924

July 21, 1993

Mr. Roger Anderson, Bureau Chief
New Mexico Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

RE: APPLICATION FOR LANDFARM FACILITY PERMIT, LEA
COUNTY, N.M.

Dear Mr. Anderson:

Enclosed herewith, is the complete permit application, pursuant to OCD Rule 711, for a landfarm facility in Lea County, New Mexico. The only landowner, occupant or resident of record within the area of review is Mr. Dan Fields. Mr. Fields was not sent a notice as Tierra is purchasing the land for the facility from him. Enclosed also is the Purchase Agreement containing Mr. Fields' signature. We would offer that document as proof of notice.

It is Tierra's intention, should the permit be issued, to operate the facility in a manner quite similar to operations at our existing facility on Crouch Mesa in San Juan County.

We attempted to locate an isolated piece of land that did not have the same problems we encountered in Lovington. I think we have found it. We will not apply to NMED for dual permit status. We are not in the UST disposal business.

I hope this information is sufficient.

We appreciate all the cooperation received from OCD, you personally and from your excellent staff.

Sincerely,

TIERRA ENVIRONMENTAL CORPORATION

Phillip C. Nobis
Vice President

State of New Mexico
Energy, Minerals and Natural Resources Department
OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, NM 87501

APPLICATION FOR SURFACE WASTE DISPOSAL FACILITY
(Refer to OCD Guidelines for assistance in completing the application.)

I. Type: Produced Water Drilling Muds Treating Fluids
 Solids Other Land Farm

II. OPERATOR: Tierra Environmental Company, Inc.
ADDRESS: ~~909 West Apache, Farmington N.M. 87401~~
CONTACT PERSON: (See Attached) PHONE: _____

III. LOCATION: SE 1/4 - 1/4 Section 14 Township 11S. Range 38E
Submit large scale topographic map showing exact location.

IV. IS THIS AN EXPANSION OF AN EXISTING FACILITY? Yes No

V. Attach the name and address of the landowner of the disposal facility site and landowners of record within one-half mile of the site.

VI. Attach description of the facility with a diagram indicating location of fences, pits, dikes, and tanks on the facility.

VII. Attach detailed engineering designs with diagrams prepared in accordance with Division guidelines for the construction/installation of the following: pits or ponds; leak-detection systems; aerations systems; enhanced evaporation (spray) systems; waste treating systems and security systems.

VIII. Attach a contingency plan for reporting and clean-up of spills or releases.

IX. Attach a routine inspection and maintenance plan to ensure permit compliance.

X. Attach a closure plan.

XI. Attach geological/hydrological evidence demonstrating that disposal of oil field wastes will not adversely impact fresh water.

XII. Attach proof that the notice requirements of OCD Rule 711 have been met. (Commercial facilities only.)

XIII. Attach a contingency plan in the event of a release of H₂S.

XIV. Attach such other information as is necessary to demonstrate compliance with any other OCD rules, regulations and/or orders.
(see attachments)

XV. CERTIFICATION

I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

Name: [Signature] Title: PRE3
Signature: [Signature] Date: 4/13/92

DISTRIBUTION: Original and one copy to Santa Fe with one copy to appropriate Division District Office.

APPLICATION FOR LANDFARM FACILITY
IN SECTION 14 T11S, R38E N.M.P.M.
LEA COUNTY, NEW MEXICO

I. Type of Operation:

The operation is to be a landfarm facility for the purpose of remediation of soils contaminated as a result of oil and gas production, exploration, or processing activity. Only substances classified as non-hazardous oilfield waste by RCRA Subtitle C exemption or by characteristic testing will be accepted at the facility. Prior OCD approval would be obtained by the applicant prior to accepting any material that is not oilfield waste or that has been co-mingled with oilfield waste on a case by case basis. Appropriate laboratory analysis will be conducted of the substances and submitted to OCD with the request for permission to accept the waste.

Comprehensive records of all material received at the facility will be maintained at the facility. The records for each load will include: 1) the origin, 2) analysis for hazardous constituents, if required, 3) the transporter, and 4) the exact cell location and method of remediation. These records will be open for inspection by OCD at anytime.

The substances received by the facility will be landfarmed. They will be spread in no more than six inch lifts within seventy-two hours of receipt and turned a minimum of once every two weeks. A grid numbering system will identify each cell of material for each particular client and source location.

Successive lifts of contaminated soils will not be spread until a laboratory measurement of Total Petroleum Hydrocarbons (TPH) in the previous lift is less than 100 parts per-million(ppm) and the sum of all aromatic hydrocarbons (BTEX) is less than fifty ppm and Benzene is less than ten ppm. Comprehensive records of laboratory analysis and the sampling locations will be maintained at the facility. Authorization from OCD will be obtained prior to application of successive lifts.

The applicant proposes to bio-degrade the contaminants, adding moisture in limited quantity to the landfarm. The process may include addition in some cases, to the soils, of manufactured or "cultured" microbes to enhance natural occurring bio-degradation. The addition of moisture to the soils is necessary for (1) enhancing natural and artificial bio-degradation and (2) to reduce blowing dust and dirt containing contamination and prevent it from leaving the facility. Water will not be added to the degree that it could enhance the hydraulic drive of contaminants to the sub-surface. No standing water, pooling or runoff will be permitted.

No free liquids or soils containing free liquids will be accepted at the facility.

II. Operator:

Tierra Environmental Company, Inc.
909 West Apache
Farmington, New Mexico 87401

Contact Persons are:

Phillip C. Nobis
(505) 325-0924

Richard P. Cheney
(505) 327-3303

III. Location of Facility:

The proposed facility is located in Lea County, New Mexico, consisting of the South East 1/4 of Section 14, Township 11 South, Range 38 East, Lea County, New Mexico. See Exhibit A.

IV. This is not an expansion request

V. Land Ownership:

The land is owned by Tierra Environmental Company, Inc., a New Mexico Corporation. Land description is attached as Exhibit A. A certified copy of the Purchase Agreement is attached to this application as Exhibit B.

Land owners of record with in a half mile of the facility, South East 1/4, Section 14, T11 South, R 38 West:

1/2 Mile West

Dan Field
P.O. Box 1269
Lovington, New Mexico

1/2 Mile East

Dan Field
P.O. Box 1269
Lovington, New Mexico

1/2 Mile South

Dan Field
P.O. Box 1269
Lovington, New Mexico

1/2 Mile North

Dan Field
P.O. Box 1269
Lovington, New Mexico

There are no private homes or residences with in one mile of the facility.

No Natural Gas Pipelines cross the property

VI. Description of the facility with diagram indicating fences, pits, dikes, buildings, and tanks is described in diagram of facility Exhibit A by Cheney-Walters-Echols, Engineers.

VII. Engineering design attached as Exhibit A.

VIII. Contingency Planning:

No spills are anticipated on location. Liquid material will not be stored or processed at this facility. Contingencies for flooding from rainfall are described in the design information, Exhibit C by Cheney-Walters-Echols, Inc.. An area of approximately 5 acres will be maintained as an area to obtain clean fill material for use in the event of dike or berm failure due to excessive rainfall and cleanup associated therewith. Any liquid release as a result of flooding and subsequent dike failure, would be mixed with the clean fill dirt and returned to the landfarm proper for remediation. Testing of the area receiving the runoff would occur and any contamination as a result thereof will be removed until detectable limits were below 100 ppm TPH, 50 ppm BTEX and 10 ppm Benzene. Necessary dirt work equipment will be immediately available to the facility.

OCD will be notified pursuant to Rule 116 of any spill, blowout, break or fire occurring at the facility.

IX. Routine Inspection and Maintenance Plan:

The facility is expected to be a low maintenance operation. Berms, dikes and fencing will be inspected at least weekly. Berms and dikes will be given special attention during unusually severe rainfall and inspected thoroughly following each event. Any required repairs will be conducted immediately.

X. Closure Plan:

When the facility is to be closed, no new material will be accepted. Existing soils will be remediated until they meet OCD standards in place at the time of closure and verified by independent laboratory testing. The area will then be seeded with natural grasses and allowed to return to its' natural state.

XI. Geological and Hydrological evidence demonstrating that the disposal of oilfield waste will not adversely impact fresh water.

The proposed facility is not located adjacent to any water supply. Data from the Logs indicate that there is one foot of top soil cover, followed by six feet of Caliche. The distance to fresh, potable groundwater is approximately, feet. See attached Exhibit "C" log data.

XII. Proof Of Notice

Attached as Exhibit E is a copy of the notification letter sent to the landowner of record and the certified receipts therefor as required by OCD Rule 711.

XIII. Contingency Plan for H₂S

No Hydrogen Sulfide (H₂S) problems are expected. However the site will be monitored for H₂S daily. Sufficient quantities of oxidizers donors will be available to the site for quick application in the unlikely event H₂S is identified as being present.

XIV. Other Information:

The landfarm will consist of 160 acres. It will be developed in four cells containing approximately 40 acres each. Each cell, as outlined in the drawings by Cheney-Walters-Echols, Inc., will be bermed individually and have capacity to retain the 100 year storm. The first phase berms will be constructed with new material. Tierra proposes to construct berms and dikes for the remaining cells from remediated dirt. The material will be tested for contaminants as required in Section I (successive lifts). Prior OCD approval will be obtained.

The landfarm will be adequately signed. It will be fenced with a 5 strand barbed wire fence, constructed according to New Mexico Highway Department Specifications, to protect wildlife, livestock and to prevent unauthorized access. Steel gates will be locked during non-business hours.

Air Quality, although not currently addressed in the permit application is a concern. Tierra has proposed the addition of moisture. The addition of moisture will be calculated using Soil Conservation Service Data to characterize soil types. Moisture assists in the reduction of particulate discharge from natural wind action. Tilling practices also recommended by the Soil Conservation Service be employed, in an effort to reduce to the most possible degree, blowing dust and dirt that could contain contaminants. Tierra further proposes to require its personnel working on the facility, to wear exposure badges in order to monitor volatilization and personal exposure levels. A photo ionization detector or similar device will be kept on location for the purpose of random sampling and to conduct head space testing on newly arrived material. A particulate collector or similar device will be placed on the down wind side of the landfarm to monitor particulate discharge. In the event of heavy emissions from volatilization or from particulate containing contamination, Tierra proposes to add additional moisture to the facility. No standing, pooling or runoff will be allowed to occur, during these additional applications.

Because the landfarm is designed to remediate contaminated soils and not transfer contaminants into the underlying native soil and or groundwater, Tierra will monitor a treatment zone not to exceed two (2) feet beneath the landfarm. Tierra will make a commitment to the following conditions:

- a. A minimum of one random soil sample will be taken from each individual cell six (6) months after the first contaminated soils are received in the cell and then annually thereafter. The sample will be taken at two to three (2-3) feet below the ground surface, as it existed prior to application of soils to be remediated.
- b. The soil samples will be analyzed for total petroleum hydrocarbons (TPH) using the HNU Hanby Field Test Method. If TPH is detected, the samples will be sent to an approved laboratory for analysis. The laboratory, using EPA approved methods will test for TPH level and BTEX. Results of those tests will be submitted to OCD, with in thirty (30) days in written form. If contamination is present, the contaminated soils being treated will be removed from the cell. The native soils will be tilled and remediated until TPH is below 100 ppm, BTEX is below 50 ppm and benzene is below 10 ppm. OCD will be notified of the successful remediation. An impermeable layer of bentonite will be placed in the cell. Prior to putting the cell back in service, OCD approval will be obtained.
- c. After obtaining the soil samples, the bore holes will be filled with an impermeable material such as bentonite.
- d. Any cells that have moisture added to them will be analyzed quarterly, following the requirements above.

Tierra will have a manned field office on the facility.

A 25,000.00 cash or surety bond will be furnished to OCD pursuant to rule 711, following approval of the permit and prior to the commencement of any construction activities on the facility.

EXHIBIT "A"

EXHIBIT "B"

Post-It™ brand fax transmittal memo 7671		# of pages ▶
To	PHIL NOBIS	From

PURCHASE AGREEMENT

THIS AGREEMENT, is entered into this 15th day of April, 1993, by and between Tierra Environmental Company, Inc. (hereinafter "Purchaser") and Dan Field and Glenda Field (his wife) (hereinafter "Seller").

R E C I T A L S:

WHEREAS, Seller is the owner of 160 acres of real property located in Lea County, New Mexico, more particularly described as the southeast one-quarter of section 14, Township 11 South, Range 38 East, N.M.P.M. (the "subject property"); and

WHEREAS, Purchaser is in the business of environmental remediation of soils contaminated with non-hazardous oil field waste as defined and exempted by the Resource Conservation and Recovery Act (RCRA); and

WHEREAS, as a necessary part of Purchaser's business, the Purchaser requires property deemed suitable and acceptable by the New Mexico Oil Conservation Division (OCD), pursuant to its regulations, for the construction and operation of a landfarm facility to treat and store the remediated soils referred to above; and

WHEREAS, Purchaser has examined documentation indicating that the subject property may be approved and permitted by the OCD for purposes of operating a landfarm facility; and

WHEREAS, in order to obtain access to the subject property, Purchaser requires access through other real property owned by Seller; and

WHEREAS, Purchaser is desirous of acquiring the subject property owned by Seller; and

WHEREAS, Seller is willing to sell the subject property;

NOW, THEREFORE, it is mutually agreed as follows:

1. Purchase of Subject Property. In accordance with the terms stated herein, Seller agrees to sell and Purchaser agrees to purchase, the subject property referred to above and located in Lea County, New Mexico.

2. Purchase Price. The purchase price shall be THIRTY-TWO THOUSAND DOLLARS (\$32,000), with FIVE THOUSAND DOLLARS (\$5,000) to be paid by Purchaser as earnest money upon execution of this Agreement by Sellers and TWENTY SEVEN THOUSAND DOLLARS (\$27,000) to be paid at closing.

3. Payment of Tipping Fee. In consideration of Seller providing access to Purchaser to the subject property through other real property owned by Seller, for purposes of conducting landfarm operations on the subject property, Purchaser agrees to pay a "tipping fee" of one

dollar per cubic yard of all material (including contaminated soils) brought to the facility for remediation, for so long as remediation activities are conducted on the subject property. Seller shall have the right to inspect and audit the records of Tierra Environmental Company, Inc., (during regular business hours) regarding the quantity of material delivered to the landfarm facility, in order to verify tipping fee payments. However, such right is limited to only those records pertaining to the quantity of such material delivered to the landfarm facility. Tipping fee payments shall be made by Purchaser to Seller at the following address:

Mr. and Mrs. Dan Field
Branch Ranch
P.O. Box 1105
Lovington, New Mexico 88260

Purchaser, on or before the twentieth (20th) day of each calendar month, shall render to Seller a statement showing the number of cubic yards of material that have been brought to the subject property for remediation during the preceding calendar month and the aforesaid tipping fee shall be paid by Purchaser to Seller on or before the thirtieth (30th) day of the calendar month following such deliveries.

4. Contingencies. The purchase contemplated hereby shall be consummated upon the closing date set forth herein. However, in the event that the contingencies set forth below shall not have been satisfied within one year of the date of signing of this Agreement (or as agreed to between the parties), Seller shall have no obligation to sell the property and Seller shall retain the aforementioned FIVE THOUSAND DOLLARS (\$5,000) earnest money deposit, subject to the conditions of paragraph 6 below. Seller may waive any or all of the listed contingencies. The contingencies are as follows:

(a) Seller will provide access to Tierra Environmental Company, Inc., its personnel or representatives, to enter upon the subject property prior to purchase in order to conduct an environmental assessment of the property to determine if the property is technically suitable to be operated as a landfarm facility and in compliance with all applicable federal and state regulations. Seller recognizes that such environmental assessment may include a geological study and the drilling of test holes. All of the environmental assessment work performed by Tierra Environmental Company, Inc. shall be at Purchaser's sole expense;

(b) If, in the opinion of Purchaser following the environmental assessment, the subject property appears to be suitable for a landfarm facility, Purchaser will (prior to purchase), make application to the OCD for permission to construct and operate a landfarm facility upon the subject property;

(c) Purchaser's application for construction and operation of a landfarm facility must be approved and properly permitted by the OCD within one year of the date of this Agreement.

5. In the event the OCD approves the construction and operation of a landfarm facility upon the subject property, and properly permits such facility, Purchaser agrees to abide by all requirements of such OCD permit, including required monitoring, fencing and security of the landfarm facility. Purchaser agrees to operate the landfarm facility in compliance with all current and applicable federal or state laws or regulations. Purchaser furthermore agrees to indemnify and hold harmless Seller from any and all damages, injuries, attorneys fees, and costs of suit, involved in any claim made by or against Seller that may arise from Purchaser's operation of the landfarm facility on the subject property.

6. In the event Purchaser, through the exercise of reasonable diligence, is unable to obtain the requisite OCD permits within the one year period referred to in paragraph 4, then the sale contemplated by this Agreement shall not take place (unless an additional period of time is mutually agreed to in writing between these parties) and Seller shall return the Five Thousand Dollars (\$5,000.00) earnest money deposit to Purchaser. If, for any other reason, the closing does not occur within one year from the date of this Agreement, the sale shall not take place and Seller shall retain the Five Thousand Dollars (\$5,000.00) earnest money deposit.

7. Purchaser agrees to control its personnel, visitors and clients in order to prevent trespassing upon other property owned by Seller that is adjacent to the subject property.

8. The rights and obligations outlined in this Agreement are binding upon Purchaser irrespective of whether Purchaser assigns, transfers, or otherwise conveys any interest in the subject property to any third party. In the event such a conveyance is anticipated, Purchaser shall provide notice to Seller of such conveyance and any third party purchasing any interest in the subject property shall be bound by the terms of this Agreement.

9. Purchaser shall conduct all operations concerning the landfarm facility, including its eventual closure or termination of operations, in compliance with any and all state or federal regulations (including OCD regulations) in effect at the time of such operations or closure.

10. Purchaser agrees that Seller shall have the right to graze livestock upon any portion of the subject property that is not then currently utilized by Purchaser in its operation of the subject property as a landfarm facility.

11. Representations and Warranties of Seller. Seller represents and warrants to Purchaser as follows:

(a) Condemnation. There are no pending condemnation or similar proceedings affecting the property or any portion thereof, nor has Seller knowledge that any such action is presently contemplated.

(b) Pending Litigation. There are no legal actions, suits or other legal proceedings pending or threatened against the subject property, and Seller is not aware of any facts which might result in any such action, suit or other proceeding.

...property will be conveyed to Purchaser by general warranty deed, in fee simple absolute, subject only to the following permitted encumbrances:

(a) Taxes for the current, year, prorated between Seller and Purchaser, to the time of closing;

(b) Such other encumbrances as Purchaser may chose to accept.

13. General Warranty Deed and Documents of Title. At closing, Purchaser shall deliver the purchase price, in cash or certified check, and Seller shall deliver the executed General Warranty Deed conveying the subject property from Seller to Purchaser.

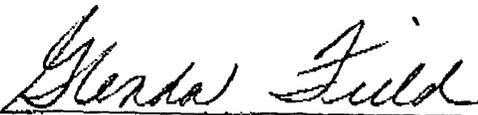
14. Closing. The closing of this sale shall occur within thirty (30) days of Tierra Environmental Company, Inc. receiving final written approval and permitting from OCD to operate a landfarm facility upon the property as described in this Agreement. Such closing shall occur no later than one year after the date Seller executes this Agreement.

15. Closing Fees. Seller and Purchaser agree to share equally the expenses of recording fees and set up fees. Each party shall pay their respective attorneys' fees.

IN WITNESS WHEREOF, this Agreement has been duly executed by the parties on the date and year first above written.

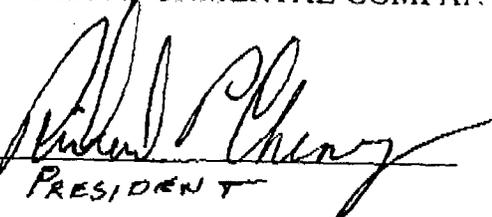
SELLER:


DAN FIELD


GLENDA FIELD

PURCHASER:

TIERRA ENVIRONMENTAL COMPANY, INC.

By: 
Its PRESIDENT

STATE OF NEW MEXICO)
) ss.
COUNTY OF LEA)

The foregoing instrument was acknowledged before me on the 15th day of April, 1993, by DAN FIELD

Rita S. Camacho
Notary Public

My Commission Expires:
Nov. 13, 1994

STATE OF NEW MEXICO)
) ss.
COUNTY OF LEA)

The foregoing instrument was acknowledged before me on the 15th day of April, 1993, by GLENDA FIELD

Rita S. Camacho
Notary Public

My Commission Expires:
Nov. 13, 1994

STATE OF NEW MEXICO)
) ss.
COUNTY OF LEA)

The foregoing instrument was acknowledged before me on the 20 day of July, 1993, on behalf of Tierra Environmental Company, Inc. by Richard Cheney, its President.

Leanne Strubbe
Notary Public

My Commission Expires:
May 7, 1997

EXHIBIT "C"

LOG OF BORING

PROJECT : LEA COUNTY LAND FARM

BORING NO.: 1

CLIENT : TIERRA ENVIRONMENTAL

LOCATION :

DATE : JANUARY 7, 1993

GROUND ELEVATION :

DEPTH, FEET	SYMBOL	SAMPLE	LEGEND :
			 SAMPLE  PENETRATION  WATER
			DESCRIPTION / COMMENTS
			0' - 2'4" TAN SILTY SAND
			2'4" - 4'2" TAN CLAYEY SAND
5			4'2" - 7'2" LIGHT TAN CLAYEY SAND
			7'2" - 9'8" SANDY CALICHE
10			9'8" - 12'1" RED SANDY CALICHE
			12'1" - 13'6" HARD CALICHE LENSE
15			13'6" - 25'6" PINK SANDY CALICHE
20			
25			
			TOTAL DEPTH OF HOLE - 25½'

LOG OF BORING

PROJECT : LEA COUNTY LAND FARM

BORING NO. : 2

CLIENT : TIERRA ENVIRONMENTAL

LOCATION :

DATE : JANUARY 7, 1993

GROUND ELEVATION :

DEPTH, FEET	SYMBOL	SAMPLE	LEGEND :
			 SAMPLE  PENETRATION  WATER
			DESCRIPTION / COMMENTS
			0' - 2'5" RED SILTY SAND
5	SC		2'5" - 5'6" TAN CLAYEY SAND
			5'6" - 8'9" REDDISH BROWN CLAYEY SAND
10			8'9" - 13'8" GRAY CLAYEY SAND
15			13'8" - 20'4" SOFT PINK CALICHE
20			
			20'4" - 20'9" HARD CALICHE LENSE
25	SC		20'9" - 30'4" SOFT WHITE CALICHE
30			
			TOTAL DEPTH OF HOLE - 30'4"

TIERRA ENVIRONMENTAL COMPANY, INCORPORATED

November 30, 1992

OIL CONSERVATION DIVISION
RECEIVED

Mr. Roger Anderson, Bureau Chief
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87504

'92 DEC 3 AM 8 43

RE: TIERRA ENVIRONMENTAL COMPANY, PERMIT APPLICATION FOR
LANDFARM FACILITY-LEA COUNTY, NEW MEXICO, SE 4, SECTION 2, T-17
S, R-36 E:

Dear Mr. Anderson:

After further geologic review, Tierra Environmental Company has made a corporate decision to withdraw the pending application.

Geology reflects that aquifer that is the water supply to the City of Lovington and surrounding ranches is at approximately 83' beneath the proposed location for the landfarm facility. While that in its self is not a major concern, we have learned that the caliche barrier that would be depended upon to prevent leaching of contaminants to beneath the landfarm should a substantial rainfall occur, has been fractured. Therefore the possible hydraulic drive of contaminants into the aquifer could not be prevented with any certainty, without major expense.

Tierra therefore is unwilling to accept the tremendous liability attached thereto and does not wish to impose that same liability upon the City of Lovington, its citizens or other water users.

We do realize that based upon this information that the question of liability is mute as OCD would no doubt not permit the facility.

Tierra is currently actively investigating other possible sites within the Lea County area. We will be submitting a new application to OCD in the near future.

Therefore the public forum scheduled for December 14, 1992 will not be necessary. Richard Cheney will be meeting with the City of Lovington at a regular Council meeting to formally withdraw from the lease agreement.

We appreciate your cooperation in this matter.

Sincerely,


Phillip C. Nobis
Vice President

cc: Bob Carter

City Manager

City of Lovington

TIERRA ENVIRONMENTAL COMPANY, INCORPORATED

November 30, 1992

Mr. Lynn Durham Jr.
Fredda T. Durham Lifetime Trust
P.O. Drawer 273
Midland, Texas 79702

RE: PERMIT APPLICATION, TIERRA ENVIRONMENTAL COMPANY FOR A
LANDFARM FACILITY IN LEA COUNTY NEW MEXICO, SE 1/4, SECTION 2,
T-17-S, R-36 E:

Dear Mr. Durham:

Tierra Environmental has made a corporate decision to withdraw its permit application for the above captioned landfarm facility.

On behalf of Tierra, I would like to express our appreciation for your valuable input and comments.

In part based on your letter, we did cause to be conducted a more thorough review of the caliche barrier. It is in fact fractured and therefore not suitable for the purposes of landfarming. As the entire area owned by the City of Lovington appears to have potential for the same type of problem, we will not be pursuing a lease with the city at all.

For your information we are actively investigating other potential sites in Lea County and vicinity that are geologically suitable for a landfarm facility.

Sincerely,



Phillip C. Nobis
Vice President
Risk Management

TIERRA ENVIRONMENTAL COMPANY, INCORPORATED

November 30, 1992

Mr. Bob Carter, City Manager
City of Lovington
P.O. Box 1269
Lovington, New Mexico 88260

RE: TIERRA ENVIRONMENTAL COMPANY, LANDFARM PERMIT AND LEASE
WITH THE CITY OF LOVINGTON:

Dear Mr. Carter:

Tierra Environmental Company, Inc. has, based of further geological review of the proposed landfarm facility site, to be leased from the City of Lovington, made a corporate decision not to proceed with the permitting of the proposed site and to terminate the lease therefore.

Attached hereto is a letter to Mr. Roger Anderson, Bureau Chief of the New Mexico Oil Conservation Division withdrawing our application to permit this particular site.

Our geological report indicates that the caliche barrier we were depending on to prevent migration into groundwater has been fractured by blasting that occurred during the construction of the pipelines that cross the property. Therefore we cannot insure that during heavy rainfall, a hydraulic drive will not occur that could force contamination into the aquafur.

Tierra does intend to permit, construct and operate a landfarm facility in the Lea County area. We are currently, actively investigating other locations. Our requirements will be that there is atleast two (2) to three (3) feet of ground cover, preferably clay and that the distance to quality groundwater is atleast one-hundred (100) feet. Additionally we would prefer that no oil or gas facilities exist near the facility that also may have fractured the subsurface.

We appreciate your assistance and the cities cooperation in this matter.

Sincerely,


Phillip C. Nobis
Vice President
Risk Management

cc: OCD



MEMORANDUM OF MEETING OR CONVERSATION

Telephone

Personal

Time

9:00 A.M.

Date

Nov. 30, 1992

Originating Party

Other Parties

Phil Nobis / Richard Cheney

Kathy Brown - OCD

Subject

Tierra's Proposed Lea County Landfarm

Discussion

Have decided to withdraw the application due to the fractured nature of the caliche and the cost to do the landfarm properly. Will send a letter to OCD notifying of withdrawal. Have also canceled the public meeting. However will meet with the Lovington City Council to inform them of the decision. Will also let them know that they are actively looking for a new site in Lea County to apply for a landfarm.

Conclusions or Agreements

Distribution

Signed

Kathy Brown

OIL CONSERVATION DIVISION
RECEIVED Page 2 of 2
FAX -
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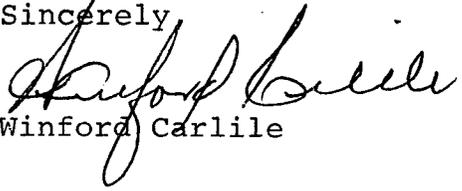
November 23, 1992

New Mexico Oil Conservation Commission
Box 2088
Santa Fe, New Mexico 87504
Attn: Bill LeMay, Director

Dear Mr. LeMay:

I wish to file a protest of the proposed location of the Tierra Environmental Company, Inc. landfarm facility approximately five (5) miles south of Lovington on City property. The elements cannot be controlled and this type of risk should not be taken in this location.

Sincerely,


Winford Carlile

906 West Avenue I

Lovington, New Mexico 88260

505 396-7546

MERRILL L. NORTON

ATTORNEY AT LAW
 200 South Love Street
 P.O. Drawer 1567
 LOVINGTON, NEW MEXICO 88260
 505-396-2881

November 23, 1992

Director
 New Mexico Oil Conservation Division
 State Land Office Building
 P. O. Box 2088 (FAX 827-5741)
 Santa Fe, New Mexico 87504-2088

TRANSMITTED BY FAX
 4:30 P.M. 11/23/92

RE: PROTEST OF APPLICATION BY TIERRA ENVIRONMENT COMPANY
 FOR PERMIT TO OPERATE 160 ACRE LANDFARM FACIL-
 ITY IN LEA COUNTY, NM

PROTESTERS: Residents of CITY OF LOVINGTON, LEA COUNTY,
 (Intervenors) NEW MEXICO, by and on behalf of said City
 Residents, and for themselves individually:

(1) Dwight A. Tipton, 1506 N. 9th; (2) Joe T.
 Lewis, 1109 W. Aspen Ave.; and James A. Roberts,
 806 W. Ave. H., Lovington, N.M. 88260

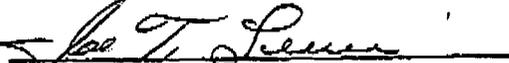
Dear Sir:

The below suscribed protesters herewith notify your offices and the Tierra Environment Company that we believe that we represent the best interests of the City of Lovington by openly and lawfully opposing said Company's Application dated September 18, 1992, for a Landfarm Facility to be located on 160 Acres of City of Lovington surface lands described as the Southeast 1/4 of Section 2, Township 17 South, Range 36 East, N.M.P.M., Lea County, New Mexico.

It is our knowledge and belief that the City of Lovington purchased the above described lands many years ago for the purpose of reserving the underground water for the future use of its residents. Accurate and scientific studies of the aquifer in this region has determined that it is a limited source and subject to depletion as it is "mined" for use at its surface. This City will need this reserve uncontaminated at some time in the future.

Additional studies concluded that the material intended to be deposited above the aforementioned aquifer will contaminate the aquifer and render it useless for public potable consumption. Also, the "Air Quality" of the material will contaminate the air in and over the City of Lovington as the prevailing winds carry it into town. We, therefore, submit our protest and request that the Application be denied.


 Dwight A. Tipton


 Joe T. Lewis


 James A. Roberts

Merrill L. Norton


 Attorney

*to
Roger*

3 C.G.'S

Page 1 of 2

Date Nov. 23, 1992

Sender Winford Carlile
906 West Avenue I
Lovington, New Mexico 88260
Fax No. 505 396-6328
Phone No 505 396-7546

To: New Mexico oil Conversation Commission
Santa Fe, New Mexico
Fax No. 505 986-1094

MESSAGE

Mr. LeMay:
Hard copy to follow:

Winford Carlile

*827-
5741*

Page 2 of 2

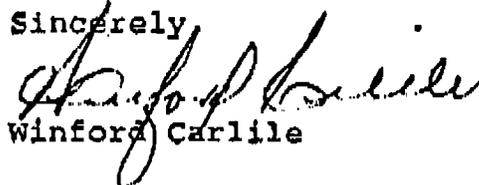
November 23, 1992

New Mexico Oil Conservation Commission
Box 2088
Santa Fe, New Mexico 87504
Attn: Bill LeMay, Director

Dear Mr. LeMay:

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Sincerely,


Winford Carlile

906 West Avenue I

Lovington, New Mexico 88260

505 396-7546

OIL CONSERVATION DIVISION
RECEIVED

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FREDDA T. DURHAM LIFETIME TRUST

P.O. Drawer 273
Midland, Texas 79702

915-684-5577

Fax: 915-687-2785

November 16, 1992

Director
New Mexico Oil Conservation Division
State Land Office Building
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

RE: Application by Tierra Environmental Company, Inc. for Permit
to Operate 160 Acre Landfarm Facility in Lea County , NM
SE/4 Section 2, T-17-S, R-36-E

Dear Sir:

The undersigned own an undivided one-half of the surface of thirty-two sections of land (and certain water rights) adjoining, on the south, the 160 acre tract on which Tierra Environmental Company, Inc. ("Tierra") proposes to conduct landfarm operations. By letter to the OCD dated October 5, 1992, we requested intervenor status in the matter of the captioned application. After reviewing the application we have certain comments, as follows:

1. Protection of Groundwater:

We are concerned that Tierra's application and proposed operations as described therein, adequately assure protection of local groundwater.

a. Reserve Municipal Water Supply:

The application fails to disclose that the groundwater beneath the proposed site is the reserve water supply for the City of Lovington. We do not purport to have standing to comment on behalf of the City. However, we believe this fact should be regarded as material to the OCD's review process. We presume that the OCD would wish to proceed with the utmost caution in granting a permit for landfarm operations to be conducted less than one hundred feet above a municipal water supply. We presume that such a permit, if given, would be given only after obtaining sufficient facts and undertakings from the operator as would assure the protection of such water supply and the Citizens of Lovington relying on it. We submit that Tierra's application is seriously deficient in this respect.

b. Lack of Subsurface Data.

Tierra's application seeks a permit from the OCD based in part upon its assumption that a uniformly impermeable caliche bed found one foot below the surface and five feet or more thick extends uniformly across the site and, presumably, adjoining lands. This bed, Tierra asserts, would serve as an "excellent natural barrier between groundwater and the landfarm". We do not believe such facts are adequately established in the application.

Tierra's letter transmitting the application states that Mr. Richard Cheney, President of Tierra, visited the site and a seven foot deep caliche pit located thereon whereupon he concluded that the "caliche appeared impermeable" and would serve as a sufficient barrier to groundwater vertical migration. Although Mr. Cheney is a registered professional engineer, he did not sign the letter or application or any report accompanying same. The opinions of Mr. Cheney are not, in any event, those of an independent professional engineer which are customarily required by the permitting process. Moreover, the opinions attributed to Mr. Cheney do not appear to be based upon any data obtained from the site apart from a visual inspection of its surface and the pit.

The only other subsurface data submitted by Tierra consists of a well log drilled approximately one-third mile from the nearest corner of the site, near but not on the proposed facility. The log indicates groundwater at 83' below the surface and a five foot thick caliche deposit beginning one foot below the surface. Although the application suggests that such results would obtain uniformly throughout the region and across the subject location in particular, the application contains no results from wells bored on location supporting such hypothesis.

The presumption that the caliche barrier, if indeed once uniformly present, remains uniformly intact seems open to question given the existence of the following on the location: (1) an open seven foot deep caliche pit; (2) four underground pipelines; and (3) at least five oil and gas wells (some, or perhaps all, of which have been abandoned). In addition to the known open pit, it seems plausible, if not probable, that other pits, now filled in, were excavated on the site for caliche or oil and gas exploration activities. There is no information in the application indicating the impact, if any, such pit or pits, pipelines and wells have had on the caliche barrier.

Additional concerns we have with respect to the protection of underground water beneath and in the vicinity of the facility are discussed below under the topics of "Sampling Program" and "Closure Plan".

Without substantially more information than is presented in the application, we find it difficult to evaluate whether our property would be at risk from potential migration of groundwater contaminated by Tierra's proposed operations. Should additional information be forthcoming, we may have additional comments.

2. Failure of City of Lovington to Join in Application:

We note that, as a general rule, all owners and operators of environmentally impacted facilities are required to comply with the regulations. The City of Lovington, owner of the land upon which the proposed landfarm will be conducted, has not executed the permit application. Pursuant to the lease between the City and Tierra, the City may terminate the lease upon thirty days' notice to Tierra were the City to "decide with good cause its interests were being jeopardized". Should Tierra abandon operation of the facility or forfeit its lease without having successfully remediated or removed all environmentally impacted soils, we must presume the City will assume (and properly wind up) operations of the landfarm. The application and any permit based thereon should assure the State of New Mexico, us, and other interested parties that such operations, including any closure of the facility, will be conducted in a responsible manner. Thus the City should be required to join in the application and be subject to the permit.

3. Sampling Program:

The proposed landfarm is an unlined facility with no leachate detection system. But for administrative exemption granted by the EPA for oil and gas production waste, many if not most of the materials to be deposited at the proposed landfarm facility would fail the EPA toxicity characteristic leaching potential test and hence be classified as hazardous. In view of the foregoing, it is especially critical that appropriate environmental controls, in particular a strict sampling program, be implemented and followed at the facility. We believe Tierra's proposed sampling program is in many ways neither well conceived nor adequate. Our concerns include the following:

a. Sampling Problems Due to Reliance Upon Caliche Bed as Sole Permeability Barrier:

Even if it could be adequately shown that the caliche bed were uniformly present and intact throughout and immediately adjacent to the site, it would nevertheless be continuously necessary to verify its impermeability in operation by means of periodic, random sampling. Sample holes would, of course, have to penetrate, at least in part, the caliche barrier in order that this material could be tested. Since a hand augur is not ordinarily capable of penetrating caliche, we submit that such sampling could not be done except by the most extraordinary means. (Even were the OCD not to insist on sampling the caliche barrier, its presence one foot below the surface would make it impossible to obtain samples using the customary hand augur "from two to three feet below the native ground surface" as proposed by Tierra.) Tierra has neither discussed this problem in its application nor offered any explanation as to how the proposed sample bores will be drilled.

b. Sample Frequency and Density:

The ongoing sampling program contemplates at least one random soil sample in each "cell" annually. We believe this to be seriously inadequate. To begin with, for purposes of sampling, each cell consists of forty (40) acres. On the other hand Tierra's application advises that each client unloading material at the facility will be assigned its own separate "cell" (presumably less than forty acres) which will be gridded and numbered. Tierra requests a permit that fails to preclude it or any subsequent operator from picking an area of least disposal impact within a forty acre tract. We submit that the active portions of each client cell should be gridded and sampling nodes selected and bored on a statistically random basis.

Annual sampling is, we believe, inadequate. Sampling should be conducted no less often than quarterly in order to detect any unusual movement of hydrocarbons and other contaminants toward groundwater at an earlier stage, thus permitting earlier opportunity to remedy the problem. More frequent sampling will give a better sense of the success of the landfarming operation. For example, seasonal conditions can affect a landfarming operation. Quarterly testing would allow the operator and the OCD to develop a graphical depiction of seasonal variations. Adverse environmental conditions which could otherwise be prevented or mitigated might not be recognized or detected under annual sampling program.

c. Scope of Sampling Program:

The sampling program contemplates only TPH as an initial indicator. Worse, the TPH is derived from a Hanby field test. Although this test is valid as a general indicator when used in conjunction with subsequent testing, in this case the Hanby field test is proposed not as an initial indicator but as an actual screening device. All sampling should be submitted to an approved EPA laboratory. (This should be required if for no other reason than to afford sufficient record keeping to comply with OCD Rule 711.

There is no proposed testing for PCB's, polymers, heavy metals, solvents, naturally occurring radioactive materials ("NORMs"), or chlorides, substances commonly found within "soils contaminated as a result of oil and gas production, exploration, or processing activity but which cannot be remediated by conventional landfarming. Such testing is often not required on an oil and gas waste management site because such site is dual lined with a leachate detection system. In this case, however, there is no liner and no detection system.

Were it not for the oil and gas exemption, few if any of the materials Tierra proposes to landfarm could be lawfully landfarmed by it or anyone else. Tierra's acceptance of the otherwise hazardous materials depends on certification of same as exempt by the oil and gas operator. It is well known that drilling contractors often run non-exempt waste into disposal pits unless they are closely watched and prohibited by the well operator's representative. Likewise, many lease operators often dispose of tank reclaimer bottoms and production bottoms into pits near their wells. The materials to be deposited on the proposed facility may contain metals, salts, and NORM characteristics not contemplated by the specific scope of the application. Should an undue concentration of NORMs occur at the facility, it would not be detected under the proposed sampling regime.

There is nothing in the application which indicates what, if any, sort of substances will be rejected if detected in the solids brought to the facility under the oil and gas exploration and production exemption. To the contrary, the application seems to seek a permit that can be continuously revised and expanded on a case by case basis, with no occasion for public notice or comment, each time Tierra desires to accept materials not described in the initial permit.

4. Closure Plan:

The closure plan is woefully inadequate. The essentials of the proposed closure plan are that in situ materials will be remediated until they meet OCD standards at which time the area will be seeded with natural grass. The closure plan does not contemplate soil or groundwater testing prior to abandonment of the facility. (The extent of the testing suitable at time of closure might be mitigated by a much more rigorous, ongoing sampling program.) Nor does the plan contemplate any further inspections or actions be taken with respect to the site once it has been seeded. If, for example, grass fails to take root whether because of drought, excessive chlorides, or because the remediated soils are otherwise unsuitable for plant life, Tierra proposes to retain no responsibility to reseed or ensure that grasses are successfully reestablished. We consider this lack of ongoing responsibility unacceptable.

5. Natural Gas Pipelines; Flow Lines:

We are skeptical that landfarm operations can be safely conducted above pipelines buried at undesignated depths transporting natural gas at undisclosed pressures. Even though Tierra promises in its letters to the pipeline owners that no operations will be conducted above their lines, Tierra fails to explain how it will ensure that its employees will observe this practice while conducting landfarm operations. Specifically, we believe certain information should be clarified. Although it advises the pipeline owners that "heavy equipment will not be used in the landfarm operation...", we are curious as to how, without use of such equipment, Tierra employees will construct dikes and berms or unload, spread, turn, till, fertilize, water, chlorinate, and add microbes to the soils it proposes to remediate. As suggest elsewhere herein, we are also curious as to how Tierra employees, OCD inspectors, the City of Lovington (per its lease) or others will drill sample bore holes into supposedly impermeable caliche without using equipment that could penetrate a buried natural gas pipeline. (In the application, Tierra advises that it will have dirt work equipment immediately available to handle any flooding, dike failure, spills, etc. We presume this equipment consists of something other than shovels and other hand tools.)

Any danger posed by Tierra's operations above natural gas pipelines would be shared by its employees, other persons at or near the facility including anyone on Lea County Road 78 which the proposed facility fronts. It would also be shared by our livestock and other property. (It may be unlikely that the City of Lovington, four miles downwind, would be at risk from a pipeline rupture and ensuing grass fire which Tierra employees might plausibly cause. However we recommend that the OCD verify this.) We do not believe Tierra's application adequately discusses these dangers and the precautions it will take to reduce or eliminate same.

There is, likewise, no discussion in its application of what emergency procedures and resources Tierra will employ should any of its employees inadvertently rupture any of the four pipelines. Specifically, there is no discussion of contingency plans for dealing with ignition of presumably highly flammable gas under pressure under various surface wind conditions.

No discussion of what, if any, precautions Tierra proposes to take in order to avoid rupturing any operating flow lines located on the facility is contained in the application. Such a rupture would, of course, result in increased hydrocarbon contamination of soils sought to be remediated.

In view of the foregoing, we submit the following requests and recommendations:

A. We most earnestly request that the City of Lovington be required to join in the application. We ask that the City be required therein to warrant that, in the event its tenant discontinues operations for any reason prior to complete remediation and successful closure of the site, the City will assume and complete such operations in accordance with the permit and all then applicable federal and state environmental laws and regulations.

B. The applicant should provide the OCD the report of an independent registered engineer or other qualified expert with respect to the proposed landfarm location containing his/her signed opinion certifying that:

(i) There exists beneath the surface of the site an intact bed of impermeable caliche sufficient to protect underground water. Such opinion should be based upon core samples obtained by or under the supervision of such expert from at least eight holes drilled on the location (i.e., one every twenty acres).

(ii) None of the oil and gas or other wells drilled on the site and none of the pipeline trenches, caliche pits, and drilling pits excavated on the site in the past has breached or fractured the caliche barrier excepting such wells or pits which have been refilled with cement so as to restore the impenetrable barrier.

(iii) That landfarming operations conducted by Tierra or any successor operator in the manner contemplated in the application will not, in his/her opinion, pose any undue hazard to underground water in the area.

C. The sampling regime required of Tierra and any successor operator should be substantially fortified. In particular, we respectfully suggest:

(i) Tierra should explain how sample bore holes two to three feet beneath the native surface (and, presumably, one or two feet into caliche) will be drilled in order to procure samples.

(ii) Tierra should be required to sample native soils on site prior to commencing operations thereon to verify that they are not themselves contaminated. These samples should be submitted to an EPA approved laboratory and reports furnished the OCD.

(iii) The operator should be required to conduct its sampling no less frequently than quarterly. The OCD should be notified at least 15 days prior to the sampling so that its representative may, at OCD election, be present to select and supervise the sampling and split or obtain samples which can be separately tested by the OCD.

(iv) Sampling should be done by a statistically random method on each active cell of material; a "cell" being defined for these purposes as any area, not more than one acre, allocated to a separate client. For this purpose and in order to maintain the clearest picture of ongoing environmental responsibility and liability, all clients depositing or having deposited contaminated solids on the landfarm should be required to segregate their material in separate cells.

(v) All samples should be sent to an independent, EPA approved laboratory; results should be reported to the OCD by the lab.

(vi) Testing for presence of chlorides, metals, PCBs, and NORMs as well as TPH should be done in all samples.

(vii) The Soil Conservation Service should also be supplied with soil samples from remediated or near remediated soils in order to advise the operator whether such soils will support vegetation. Tierra should be required to abide by all SCS recommendations for remediation with respect to any soils that will not be buried.

D. We respectfully request that the closure plan required of Tierra and any successor operator include the following:

(i) The obligation to ensure successful reestablishment of native grasses on the site. This obligation should

endure until at least two complete growing cycles have elapsed following establishment of grasses over 100% of the site.

(ii) The obligation to sample the remediated or other soils remaining on site in accordance with the guidelines above for at least three years following closure of the site.

E. We respectfully request that Tierra be required to amend its application to remedy all omissions of information and discussion which we have noted in our comments above.

F. We respectfully recommend that affirmative, written consents of the landfarm be obtained from each of the owners of pipelines and flowlines on the site. Each consent should include a representation from the owner that the presence of its line beneath or near such operations will not constitute an undue hazard.

G. We respectfully request that Tierra be required to install an additional liner above the caliche barrier and a leachate detection system. Otherwise, we respectfully urge that Tierra provide a bond substantially in excess of \$25,000.00. If the caliche barrier should fail for any reason, costs of clean up will be extraordinary.

H. We respectfully suggest that any permit be expressly subject to revision by the OCD to permit imposition of guidelines and practices which the OCD may in the future adopt as suitable for detecting and properly dealing with NORMs which may be delivered to the facility.

I. We respectfully submit that Lea County, NM, which maintains County Road 78 on the southern boundary of the proposed site, is an interested party in this matter and should be furnished notice of this application and afforded adequate time to comment.

J. We respectfully request that Tierra discuss in its application its proposed plans for remediation of soils with PCBs, metals, heavy chloride content, etc. We also request that Tierra be required to demonstrate for the OCD and interested parties its process for spreading, turning and tilling the heavy clays commonly found in oil and gas exploration pits.

K. We respectfully suggest that the OCD consider with utmost care and foresight this application which seeks to commence and conduct landfarm operations with no dual liner or leachate detection system on land owned by a municipality, less than one hundred feet above a municipal water reserve, above four natural gas pipelines and alongside a county road. We believe, but are uncertain, that the grant of such a permit under such circumstances to be unprecedented by the OCD or any other similar state agency.

There appear to us to be significant policy implications involved which may, in fact, impact the concerns of other State agencies.

Very truly yours,



Kevin D. Durham and Lynn D. Durham, Jr.
Co-Trustees

cc: See DISTRIBUTION LIST, following page

DISTRIBUTION LIST

Kathy Brown
Oil Conservation Division
State Land Office Building
P.O. Box 2088
Santa Fe, NM 87504-2088

Lynn D. Durham, Sr.
P.O. Box 204
Midland, TX 79702

Dorothy Turner Scharbauer
% Clarence Scharbauer, III
P.O. Box 1471
Midland, TX 79702

Bob Carter
City Manager
P.O. Box 1268
Lovington, NM 88260

Paul Bohannon
Porter & Clements
700 Louisiana, Suite 3500
Houston, TX 77002-2730

Matador Pipeline
% Koch Oil Co.
P.O. Box 2256
Wichita, KS 67201

Texas-New Mexico Pipeline
P.O. Box 60028
San Angelo, TX 76906
ATTN: Bobby Hughes

Phillips Pipeline
4001 Penbrook
Odessa, TX 79762

Tierra Environmental Company, Inc.
909 West Apache
Farmington, NM 87401

TIERRA ENVIRONMENTAL COMPANY, INCORPORATED

OIL CONSERVATION DIVISION
RECEIVED

November 16, 1992

'92 NOV 18 AM 8 57

Mr. Bob Carter, City Manager
City of Lovington
P.O. Box 1269
Lovington, New Mexico 88260

RE: REQUEST FOR PUBLIC FORUM - TIERRA ENVIRONMENTAL COMPANY, INC.
SOILS REMEDIATION LANDFARM - LEA COUNTY, NEW MEXICO:

Dear Bob:

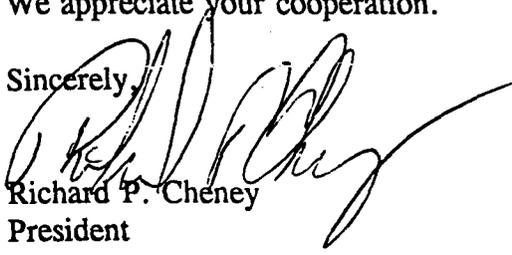
This letter is to confirm your conversations with Tierra President Richard Cheney this date asking you and the City of Lovington to facilitate a Public Forum regarding the proposed Tierra Soils Remediation Landfarm in Lea County. We understand that the tentative date will be set by you between the 14th and 18th of December 1992.

The purpose of the forum will be to inform the public of our proposed operation and to receive input therefrom.

As you and the City are aware, the purpose of the facility is to remediate (clean up) soils contaminated with non-hazardous oilfield waste as exempted by the Resource Conservation and Recovery Act (RCRA). Stringent regulations by the New Mexico Oil Conservation Division will govern the operation. Monitoring and testing requirements must be fulfilled by the operator of the facility in order to protect groundwater and the environment including animal life. No liquids or soils containing free liquids can be accepted at the facility. Therefore any hydraulic drive of the contaminants downward towards the aquifer would be severely restricted. No soils containing heavy metals may be accepted at the facility. Heavy metals are not exempted by RCRA. Soils containing hydrocarbons that have a high salt content can be treated successfully with out any danger to groundwater or to the environment.

We appreciate your cooperation.

Sincerely,


Richard P. Cheney
President

cc: OCD
Santa Fe

Nov. 17, 1992
KMB

CHECKLIST FOR COMPLIANCE WITH RULE 711

FACILITY NAME: Tierra Environmental Company Inc. Landfarm

AREA: Lovington, Nm

LOCATION: SE/4, Section 2, T17S, R36E, Lea County, Nm

MAILING ADDRESS: 909 West Apache
Farmington New Mexico 87401

CONTACT PERSON: Phillip Nobis / Richard Cheney

PHONE NO.: 325-0924 / 327-3303 (Brewer & Ass.)

DATE OF REVIEW: November 1992
Kathy Bram - OCD

1. Affidavit of verification (disposal application signed).

Yes

2. OCD public notice issued (commercial facilities).

Yes, Publication date Oct. 23, 1992

3. Proof that owners and occupants within 1/2 mile were notified, including copy of letter, certified mail receipt, names and addresses.

Yes see item 6 below.

4. A \$25,000 bond is required as of 12/30/88 for commercial facilities prior to commencing construction.

Yes, committed to

5. Plat and topo maps showing location in relation to governmental surveys and roads, watercourses, water wells and dwellings within one mile.

Yes - Exhibit C. No private homes or residences within one mile.

6. Names and addresses of facility site landowners and landowners of record within one-half mile.

Landowner is City of Lovington
Tierra has leased a 160 acre parcel

Notified landowners (City of Lovington, State of Nm, Dorothy Schaubauer) within 1/2 mile; pipeline right of ways (matador, Phillips, Tx-Nm Pipeline); and lease owners (Cindy Roberts, Elenor Graham, Freda Dierham) within 1/2 mile

7. Description of facility with a diagram indicating location of fences and cattleguards, and detailed engineering construction/installation diagrams of pits, liners, dikes, piping, sprayers, and tanks.

Yes, see exhibit C

8. Routine inspection and maintenance plan requires commitments to Rule 711 operating requirements including:

a. Monthly reports kept on site (2 year retention period) of source, location, volume and type of waste, date of disposal, and hauling company that disposes of wastes at the facility. Yes OK

b. Disposal permitted only when attendant is on duty, otherwise the facility must be secured. Yes OK

c. ~~Netting~~ requirements, may be waived by District Supervisor.

Fencing, signs

Yes OK

d. All motor vehicles transporting produced water to the facility must have a valid Form C-133, on file with the Division.

NA

9. Plan for disposal of approved waste solids or liquids.

Yes - meets all current OCD land farm Requirements

7. Geohydrological evidence that fresh water will not be affected.

Groundwater @ 83' from City of Livingston water supply well located just north of proposed facility. 6' Caliche below (minimum).

10. Contingency plan for reporting and cleanup of spills or releases.

Yes

11. Closure plan. After operations have ceased for 6 consecutive months the OCD must be notified and and clean-up operations initiated.

Yes



MEMORANDUM OF MEETING OR CONVERSATION

<input checked="" type="checkbox"/> Telephone	<input type="checkbox"/> Personal	Time 4:00 P.M.	Date 11/10/92
---	-----------------------------------	-------------------	------------------

<u>Originating Party</u> Lynn Durham Jr. 915-684-5577	<u>Other Parties</u> Kathy Brown OCD
---	--

Subject
Tierra Lea County Landfarm
Concerned over facility

Discussion
Concerned over threat of contaminants.
A lawyer, who thinks the application is too loose. I told him the same things I told Mr. Carter.
Also, ~~he~~ he believes that the City of Lovington should be a co-applicant to this because of a clause in the lease.
I told him I'd take a look at it and if so I'd send the City of Lovington a letter about this issue.

Conclusions or Agreements
He will send in a letter by 11/23/92 voicing concern/opposition to project-application.

Contribution
Signed *Kathy Brown*



MEMORANDUM OF MEETING OR CONVERSATION

Telephone Personal

Time
3:30 P.M.

Date
11/10/92

Originating Party

Other Parties

Bob Carter - City Manager Lovington
P.O. 1208
1-396-2884 Lovington, NM 88262

K.B.

Subject
Tierra Lea County Landfarm

Unsure if still want to see it happen.

Discussion

Wanted landfarm initially, but now have been hearing horror stories of contamination from landfarms. Concerned over groundwater below proposed landfarm which is @ 83'.

~~Inter~~ Proposed landfarm is on city property. Wanted the facility to provide jobs for the community, but doesn't want to jeopardize health or the environment. Told him our plan for a ^{public} meeting to be held down in the southeast.

Here the company would describe their proposed facility + operations + the public would voice their concerns. Told him public

notice will be up 11/23/92 and need to get any written concerns + conclusions or agreements objections in by then.

* Will probably ^{definitely} need to hold a public meeting unless the landfarm application is withdrawn

scribution

Signed

NOTICE OF PUBLICATION
STATE OF NEW MEXICO
ENERGY, MINERALS AND
NATURAL RESOURCES
DEPARTMENT

OIL CONSERVATION DISTRICT

Notice is hereby given that pursuant to the New Mexico Water Quality Control Commission Regulations, the following discharge plan applications have been submitted to the Director of the Oil Conservation Division, State Land Office Building, PO Box 2088, Santa Fe, New Mexico 87504-2088. Telephone: 505-827-5800.

J. Tierra Environmental Company, Inc., Phillip C. Noble, 909 West Apache, Farmington, New Mexico 87401, has submitted an application to construct and operate a commercial landfarm facility for remediation of hydrocarbon contaminated soils. The proposed facility is in the SE/4, Section 2, Township 17 South, Range 36 East, NMPM, Lea County, New Mexico. The facility is proposed to consist of a 160 acre land management area where only solids classified as "non-hazardous" oilfield waste by RCRA Subtitle C exemption or by characteristic testing will be spread on the ground surface in six inch lifts or less and periodically stirred to enhance biodegradation of contaminants. No liquids will be allowed to be accepted for disposal at the landfarm. The ground water most likely to be affected by any accidental discharge is at a depth of 63 feet and has an estimated total dissolved solids content of approximately 450 mg/l. The permit application addresses the construction, operations, spill/leak prevention and monitoring procedures to be utilized at the site.

Any interested person may obtain further information from the Oil Conservation Division and may submit written comments to the Director of the Oil Conservation Division at the address given above. The discharge plan application may be viewed at the above address between 8:00 a.m. and 4:00 p.m. Monday through Friday. Prior to ruling on any proposed discharge plan or its modification, the Director of the Oil Conservation Division shall allow at least thirty (30) days after the date of publication of this notice during which comments may be submitted to him and public hearing may be requested by any interested person. Requests for public hearing shall set forth the reasons why a hearing should be held. A hearing will be held if the Director determines there is significant public interest.

If no public hearing is held, the Director will approve or disapprove the proposed plan based on information available. If a public hearing is held, the director will approve or disapprove the proposed plan based on information in the plan and information submitted at the hearing.

GIVEN under the Seal of the New Mexico Oil Conservation Commission at Santa Fe, New Mexico on this 9th day of October, 1992.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION
s/William J. Lemay, Director
Journal: October 23, 1992

OIL CONSERVATION DIVISION
RECEIVED

STATE OF NEW MEXICO
County of Bernalillo

ss

'92 NOV 2 AM 9 11

Thomas J. Smithson being duly sworn declares and says that he is National Advertising manager of the Albuquerque Journal, and that this newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Session Laws of 1937, and that payment therefore has been made or assessed as court costs; that the notice, a copy of which is hereto attached, was published in said paper in the regular daily edition,

for.....1.....times, the first publication being on the.....23.....day

of.....Oct....., 1992, and the subsequent consecutive

publications on....., 1992.

Thomas J. Smithson



NOTARIAL SEAL

Bernadette Ortiz

BERNADETTE ORTIZ

NOTARY PUBLIC-NEW MEXICO

NOTARY BOND FILED WITH SECRETARY OF STATES

My Commission Expires 12-18-93

Sworn and subscribed to before me, a Notary Public in and for the County of Bernalillo and State of New Mexico, this23..... day of.....Oct....., 1992.

PRICE.....\$ 25.14.....

Statement to come at end of month.

CLA-22-A (R-12/92)

ACCOUNT NUMBER.....C 81184.....

NOTICE OF PUBLICATION

STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

Notice is hereby given that pursuant to New Mexico Oil Conservation Commission Regulations, the following application to construct and operate a commercial surface waste disposal facility has been submitted for approval to the Director of the Oil Conservation Division, State Land Office Building, P.O. Box 2088, Santa Fe, New Mexico 87504-2088, Telephone (505) 827-5800:

Tierra Environmental Company, Inc., Phillip C. Nobis, 909 West Apache, Farmington, New Mexico 87401, has submitted an application to construct and operate a commercial landfarm facility for remediation of hydrocarbon contaminated soils. The proposed facility is in the SE/4, Section 2, Township 17 South, Range 36 East, NMPM, Lea County, New Mexico. The facility is proposed to consist of a 160 acre land management area where only solids classified as "non-hazardous" oilfield waste by RCRA Subtitle C exemption or by characteristic testing will be spread on the ground surface in six inch lifts or less and periodically stirred to enhance biodegradation of contaminants. No liquids will be allowed to be accepted for disposal at the landfarm. The ground water most likely to be affected by any accidental discharges is at a depth of 83 feet and has an estimated total dissolved solids content of approximately 450 mg/l. The permit application addresses the construction, operations, spill/leak prevention and monitoring procedures to be utilized at the site.

Any interested person may obtain further information from the Oil Conservation Division and may submit written comments to the Director of the Oil Conservation Division at the address given above. The discharge plan application may be viewed at the above address between 8:00 a.m. and 4:00 p.m., Monday through Friday. Prior to ruling on any proposed discharge plan or its modification, the Director of the Oil Conservation Division shall allow at least thirty (30) days after the date of publication of this notice during which comments may be submitted to him and public hearing may be requested by any interested person. Requests for public hearing shall set forth the reasons why a hearing should be held. A hearing will be held if the Director determines there is significant public interest.

If no public hearing is held, the Director will approve or disapprove the proposed plan based on information available. If a public hearing is held, the director will approve or disapprove the proposed plan based on information in the plan and information submitted at the hearing.

GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 9th day of October, 1992.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in cursive script that reads "William J. Lemay". The signature is written in dark ink and is positioned above the printed name of the director.

WILLIAM J. LEMAY, Director

S E A L

OIL CONSERVATION DIVISION
RECEIVED

'92 OCT 5 PM 9 14

FREDDA T. DURHAM LIFETIME TRUST

P.O. Drawer 273
Midland, Texas 79702

915-684-5577

Fax: 915-687-2785

October 2, 1992

Director
New Mexico Oil Conservation Division
State Land Office Building
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

RE: Application by Tierra Environmental Company, Inc. for Permit
to Operate 160 Acre Landfarm Facility in Lea County , NM

Dear Sir:

Adjoining the proposed facility subject of the referenced application, the undersigned trustees own an undivided one-half of the surface of thirty-two sections of land (and certain water rights) where, with our aunt and father as partners, we operate a cattle ranch. Please include us, our aunt and cotenant, Dorothy Turner Scharbauer, and our father, Lynn D. Durham, Sr., as intervenors and correspondents in this matter. After we become familiar with the contents of the application, we may wish to comment. Our respective names and addresses are as follows:

Dorothy Turner Scharbauer
P.O. Box 1471
Midland, Texas 79702

Lynn D. Durham, Sr.
P.O. Box 204
Midland, Texas 79702

Kevin D. Durham and Lynn D. Durham, Jr.
Co-Trustees, Fredda T. Durham Lifetime Trust
(Letterhead Address)

Yours most appreciatively,



Kevin D. Durham and Lynn D. Durham, Jr.
Co-Trustees

cc: Dorothy Turner Scharbauer
Lynn D. Durham, Sr.

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



BRUCE KING
GOVERNOR



ANITA LOCKWOOD
CABINET SECRETARY

October 1, 1992

Mr. Pleas M. Glenn, Assistant Commissioner
Office of the Commissioner of Public Lands
P.O. Box 1148
Santa Fe, New Mexico 87504-1148

Re: Tierra Environmental Co.
Landfarm Application
Lea County, New Mexico

Dear Mr. Glenn:

The Oil Conservation Division (OCD) has received your letter, dated September 29, 1992, expressing concerns over safeguards to prevent contamination of the groundwater and other subsurface resources that are under the trusteeship of the Commissioner Of Public Lands that are directly underlying the above referenced facility.

The OCD received the Tierra application on September 23, 1992 and at this time has not had the opportunity to begin review of the submittal. The required public notice for the proposed facility will be issued the week of October 5, 1992.

The review of the application and subsequent conditions that will be placed on the facility, if approved, will include a two foot treatment zone below the original surface of the facility beyond which contaminants will not be allowed to migrate. If the permit is approved, there will be sufficient monitoring and testing to assure no migration. The application and all subsequent correspondence is in the public domain and can be reviewed in the OCD office during normal working hours. As an adjacent land and subsurface trustee, you are welcome and encouraged to be a part of the review process.

VILLAGRA BUILDING - 408 Galisteo

Forestry and Resources Conservation Division
P.O. Box 1948 87504-1948
827-5830

Park and Recreation Division
P.O. Box 1147 87504-1147
827-7465

2040 South Pacheco

Office of the Secretary
827-5950

Administrative Services
827-5925

Energy Conservation & Management
827-5900

Mining and Minerals
827-5970

LAND OFFICE BUILDING - 310 Old Santa Fe Trail

Oil Conservation Division
P.O. Box 2088 87504-2088
827-5800

Mr. Pleas M. Glenn
October 1, 1992
Page -2-

Pursuant to 70-2-12.B.(15), (21) and (22) NMSA 1978, the OCD has the jurisdiction and responsibility to protect fresh water through the regulation of the disposition of non-hazardous or RCRA exempt wastes resulting from operations in the oil and gas industry. The New Mexico Environment Department does not have statutory authority over the disposition of non-hazardous or RCRA exempt oilfield waste and will not review or approve this application.

If you have any questions, please do not hesitate to call me at (505) 827-5812.

Sincerely:



Roger C. Anderson
Environmental Bureau Chief

xc: William J. LeMay, Director
OCD Hobbs District
Tierra Environmental



State of New Mexico

OFFICE OF THE

Commissioner of Public Lands

Santa Fe

JIM BAGA
COMMISSIONER

RECEIVED
CONSERVATION DIVISION

OCT 1 PM 8 47

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

September 29, 1992

New Mexico Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

ATTN: TIERRA ENVIRONMENTAL CO., INC. PROPOSED LANDFARM FACILITY

The proposed landfarm by Tierra Environmental Co., Inc. in the SE $\frac{1}{4}$ of Section 2, Township 17 South, Range 36 East is located immediately adjacent to State Trust Land. We have no comments relative to the proposed location adjacent to State Trust Land.

More importantly, the proposed location (SE $\frac{1}{4}$ of Section 2) is State Trust Land subsurface ownership. We are concerned as to potential groundwater contamination or other subsurface contamination that could affect State Land Office minerals. What assurances can you give us as to responsibility for cleanup should our subsurface resources be contaminated and what review/approval do you have from the N.M. Environment Department relative to this proposed facility?

Thank you for a prompt response.

Sincerely,

A handwritten signature in black ink, appearing to read "Pleas M. Glenn".

Pleas M. Glenn
Assistant Commissioner

PMG/dl

cc: Tierra Environmental Co., Inc.
909 West Apache
Farmington, New Mexico 87401

TIERRA ENVIRONMENTAL COMPANY, INCORPORATED

OIL CONSERVATION DIVISION
RECEIVED

September 22, 1992

'92 SEP 25 PM 9 08

Mr. Chris Eustice
Oil Conservation Division
P.O. Box 1980
Hobbs, New Mexico 88241

RE: PERMIT APPLICATION FOR TIERRA LANDFARM FACILITY LEA COUNTY:

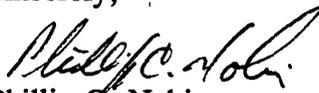
Dear Mr. Eustice:

Enclosed please find your copy of the Tierra Environmental Company, Inc. Landfarm Facility Permit Application.

We had inadvertently sent your copy to your able counter-part in San Juan County, Denney Foust. On behalf of Tierra, I apologize.

I understand from one of our mutual acquaintances, Kenney Burt, that you are currently drafting some model regulations concerning landfarm operations for OCD. We would appreciate your input and recommendations and will look forward to working with you on this project.

Sincerely,


Phillip C. Nobis
Vice President

cc: Roger Anderson, Bureau Chief
OCD Santa Fe

File



BY
TIERRA

Environmental Company, Inc.
909 West Apache
Farmington, New Mexico 87401

RECEIVED

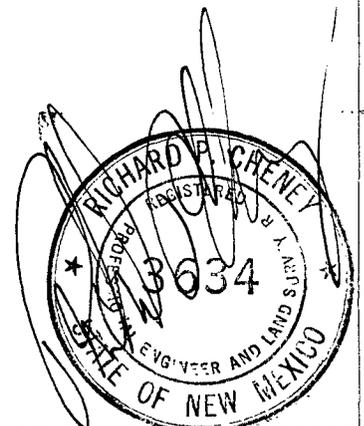
SEP 23 1992

OIL CONSERVATION DIV.
SANTA FE

APPLICATION FOR LANDFARM FACILITY

SOUTH EAST 1/4 OF SECTION 2, TOWNSHIP 17 SOUTH, RANGE 36 EAST
LEA COUNTY, NEW MEXICO

SEPTEMBER 18, 1992



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TIERRA ENVIRONMENTAL COMPANY, INCORPORATED

September 18, 1992

Roger Anderson, Bureau Chief
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

RE: APPLICATION FOR LANDFARM FACILITY-LEA COUNTY, NEW MEXICO

Dear Mr. Anderson:

Enclosed herewith please find our application for another landfarm facility, to be located in Lea County, New Mexico.

We basically attempted to follow what came out of the hearing for the Crouch Mesa facility.

In the application we have demonstrated the distance to groundwater with a well log from the City of Loving water supply, located to the north of our proposed landfarm. You will notice that the distance to groundwater is 83 feet, a little less than is normally acceptable. The well log indicates that there is about 1 foot of topsoil and about 6 feet of Cliche below that. Richard Cheney, Tierra's President, did conduct a site visit. While on location he examined the Cliche Pit, shown in Brewer Associates facility drawing. The pit is over seven feet deep and the Cliche appears to go much deeper. Mr. Cheney who is a professional registered engineer, concluded from his examination of the proposed site, that the Cliche layer appeared impermeable and would therefore serve as an excellent natural barrier between groundwater and the landfarm surface. If you feel its necessary, we would be happy to obtain soils samples from the facility, have a permeability test run by a competent laboratory and furnish you with the results for the record.

909 WEST APACHE
FARMINGTON, NEW MEXICO 87401

TELEPHONE (505) 325-0924
FAX (505) 327-3303

Roger Anderson
September 18, 1992
Page 2

If you have any questions or need additional information give us a call. Thanks again for the cooperation.

Sincerely,


Phillip C. Nobis
Vice President

cc: D. Foust
Aztec Office OCD

File

State of New Mexico
Energy, Minerals and Natural Resources Department
OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, NM 87501

APPLICATION FOR SURFACE WASTE DISPOSAL FACILITY
(Refer to OCD Guidelines for assistance in completing the application.)

I. Type: Produced Water Drilling Muds Treating Fluids
 Solids Other Land Farm

II. OPERATOR: Tierra Environmental Company, Inc.
ADDRESS: 909 West Apache, Farmington N.M. 87401
CONTACT PERSON: (See Attached) PHONE: _____

III. LOCATION: SE 14 / Section 2 Township 17 S. Range 36 E
Submit large scale topographic map showing exact location.

IV. IS THIS AN EXPANSION OF AN EXISTING FACILITY? Yes No

V. Attach the name and address of the landowner of the disposal facility site and landowners of record within one-half mile of the site.

VI. Attach description of the facility with a diagram indicating location of fences, pits, dikes, and tanks on the facility.

VII. Attach detailed engineering designs with diagrams prepared in accordance with Division guidelines for the construction/installation of the following: pits or ponds; leak-detection systems; aerations systems; enhanced evaporation (spray) systems; waste treating systems and security systems.

VIII. Attach a contingency plan for reporting and clean-up of spills or releases.

IX. Attach a routine inspection and maintenance plan to ensure permit compliance.

X. Attach a closure plan.

XI. Attach geological/hydrological evidence demonstrating that disposal of oil field wastes will not adversely impact fresh water.

XII. Attach proof that the notice requirements of OCD Rule 711 have been met. (Commercial facilities only.)

XIII. Attach a contingency plan in the event of a release of H₂S.

XIV. Attach such other information as is necessary to demonstrate compliance with any other OCD rules, regulations and/or orders.

(see attachments)

XV. CERTIFICATION

I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

Name: Phillip C. Nobis Title: Vice President
Signature: Phillip C. Nobis Date: 9/18/92

DISTRIBUTION: Original and one copy to Santa Fe with one copy to appropriate Division District Office.

APPLICATION FOR LANDFARM FACILITY

I. Type of Operation:

The operation will be a landfarm facility for the purpose of remediation of soils contaminated as a result of oil and gas production, exploration, or processing activity. Only substances classified as non-hazardous oilfield waste by RCRA Subtitle C exemption or by characteristic testing will be accepted at the facility. Prior OCD approval will be obtained by the applicant prior to accepting any material that was not oilfield waste or that was co-mingled with oilfield waste on a case by case basis. Appropriate laboratory analysis will be conducted of the substances and submitted to OCD with the request for permission to accept the waste.

Comprehensive records of all material received at the facility will be maintained at the facility. The records for each load will include: 1) the origin, 2) analysis for hazardous constituents, if required, 3) the transporter, and 4) the exact cell location and method of remediation. Those records will be open for inspection by OCD at anytime.

The substances received by the facility will be landfarmed. They will be spread in no more than six inch lifts within seventy-two hours of receipt and turned a minimum of once every two weeks. A grid numbering system will identify each cell of material for each particular client and source location.

Successive lifts of contaminated soils will not be spread until a laboratory measurement of Total Petroleum Hydrocarbons (TPH) in the previous lift is less than 100 parts per-million(ppm) and the sum of all aromatic hydrocarbons (BTEX) is less than fifty ppm and Benzene is less than ten ppm. Comprehensive records of laboratory analysis and the sampling locations will be maintained at the facility. Authorization from OCD will be obtained prior to application of successive lifts.

The applicant proposes to bio-degrade the contaminants, adding moisture in limited quantity to the landfarm. The process may include addition in some cases, to the soils, of manufactured or "cultured" microbes to enhance natural occurring bio-degradation. The addition of moisture to the soils is necessary for (1) enhancing natural and artificial bio-degradation and (2) to reduce blowing dust and dirt containing contamination and prevent it from leaving the facility. Water will not be added to the degree that it could enhance the hydraulic drive of contaminants to the sub-surface. No standing water, pooling or runoff will be permitted.

No free liquids or soils containing free liquids will be accepted at the facility.

II. Operator:

Tierra Environmental Company, Inc.
909 West Apache
Farmington, New Mexico 87401

Contact Persons are:

Phillip C. Nobis
(505) 325-0924

Richard P. Cheney
(505) 327-3303

III. Location of Facility:

The proposed facility is located in Lea County, New Mexico, consisting of the South East 1/4 of Section 2, Township 17 South, Range 36 East, Lea County, New Mexico. See Exhibit A.

IV. This is not an expansion request

V. Land Ownership:

The land is owned by the City of Lovington, New Mexico. A one-hundred-sixty acre parcel has been leased to Tierra Environmental Company, Inc., by the City of Lovington. Land description is attached as Exhibit A. A certified copy of the lease is attached to this application as Exhibit B.

Land owners of record with in a half mile of the facility, South East 1/4, Section 2, T-17 South, R-36 West:

1/2 Mile West, West 1/2 Section 1	City of Lovington P.O. Box 1269 Lovington, New Mexico
-----------------------------------	---

1/2 Mile East, Section 3	State of New Mexico
--------------------------	---------------------

1/2 Mile South, Section 11	Dorothy Schaubauer P.O. Box 1471 Midland, Texas 79701
----------------------------	---

1/2 Mile North, Section 35	East 1/2 Section 35 City of Lovington
----------------------------	--

West 1/2 Section 35
State of New Mexico

There are no private homes or residences with in one mile of the facility.

Four Natural Gas Pipelines cross the property

1. Two (2) lines are owned by Phillips Petroleum
2. One (1) by Matador Pipeline
3. One (1) by Texas New Mexico Pipeline

VI. Description of the facility with diagram indicating fences, pits, dikes, buildings, tanks is described in diagram of facility Exhibit C by Brewer Associates, Engineers.

VII. Engineering design attached as Exhibit C.

VIII. Contingency Planning:

No spills are anticipated on location. Liquid material will not be stored or processed at this facility. Contingencies for flooding from rainfall are described in the design information, Exhibit C by Brewer Associates. Clean fill material will be directly available to the facility from adjacent land leased by Tierra, for use in the event of dike or berm failure due to excessive rainfall and cleanup associated therewith. Any liquid release as a result of flooding and subsequent dike failure, would be mixed with the clean fill dirt and returned to the landfarm proper for remediation. Testing of the area receiving the runoff would occur and any contamination as a result thereof will be removed until detectable limits were below 100 ppm TPH, 50 ppm BTEX and 10 ppm Benzene. Necessary dirt work equipment will be immediately available to the facility.

OCD will be notified pursuant to Rule 116 of any spill, blowout, break or fire occurring at the facility.

IX. Routine Inspection and Maintenance Plan:

The facility is expected to be a low maintenance operation. Berms, dikes and fencing will be inspected at least weekly. Berms and dikes will be given special attention during unusually severe rainfall and inspected thoroughly following each event. Any required repairs will be conducted immediately.

X. Closure Plan:

When the facility is to be closed, no new material will be accepted. Existing soils will be remediated until they meet OCD standards in place at the time of closure and verified by

independent laboratory testing. The area will then be seeded with natural grasses and allowed to return to its' natural state.

XI. Geological and Hydrological evidence demonstrating that the disposal of oilfield waste will not adversely impact fresh water.

The proposed facility is located adjacent to the City of Lovington Water supply, consisting of several wells. Data from the well logs indicate that there is one (1) foot of top soil cover, followed by six (6) feet of Caliche. The distance to fresh, potable groundwater is approximately, 83 feet. See attached Exhibit D Well log data.

XII. Proof Of Notice

Attached as Exhibit E is a copy of the notification letters sent to the landowners of record as well as pipeline owners and the certified receipts therefore as required by OCD Rule 711. Notification to the City of Lovington has been accomplished by the lease agreement with Tierra for the express purpose of operating a landfarm.

XIII. Contingency Plan for H2S

No Hydrogen Sulfide (H2S) problems are expected. However the site will be monitored for H2S daily. Sufficient quantities of oxidizers and chlorine donors will be available to the site for quick application in the unlikely event H2S is identified as being present.

XIV. Other Information:

The landfarm will consist of 160 acres. It will be developed in four phases containing approximately 40 acres each. Each phase, as outlined in the drawings by Brewer Associates, will be bermed individually and have capacity to retain the 100 year storm. The first phase berms will be constructed with new material. Tierra proposes to construct berms and dikes for the remaining phases from remediated dirt. The material be tested for contaminants as required in Section I (successive lifts). Prior OCD approval be obtained.

The landfarm will be adequately signed. It will be fenced with a sheep and barbed wire fence, constructed according to New Mexico Highway Department Specificaitons, to protect wildlife, livestock and to prevent unauthorized access. Steel gates will be locked during non-business hours.

Air Quality, although not currently addressed in the permit application is a concern. Tierra has proposed the addition of moisture. The addition of moisture be calculated using Soil Conservation Service Data to characterize soil types. Moisture assist in the reduction of particulate discharge from natural wind action. Tilling practices also recommended by the Soil Conservation Service be employed, in an effort to reduce to the most possible degree, blowing

dust and dirt that could contain contaminants. Tierra further propose to require its personnel working on the facility, to wear exposure badges in order to monitor volatilization and personal exposure levels. A photo ionization detector or similar device be kept on location for the purpose of random sampling and to conduct head space testing on newly arrived material. A particulate collector or similar device be placed on the down wind side of the landfarm to monitor particulate discharge and insure the facility kept well within the New Mexico Air Quality Limits. In the event of heavy emissions from volatilization or from particulate containing contamination, Tierra propose to add additional moisture to the facility. No standing pooling or runoff be allowed to occur, during these additional applications.

Because the landfarm is designed to remediate contaminated soils and not transfer contaminants into the underlying native soil and or groundwater, Tierra will monitor a treatment zone not to exceed two (2) feet beneath the landfarm. Tierra will make a commitment to the following conditions:

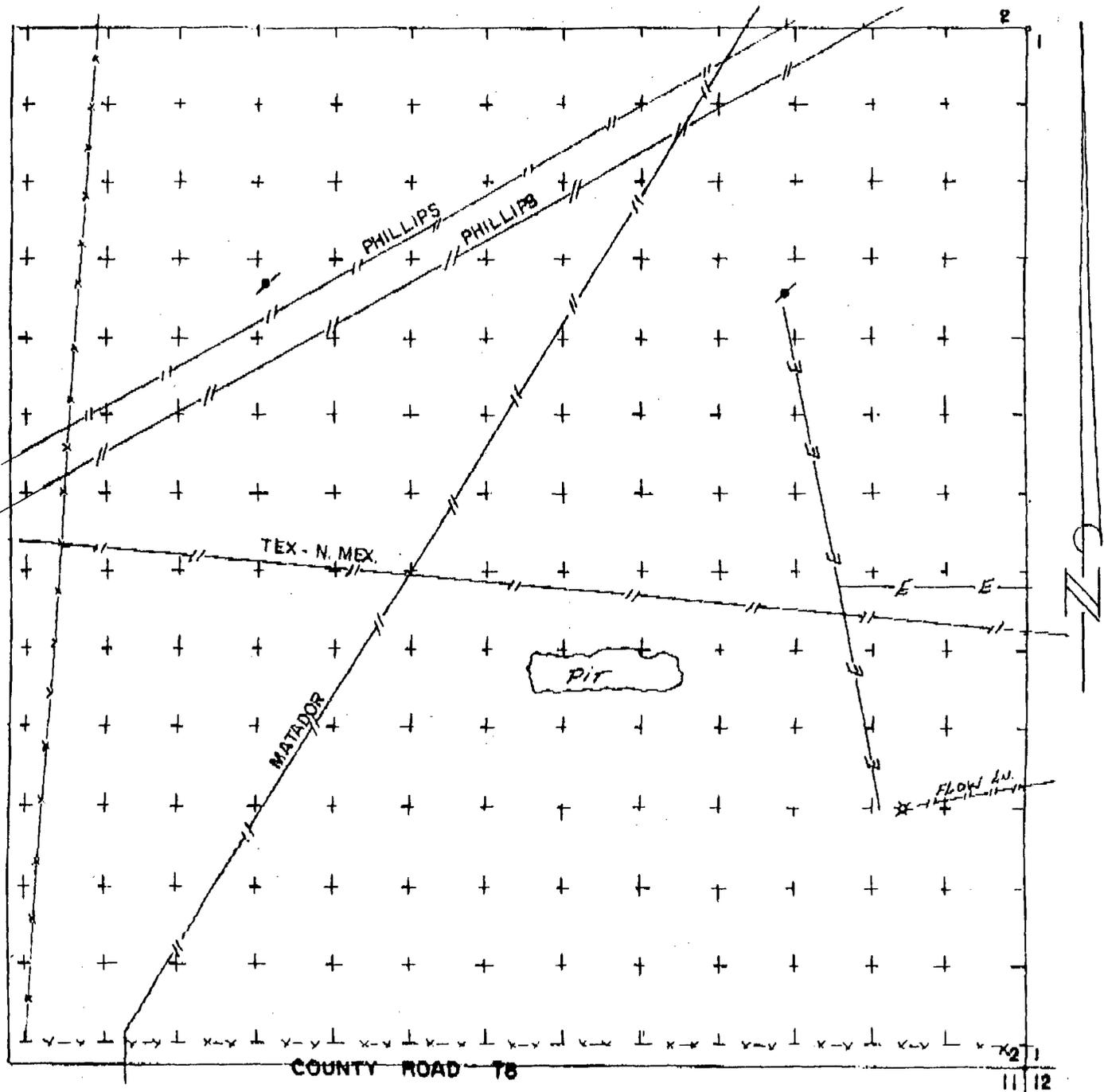
- a. A minimum of one random soil sample will be taken from each individual cell six (6) months after the first contaminated soils are received in the cell and then annually thereafter. The sample will be taken at two to three (2-3) feet below the native ground surface.
- b. The soil samples will be analyzed for total petroleum hydrocarbons (TPH) using the HNU Hanby Field Test Method. If TPH is detected, the samples will be sent to an approved laboratory for analysis. The laboratory, using EPA approved methods will test for TPH level and BTEX. Results of those tests will be submitted to OCD, within thirty (30) days in written form. If contamination is present, the contaminated soils being treated will be removed from the cell. The native soils will be tilled and remediated until TPH is below 100 ppm, BTEX is below 50 ppm and benzene is below 10 ppm. OCD will be notified of the successful remediation. An impermeable layer of bentonite will be placed in the cell. Prior to putting the cell back in service OCD, approval will be obtained.
- c. After obtaining the soil samples, the bore holes will be filled with an impermeable material such as bentonite cement.
- d. Any cells that have moisture added to them will be analyzed quarterly, following the requirements above.

Tierra will have a manned field office on the facility.

A 25,000.00 cash or surety bond will be furnished to OCD pursuant to rule 711, following approval of the permit and prior to the commencement of any construction activities on the facility.

SE/4, SECTION 2, TOWNSHIP 17 SOUTH, RANGE 36 EAST, NMPM,
LEA COUNTY, NEW MEXICO.

JOB No.



THE PREPARATION OF THIS PLAT AND THE PERFORMANCE OF THE SURVEY UPON WHICH IT IS BASED WERE DONE UNDER MY DIRECTION AND THE PLAT ACCURATELY DEPICTS THE RESULTS OF SAID SURVEY AND MEETS THE REQUIREMENTS OF THE STANDARDS FOR LAND SURVEYS IN NEW MEXICO AS ADOPTED BY THE NEW MEXICO STATE BOARD OF REGISTRATION FOR PROFESSIONAL ENGINEERS AND LAND SURVEYORS.

MERSCHEL L. JONES

R.L.G. No. 3640

PLAT OF SE/4 SECTION 2, T.17 S., R.37 E.,
SHOWING EXISTING PIPELINES.

P.O. Box 966

Lovington, New Mexico 88260

SCALE: 1" = 400'

DRAWN BY: erb

DATE:

SHEET OF

LEASE

1. THIS LEASE ENTERED INTO THIS 8TH of September 1992 between the City of Lovington, New Mexico (City), Lessor, and Tierra Environmental Company, Inc, a New Mexico Corporation, (Tierra), Lessee:

2. The City hereby leases to Tierra, the following property to occupy and to use as a "Landfarm" to bring soils contaminated with non-hazardous oilfield waste as exempted by the Resource Conservation and Recovery Act (RCRA) Subtitle C, for remediation. The material will be spread on the ground in six (6) inch lifts, tilled a minimum of once every two (2) weeks to enhance bio-degradation of the contaminants. Successive lifts of soils will not be spread with out prior Oil Conservation Division (OCD) permission and the sum of all Total Petroleum Hydrocarbons is less than 100 parts per million (ppm), volatile organic compounds are less than 50 ppm and benzene if any, is below 10 ppm. Soils are considered clean and may be removed to use as fill, roadbase and other useful purposes when levels of contaminants are below the afore described OCD Standards.

The property is further described as:

The southeast quarter of Section 2, Township 17 south, Range 36 east, NMPM, containing 160 acres more or less.

3. The term of this lease shall be for a period of ten (10) years, from Sept. 8 1992 to Sept 7, 2002 with the right to renewal for an additional ten (10) years.

4. If Tierra renews the lease after expiration of its first option, it must notify the City of its intention in writing at least thirty (30) days prior to termination of the primary term of the

5. Tierra shall pay to the City for the use of said land, fifty (50) cents per cubic yard for each cubic yard of material delivered to said location, or \$ 100.00 per month, which ever is greater.

6. Payments shall be made quarterly each year on or before the following:

March 31
June 30
September 30
December 31

7. Tierra shall erect and maintain a fence and berm or barrier around the property to protect animal life and the environment and to prevent migration of any material from the facility.

8. When the lease is terminated, or the facility is to be closed, Tierra shall, close the facility in accordance with the permit provisions set forth by OCD. No new materials will be accepted at the facility. Existing soils will be remediated until they meet OCD standards in effect at the time of closure. The area will then be reseeded with natural grasses and allowed to return to its natural state. Closure will be pursuant to all OCD requirements in effect at the time of closure.

9. The operations of this landfarm will be governed by the New Mexico Oil Conservation Division. Tierra shall comply with all OCD regulations and any other applicable federal, state or local laws or ordinances which may effect the use of said land.

10. Tierra shall not assign this lease or sublet or otherwise dispose of the whole or any part of the premises or use them for any purpose here-in-authorized.

11. Tierra shall provide the City with a Surety Bond in the amount of \$ 25,000 from a reputable bonding company satisfactory to the City, guaranteeing the faithful performance by Tierra of all the terms, conditions and covenants of this lease: said bonds to be written annually and deposited with the City.

12. Should a claim be made or a lawsuit commenced in which the City is made a party defendant due to the acts of Tierra, its employees or agents, Tierra shall pay the City's attorney fees and Court cost and any judgement resulting from such action. It is the intention of Tierra, at all times to hold the City, its successors and assigns, free and harmless from any damages or judgments resulting as aforesaid. Tierra shall also hold the City free and harmless from any judgments, fines, liens or other matters whatsoever concerning federal, state or local rules or regulations.

13. If execution or other process be levied on Tierra, or if a Petition in Bankruptcy be filed by or against Tierra the City shall have the right, at its option, to reenter, said premises and immediately terminate this lease.

14. In the case Tierra shall cease to exist or shall abandon or cease operations on the premises before the end of said term or shall make or suffer any breach or default of a covenant or term hereof, the title or interest of Tierra in this lease or in said demise premises shall terminate.

15. It is agreed the City may terminate this lease at any time by giving Tierra thirty (30) days written notice at the following address should it decide with good cause its interests are being jeopardized:

Tierra Environmental Company, Inc.
909 West Apache
Farmington, New Mexico 87401
(505) 325-0924

16. Tierra warrants that its operations and procedures on said leased premises conforms to all federal, state and local statutes, laws and ordinances and to any restrictions imposed against said leased premises. Tierra will indemnify City for any loss sustained by the City as a result of the existence of such restriction, ordinance or statute.

17. Tierra also warrants that it will obtain the necessary permit from the New Mexico Oil Conservation Division and will keep said permit in force and current through out the life of this contract. Prior to commencing operations Tierra will also furnish a copy of the current OCD Permit to the City, complete with all attachments and orders or directives regarding the operation of the landfarm facility.

18. Tierra shall not deposit, treat or store hazardous materials on the leased premises. Only material exempt by RCRA Subtitle C classified as non-hazardous will be treated at the facility.

19. The City shall have the right to enter and inspect the premises at any time and may preform any surface or subsurface testing or chemical analysis it deems necessary at the time. Tierra will furnish copies of test results required by the OCD permit regarding monitoring of subsurface zones under the landfarm to the city as they are furnished to OCD.

DATED 9-8-92

Attest:

Kristi Mannan
KRISTI MANNAN, CLERK-TREASURER

CITY OF LOVINGTON
Troy Harris
TROY HARRIS, MAYOR

STATE OF NEW MEXICO }
County of Lea)ss.

The foregoing instrument was acknowledged before me this 8th day
of September 1992 by Troy Harris Mayor of the City of
Lovington.

My Commission expires 11-22, 19 95.

Juanita Robinson
Notary Public

TIERRA ENVIRONMENTAL CO. INC.
Richard P. Cheney
RICHARD P. CHENEY, PRESIDENT

STATE OF NEW MEXICO }
County of San Juan)ss.

The foregoing instrument was acknowledged before me this 10th day
of September 1992 by Richard P. Cheney President of
TIERRA Environmental Company, Inc. a New Mexico corporation
on behalf of said corporation.

My Commission expires 3-6, 19 94.

Juanita Robinson
Notary Public

DRAINAGE CALCULATIONS

Construct a 2-foot high berm on north and west sides to divert off-site storm waters. See Topographic Map for detail.

Calculate on-site storm water volume 6 Hr. 100 Yr. storm, NOAA Atlas No. 2 $i = 4.6$.

Calculate runoff from 40 acre cell.

Assume 60% runoff from 100 Yr. 6 Hr. storm

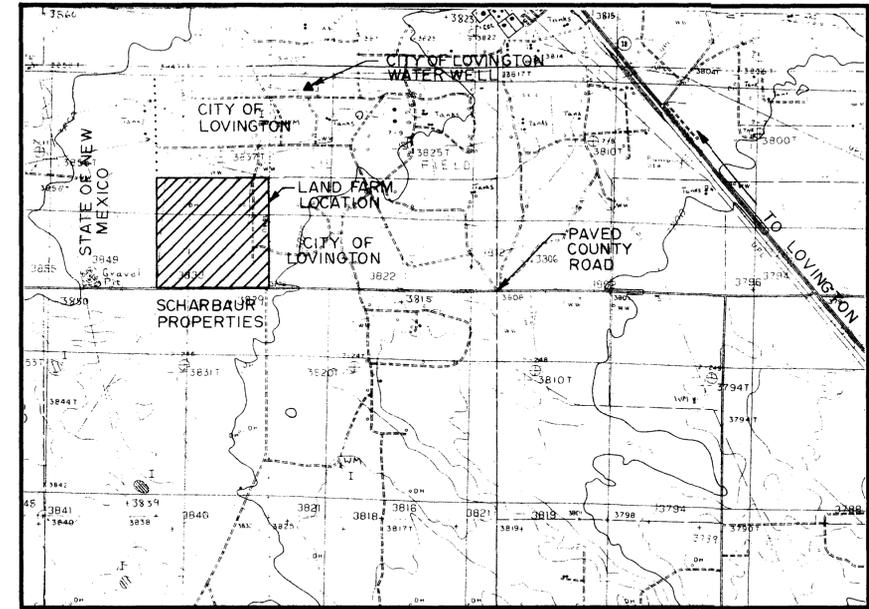
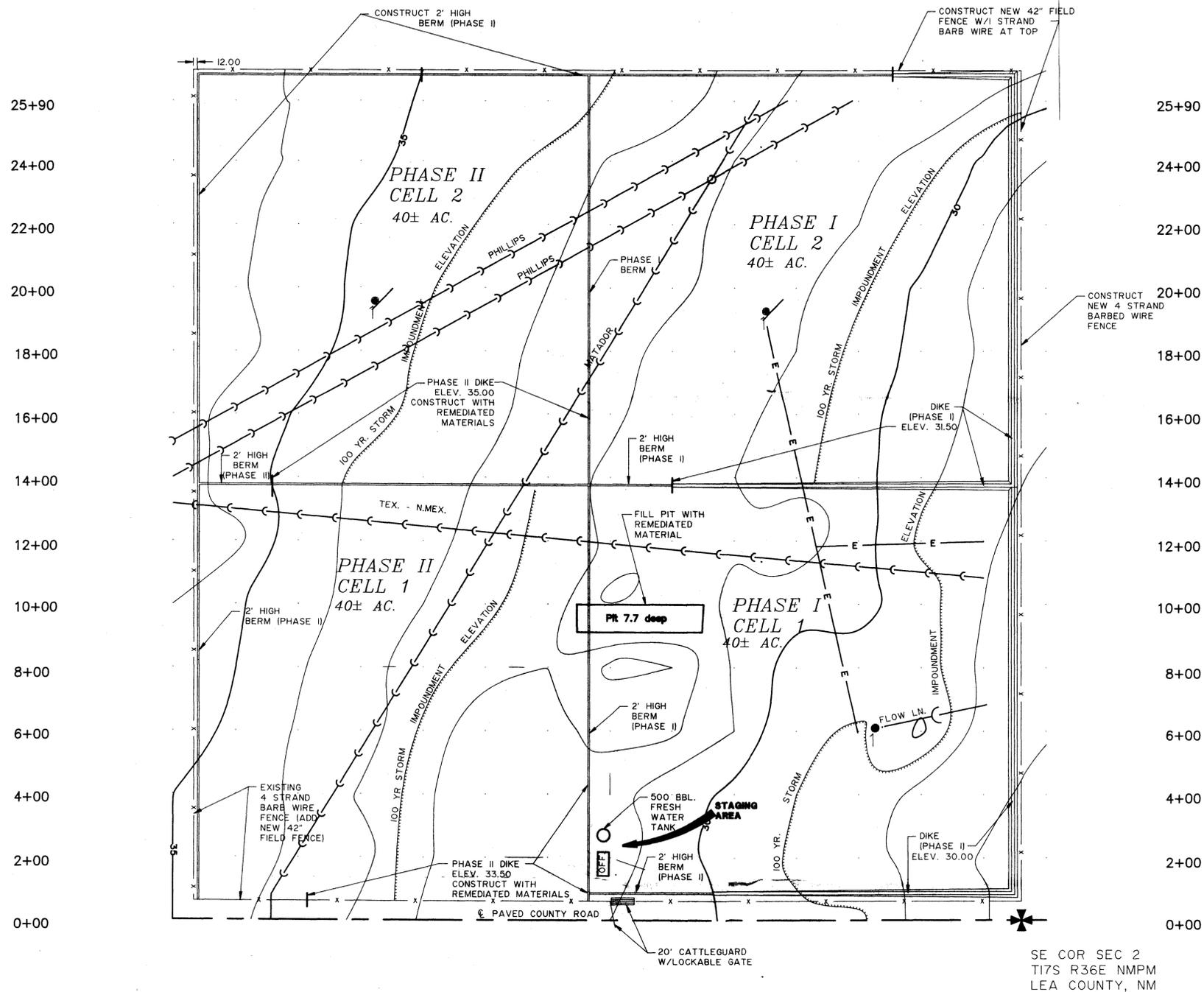
$$40 (43560) (4.6/12) (0.6) = 400,752 \text{ Cu. Ft.}$$

Holding Volume Phase I Cell No. 1 with 1-foot freeboard = 474,000 Cu. Ft.

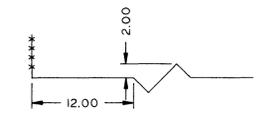
Holding Volume Phase I Cell No. 2 with 1-foot freeboard = 400,000 Cu. Ft.

Holding Volume Phase II Cell No. 1 with 1-foot freeboard = 542,000 Cu. Ft.

Holding Volume Phase II Cell No. 2 with 1-foot freeboard = 523,000 Cu. Ft.

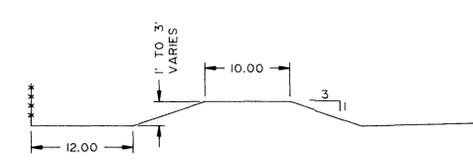


VICINITY AND OWNERSHIP MAP
SCALE: 1 = 24000



BERM CROSS SECTION
NOT TO SCALE

Caliche Pit
Average width = 45.5 ft
Average length = 335.0 ft

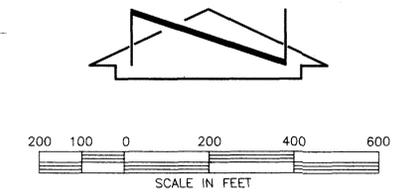


DIKE CROSS SECTION
NOT TO SCALE

- Dry Hole
- Producing Well

SE COR SEC 2
T17S R36E NMPM
LEA COUNTY, NM

THE REPRODUCTION OF
THE
FOLLOWING
DOCUMENT(S)
CANNOT BE IMPROVED
DUE TO
THE CONDITION OF
THE ORIGINAL



BY	
REVISION	
DATE	

CHENEY WALTERS ECHOLS
BREWER ASSOCIATES, INC.
ENGINEERS - SURVEYORS
909 W. APACHE FARMINGTON, NEW MEXICO 87401



TERRA ENVIRONMENTAL CO., INC.
LEA COUNTY LAND FARM FACILITY
909 WEST APACHE
FARMINGTON, NEW MEXICO

DATE: 21 SEP 92
DRAWN BY: LFA
PROJ. 92025
SCALE: NOTED
FILE: 2025FARM
SHEET
1
OF
1

STATE ENGINEER OFFICE
WELL RECORD

Section 1. GENERAL INFORMATION

(A) Owner of well City of Lovington Owner's Well No. _____
Street or Post Office Address P.O. Box 1268
City and State Lovington, New Mexico 88260

Well was drilled under Permit No. L-3486-8 and is located in the:

- a. NE 1/4 NW 1/4 of Section 1 Township 17N Range 36E N.M.P.M.
- b. Tract No. _____ of Map No. _____ of the _____
- c. Lot No. _____ of Block No. _____ of the _____
Subdivision, recorded in Lea County.
- d. X= _____ feet, Y= _____ feet, N.M. Coordinate System _____ Zone in the _____ Grant.

(B) Drilling Contractor Abbott Bros. Drilling License No. VD-46

Address P.O. Box 697, Hobbs, New Mexico 88240

Drilling Began 4/20/92 Completed 5/1/92 Type tools Cable Size of hole 15 1/4 in.

Elevation of land surface or _____ at well is _____ ft. Total depth of well 232 ft.

Completed well is shallow artesian. Depth to water upon completion of well 83 ft.

Section 2. PRINCIPAL WATER-BEARING STRATA

Depth in Feet		Thickness in Feet	Description of Water-Bearing Formation	Estimated Yield (gallons per minute)
From	To			
<u>83</u>	<u>227</u>	<u>144</u>	<u>Sand</u>	

Section 3. RECORD OF CASING

Diameter (inches)	Pounds per foot	Threads per in.	Depth in Feet		Length (feet)	Type of Shoe	Perforations	
			Top	Bottom			From	To
<u>12 3/4</u>	<u>50</u>	<u>Welded</u>	<u>0</u>	<u>232</u>	<u>232</u>		<u>82</u>	<u>232</u>

Section 4. RECORD OF MUDDING AND CEMENTING

Depth in Feet		Hole Diameter	Sacks of Mud	Cubic Feet of Cement	Method of Placement
From	To				

Section 5. PLUGGING RECORD

Plugging Contractor _____
Address _____
Plugging Method _____
Date Well Plugged _____
Plugging approved by: _____
State Engineer Representative

No.	Depth in Feet		Cubic Feet of Cement
	Top	Bottom	
<u>1</u>			
<u>2</u>			
<u>3</u>			
<u>4</u>			

FOR USE OF STATE ENGINEER ONLY

Date Received _____

Quad _____ FWL _____ FSL _____

P 081 444 518



Receipt for Certified Mail

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

Sent to	
Matador Pipeline	
Street and No.	
Koch Oil Co. Box 2254	
P.O., State & ZIP Code	
Wichita, Ka. 67201	
Postage	\$
Certified Fee	1.00
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	1.00
TOTAL Postage & Fees	\$
Postmark or Date	

PS Form 3800, June 1990

P 671 262 175



Certified Mail Receipt

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

Sent to	
Phillip Petroleum	
Street & No.	
HC60	
P.O., State & ZIP Code	
Box 66, Livingston, NM 88260	
Postage	\$
Certified Fee	1.00
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Address of Delivery	1.10
TOTAL Postage & Fees	\$
Postmark or Date	

PS Form 3800, June 1990

P 081 444 517



Receipt for Certified Mail

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

Sent to	
Texas-NM Pipeline	
Street and No.	
Broadmore Bldg.	
P.O., State and ZIP Code	
Hobbs, NM. 88240	
Postage	\$
Certified Fee	1.00
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	1.10
TOTAL Postage & Fees	\$
Postmark or Date	

PS Form 3800, June 1991

P 671 262 170



Certified Mail Receipt

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

Sent to	
Cindy Roberts	
Street & No.	
Route HC60	
P.O., State & ZIP Code	
Box 475 Livingston, NM 88260	
Postage	\$.29
Certified Fee	1.00
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.10
Return Receipt Showing to Whom, Date, & Address of Delivery	
TOTAL Postage & Fees	\$ 2.39
Postmark or Date	

PS Form 3800, June 1990

P 671 262 171



Certified Mail Receipt

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

Sent to	
Eleanor Graham	
Street & No.	
P.O. Box 5614	
P.O., State & ZIP Code	
Hobbs, NM. 88240	
Postage	\$.29
Certified Fee	1.00
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.10
Return Receipt Showing to Whom, Date, & Address of Delivery	
TOTAL Postage & Fees	\$ 2.39
Postmark or Date	

PS Form 3800, June 1990

P 671 262 173



Certified Mail Receipt

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

Sent to	
Freda Turner Durham	
Street & No.	
P.O. Box 1471	
P.O., State & ZIP Code	
Midland, Tx 79701	
Postage	\$.29
Certified Fee	1.00
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.10
Return Receipt Showing to Whom, Date, & Address of Delivery	
TOTAL Postage & Fees	\$ 2.39
Postmark or Date	

PS Form 3800, June 1990



Sent to	
Jim Baca, land Comm.	
Street & No.	
State Office	
P.O., State & ZIP Code	
310 Old St Fe Tr. 1 87501 ^{Jamaica, N}	
Postage	\$.29
Certified Fee	1.00
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.10
Return Receipt Showing to Whom, Date, & Address of Delivery	
TOTAL Postage & Fees	\$ 2.39
Postmark or Date	

PS Form 3800, June 1990



Sent to	
Dorothy Scharbauer	
Street & No.	
P.O. Box 1471	
P.O., State & ZIP Code	
Midland, Tx 79701	
Postage	\$ 2.9
Certified Fee	1.00
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.10
Return Receipt Showing to Whom, Date, & Address of Delivery	
TOTAL Postage & Fees	\$ 2.39
Postmark or Date	

PS Form 3800, June 1990

EXHIBIT E

Attached hereto are the required notifications and proof of notice as required by OCD Rule 711.

Lease holders of record were also notified and they include:

1. Elenor Grahm
c/o United New Mexico Trust Co.
P.O. Box 1471
Hobbs, New Mexico 88240

Lease from the State of New Mexico

2. Cindy Roberts
Route HC 60
P.O. Box 475
Lovington, New Mexico 88260

Lease from Elenor Grahm

3. Freda Turner Durham
P.O. Box 1471
Midland, Texas 79701

Involved in either a lease or joint ownership with Dorothy Scharbauer.

TIERRA ENVIRONMENTAL COMPANY, INCORPORATED

August 25, 1992

Dorothy Scharbauer
P. O. Box 1471
Midland, Texas 79701

RE: PERMIT APPLICATION TO THE STATE OF NEW MEXICO OIL CONSERVATION
DIVISION FOR OPERATION OF A LANDFARM FACILITY:

Tierra Environmental Company, Inc. (TEC), is applying to the State of New Mexico Oil Conservation Division (OCD) for a permit, allowing TEC to operate a Landfarm Facility. OCD Rule 711, requires that landowners, located within one half mile of the proposed facility be notified of the pending application by the applicant.

The proposed landfarm will be located in Lea County, New Mexico in the South East Quarter of Section 2, Township 17 South, Range 36 East, consisting of one-hundred sixty (160) acres.

The landfarm intends to accept soils contaminated with non-hazardous oilfield waste, as described in the Resource Conservation and Recovery Act (RCRA) Subtitle "C". The material accepted at the facility will be spread on the ground in no more than six (6) inch lifts. Soils will be tilled at least once every two (2) weeks using methods recommended by the Soil Conservation Service that would reduce to the most possible degree erosion from natural wind action. Moisture will be added in regulated quantity in order to (1) enhance bio-degradation of the contaminants, and (2) to prevent blowing dust and dirt that could contain contaminants. Pursuant to OCD regulations, samples of underlying natural soils will be tested at least quarterly for evidence of leaching contamination. Berms will be constructed around the facility in order to prevent runoff in the event of heavy rainfall. The area will be fenced in order to protect wildlife and livestock. Once soils are decontaminated (remediated), they will be put to beneficial use as fill, roadbase etc. Successive lifts of contaminated soils cannot be spread on top of soils that have not been decontaminated. This will not be a dumpsite. It is a landfarm, exclusively for the purpose of cleaning up soils contaminated from oilfield exploration and production operations by enhancing nature's process. Soils must be spread within seventy-two (72) hours of receipt at the facility, in accordance with OCD regulations. They cannot be stockpiled.

Tierra Environmental Company, Inc., will open an office at the site when the permit is approved.

Application to the State of New Mexico
Oil Conservation Division
September 17, 1992
Page 2

If you have any questions regarding the proposed landfarm facility or it's method of operation, please contact me at (505) 325-0924 or write, Tierra Environmental Company, Inc. 909 West Apache, Farmington, New Mexico 87401.

Please direct any comments to,

New Mexico Oil Conservation Division
State Land Office Building
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Thank you for your cooperation.

Sincerely,



Phillip C. Nobis
Vice President

909 WEST APACHE
FARMINGTON, NEW MEXICO 87401

TELEPHONE (505) 325-0924
FAX (505) 327-3303

TIERRA ENVIRONMENTAL COMPANY, INCORPORATED

August 25, 1992

Jim Baca, Land Commissioner
State Land Office Bldg.
310 Old Santa Fe Trail
Sante Fe, N. M. 87501

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Santa Fe, New Mexico 87504-2088

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Phillip C. Nobis
Vice President

909 WEST APACHE
FARMINGTON, NEW MEXICO 87401

TELEPHONE (505) 325-0924
FAX (505) 327-3303

TIERRA ENVIRONMENTAL COMPANY, INCORPORATED

August 25, 1992

Phillips Petroleum
HC 60
P.O. Box 66
Lovington, N.M. 88260

Tierra Environmental Company, Inc., has applied to the State of New Mexico, Oil Conservation Division for authorization to operate a landfarm facility, which would receive soils contaminated with non-hazardous oilfield waste as described in the Resource Conservation and Recovery Act (RCRA). Those contaminated soils would be spread on top of the ground in no more than six (6) inch lifts and tilled at least once every two (2) weeks to enhance bio-degradation of the contaminants.

The proposed facility is located in Lea County, New Mexico, in the South East 1/4 of Section 2, Township 17 South, Range 36 East and will consist of one-hundred sixty (160) acres.

Your company has located upon the property, natural gas pipelines. No excavation will be conducted at the facility. Heavy equipment will not be used in the landfarm operation. Nothing will be constructed within your right of way.

As required by OCD Regulations, a copy of the application is enclosed for your review.

If you have any questions regarding the application or the proposed facility, please contact me at (505) 325-0924 or write to Tierra Environmental Company, Inc., 909 West Apache, Farmington, New Mexico 87401.

Direct any comments to the New Mexico Oil Conservation Division, P.O. Box 2088, Santa Fe, New Mexico 87504-2088.

Sincerely,



Phillip C. Nobis
Vice President

TIERRA ENVIRONMENTAL COMPANY, INCORPORATED

August 25, 1992

Texas - New Mexico Pipeline
Broadmore Bldg.
Hobbs, N. M. 88240

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Sincerely,



Phillip C. Nobis
Vice President

TIERRA ENVIRONMENTAL COMPANY, INCORPORATED

August 25, 1992

Matador Pipeline
c/o Koch Oil Co.
P. O. Box 2256
Wichita, Kansas 67201

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Sincerely,



Phillip C. Nobis
Vice President

TIERRA ENVIRONMENTAL COMPANY, INCORPORATED

August 25, 1992

Elenor Graham
C/O United New Mexico Trust
P. O. Box 5614
Hobbs, New Mexico 88240

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DIVISION FOR OPERATION OF A LANDFARM FACILITY:

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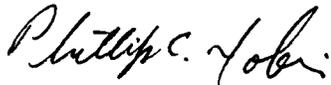
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Please direct any comments to,

New Mexico Oil Conservation Division
State Land Office Building
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Thank you for your cooperation.

Sincerely,



Phillip C. Nobis
Vice President

909 WEST APACHE
FARMINGTON, NEW MEXICO 87401

TELEPHONE (505) 325-0924
FAX (505) 327-3303

TIERRA ENVIRONMENTAL COMPANY, INCORPORATED

August 25, 1992

Cindy Roberts
Route #HC60
P. O. Box 475
Lovington, New Mexico 88260

RE: PERMIT APPLICATION TO THE STATE OF NEW MEXICO OIL CONSERVATION
DIVISION FOR OPERATION OF A LANDFARM FACILITY:

Tierra Environmental Company, Inc. (TEC), is applying to the State of New Mexico Oil Conservation Division (OCD) for a permit, allowing TEC to operate a Landfarm Facility. OCD Rule 711, requires that landowners, located within one half mile of the proposed facility be notified of the pending application by the applicant.

The proposed landfarm will be located in Lea County, New Mexico in the South East Quarter of Section 2, Township 17 South, Range 36 East, consisting of one-hundred sixty (160) acres.

The landfarm intends to accept soils contaminated with non-hazardous oilfield waste, as described in the Resource Conservation and Recovery Act (RCRA) Subtitle "C". The material accepted at the facility will be spread on the ground in no more than six (6) inch lifts. Soils will be tilled at least once every two (2) weeks using methods recommended by the Soil Conservation Service that would reduce to the most possible degree erosion from natural wind action. Moisture will be added in regulated quantity in order to (1) enhance bio-degradation of the contaminants, and (2) to prevent blowing dust and dirt that could contain contaminants. Pursuant to OCD regulations, samples of underlying natural soils will be tested at least quarterly for evidence of leaching contamination. Berms will be constructed around the facility in order to prevent runoff in the event of heavy rainfall. The area will be fenced in order to protect wildlife and livestock. Once soils are decontaminated (remediated), they will be put to beneficial use as fill, roadbase etc. Successive lifts of contaminated soils cannot be spread on top of soils that have not been decontaminated. This will not be a dumpsite. It is a landfarm, exclusively for the purpose of cleaning up soils contaminated from oilfield exploration and production operations by enhancing nature's process. Soils must be spread within seventy-two (72) hours of receipt at the facility, in accordance with OCD regulations. They cannot be stockpiled.

Tierra Environmental Company, Inc., will open an office at the site when the permit is approved.

Application to the State of New Mexico
Oil Conservation Division
September 17, 1992
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If you have any questions regarding the proposed landfarm facility or it's method of operation, please contact me at (505) 325-0924 or write, Tierra Environmental Company, Inc. 909 West Apache, Farmington, New Mexico 87401.

Please direct any comments to,

New Mexico Oil Conservation Division
State Land Office Building
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Thank you for your cooperation.

Sincerely,



Phillip C. Nobis
Vice President

TIERRA ENVIRONMENTAL COMPANY, INCORPORATED

August 25, 1992

Freda Turner Durham
P. O. Box 1471
Midland, Texas 79701

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