

NM1 - 42

**GENERAL
CORRESPONDENCE**

YEAR(S):

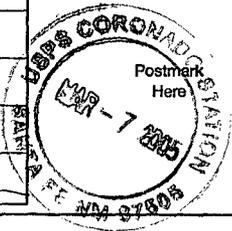
2005 - 2004

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7001 1940 0004 7920 7607

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Postage	\$
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Sent To
COMMERCIAL EXCHANGE, INC.
Street, Apt. No.;
or PO Box No. **6906 GARY AVE.**
City, State, ZIP+4
LAREDO, TX 79413



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

7001 1940 0004 7920 7607

March 4, 2005

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

Commercial Exchange, Inc.
6906 Gary Ave.
Lubbock, TX 79413

Permit Number: NM-1-0042

Re: Administrative Modification of Landfarm Permits

The Oil Conservation Division (OCD) issued the landfarm permit identified above under OCD Rule 711. As explained in the public notice given prior to the issuance of the permit, the permit was for landfarming to remediate hydrocarbon-contaminated soils. The language of the permit, however, is broader, allowing the facility to accept oilfield contaminated solids which are either exempt from the Federal RCRA Subtitle C (hazardous waste) regulations or are "nonhazardous" by characteristic testing. If this language were interpreted to allow the landfarm to accept oilfield waste contaminated with salts, the salts could compromise the biodegradation capacity of the landfarm. And because salts leach more easily than hydrocarbons, the landfarm may pose a greater threat to groundwater.

According to the terms of the permit identified above, the OCD may change the permit conditions administratively for good cause shown as necessary to protect fresh water, human health and the environment. The OCD has determined that it is necessary to protect fresh water, human health and the environment to modify the permit as follows:

Effective immediately, the NMOCD permitted landfarm identified above is prohibited from accepting oilfield waste contaminated with salts.

If the landfarm identified above wishes to accept oilfield waste contaminated with salts, you will need to file an application to modify the permit pursuant to OCD Rule 711.B(1) and follow the notice requirements of OCD Rule 711.B(2). If you have already filed a complete application for permit modification with this office and complied with the notice requirements, the OCD will process the application promptly.

Landfarms that wish to accept oilfield wastes contaminated with salts while their application for permit modification is pending may apply to the Division Director for an emergency order under OCD Rule 1202. Applications for emergency orders will be considered on a case-by-case basis.

This notice is being sent to all entities operating landfarm facilities in New Mexico permitted pursuant to OCD Rule 711, as shown on the attached list.

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

Very truly yours,

Mark E. Fesmire, P.E.

Affidavit of Publication

REC-1
SEP 1 2004
CLERK OF DISTRICT COURT
LEA COUNTY

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

NM-1-0042

Joyce Clemens being first duly sworn on oath deposes and says that she is Advertising 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
Legal Notice

was published in a regular and entire issue of **THE LOVINGTON DAILY LEADER** and not in any supplement thereof, for one (1) day, beginning with the issue of August 29, 2004 and ending with the issue of August 29, 2004.

And that the cost of publishing said notice is the sum of \$ 50.94 which sum has been (Paid) as Court Costs.

Joyce Clemens

Subscribed and sworn to before me this 2nd day of September 2004.

Debbie Schilling
Debbie Schilling
Notary Public, Lea County, New Mexico
My Commission Expires June 22, 2006

LEGAL NOTICE

Blackwater Landfarm, Mr. Mark Goss, Operator, 3309 67th West Bldg. Suite 4, Lubbock, Tx 79413 has submitted for approval an application to construct and operate a Rule 711 commercial landfarm facility located in the S/2 SE/4, SE/4 of Section 1, Township 25 South, Range 37 East, N.M.P.M., Lea County, New Mexico. The permit application addresses the construction, operations, spill/leak prevention and monitoring procedures to be incorporated at the proposed 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, 1220 South Saint Frances Drive, Santa Fe, New Mexico 87505, Telephone 505-476-3440. The application may be viewed at the above address or at the Hobbs district office at 1625 N. French Dr, Hobbs, New Mexico between 8:00 a.m. and 4:00 p.m. Monday thru Friday. Prior to ruling on any proposed application, the Director of the Oil Conservation Division shall allow at least thirty (30) days after the date of publications of this notice during which comments may be submitted and any interested person may request public hearing. 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.

Published in the Lovington Daily Leader August 29, 2004.

Commercial Exchange Inc.

Ref: Commercial Exchange Inc. Permit

Date:12-02-04

To: Ed Martin-New Mexico OCD

From: Mark Goss

Dear Mr. Martin,

I would like to thank you for taking time to talk with me. Below is the information you have requested. Commercial Exchange Inc. Is the company who is operating the land farm in Jal New Mexico. The name Blackwater should not be listed on the Permit. It will be 100% Commercial Exchange Inc.

Please let me know if there is anything else that I might need to do. I appreciate your attention to this matter.

Respectfully,

Mark Goss

C.E.O.

Commercial Exchange Inc.



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

August 25, 2004

Mr. Mark Goss
Blackwater Landfarm
3309 67th West Bldg.
Suite 4
Lubbock, TX 79413

1000381
NM-1-0042

6906 GARY AVE.
LUBBOCK, TX 79413

Dear Mr. Goss:

The New Mexico Oil Conservation Division has received your Application For Waste Management Facility (OCD Form C-137) and it has been deemed administratively complete. NMOCD Rule 711 [NMAC 19.15.9.711 B. (2) (b)] states "The applicant will issue public notice in a form approved by the Division in a newspaper of general circulation in the county in which the facility is to be located". The format for this public notice is as follows:

Blackwater Landfarm, Mr. Mark Goss, Operator, 3309 67th West Bldg. Suite 4, Lubbock, TX 79413 has submitted for approval an application to construct and operate a Rule 711 commercial landfarm facility located in the S/2 SE/4 SE/4 of Section 1, Township 25 South, Range 37 East, N.M.P.M., Lea County, New Mexico. The permit application addresses the construction, operations, spill/leak prevention and monitoring procedures to be incorporated at the proposed site.

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Upon publication of the above notice, the public is allowed 30 days in which to submit comments on the application. Please send me the affidavit of publication you receive

from the newspaper. At the end of this period, barring any requests for a hearing, the application will be acted upon by the OCD and you will be notified of its decision.

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

NEW MEXICO OIL CONSERVATION DIVISION

A handwritten signature in cursive script that reads "Ed Martin".

Edwin E. Martin
Environmental Bureau

Cc: Larry Johnson, NMOCD, Hobbs
Eddie Seay, Hobbs

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-137
Revised June 10, 2003

Submit Original Plus 1
Copy to Santa Fe
1 Copy 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

VM-1-0042

2. Operator: Blackwater Landfarm

Address: 3309 67th West Bldg., Suite 4, Lubbock, TX 79413

Contact Person: Mark Goss Phone: (806)543-8187

3. Location: 20 acres - S 1/2 of the SE 1/4 of the NW 1/4
1/4 /4 Section 1 Township 25 S Range 37 E

Submit large scale topographic map showing exact location

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.
6. Attach description of the facility with a diagram indicating location of fences, pits, dikes, and tanks on the facility.
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.
8. Attach a contingency plan for reporting and clean-up for spills or releases.
9. Attach a routine inspection and maintenance plan to ensure permit compliance.
10. Attach a closure plan.
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.
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.
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: Eddie W. Seay

Title: Agent

Signature: Eddie W Seay

Date: 7/22/2004

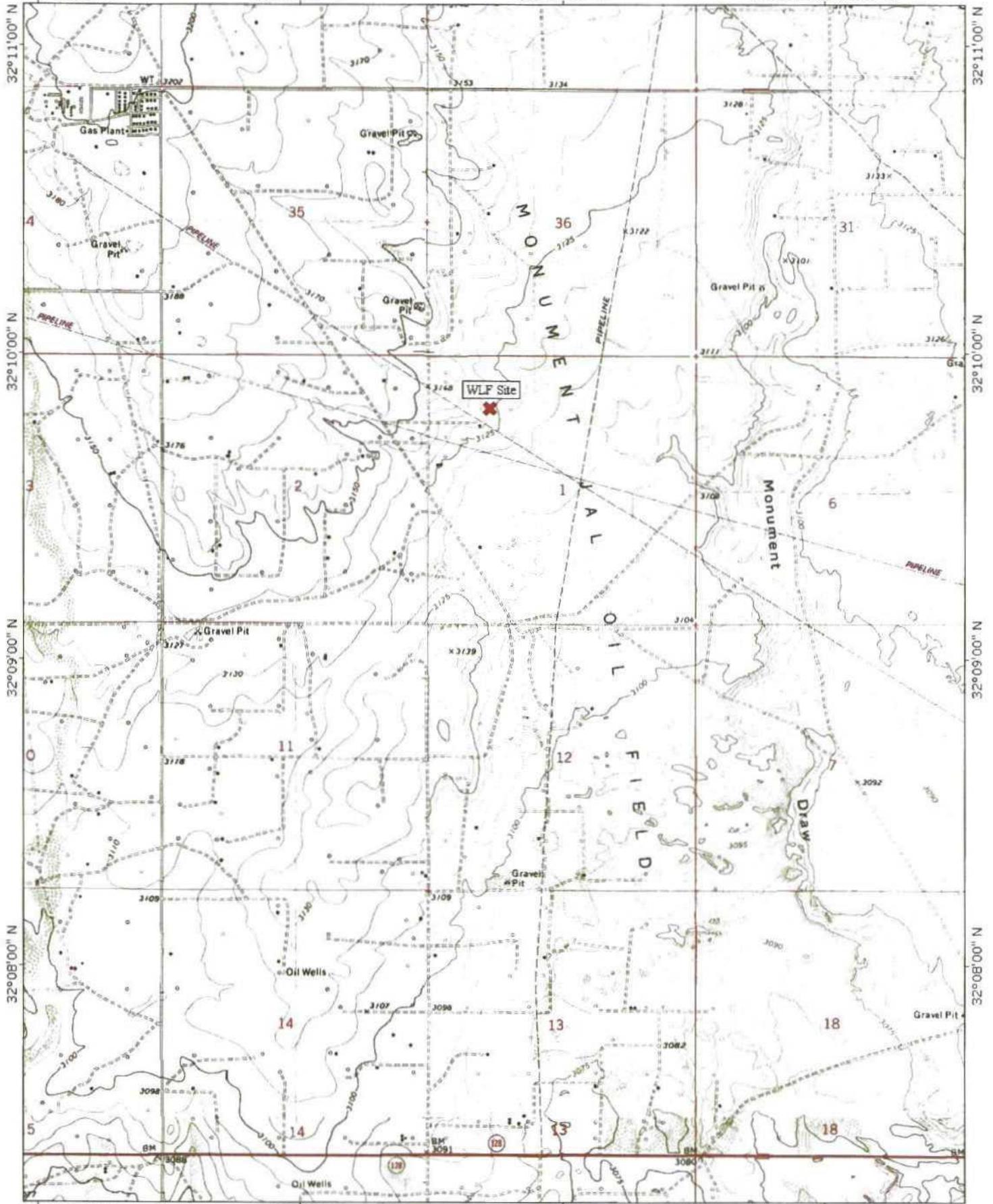
E-mail Address: seay_04@leaco.net

103°09'00" W

103°08'00" W

103°07'00" W

WGS84 103°06'00" W



TN * MN
8 1/2°

103°09'00" W

103°08'00" W

103°07'00" W

WGS84 103°06'00" W

0 1000 FEET 500 1000 METERS

Printed from TOPOI ©2001 National Geographic Holdings (www.topo.com)

- 2) Blackwater Landfarm
Mark Goss
- 3) S 1/2 of the SE 1/4 of the NW 1/4 of Section 1, Tws. 25 S., Range 37 E., Lea Co., NM,
a 20 acre tract. (See attached plat)
- 4) No
- 5) Attachment - Landowners of Record within 1 mile.
- 6) The 20 acre proposed site will be operated according to OCD guidelines as set forth in the permit.
 - a) The entire facility will be fenced with 4 strain barbed wire.
 - b) A 100 ft. buffer zone will be maintained around the facility.
 - c) Berms will be installed around the site to direct runoff and run-on of rainwater.
These berms will be constructed 3 ft. wide x 2 ft. high, this should control and contain any moisture from a 100 yr. flood. Also, water will not be allowed to pond. Any excess rain will be vacuumed up and taken to an approved disposal.
 - d) All accesses and gates will be locked at all times.
 - e) Soils will only be allowed when landfarm personnel are on location and only with proper documentation.
 - f) The permit area is approximately 5 miles NE of Jal, NM near the Dollarhide field.
 - g) A sign will be posted at entrance and will detail all the OCD requirements, phone, permit no., name, etc.
- 7) Diagram within.
- 8) Blackwater Landfarm will adhere to OCD Rule 116.
 - a) Report any accidental discharge by phone immediately.
 - b) Cleanup and/or remediate according to OCD policy.
 - c) File written reports as necessary.
- 9) Inspection and Maintenance Plan
 - a) The facility will be fenced and gates locked at all times. Personnel will be on location at all times when material is being hauled, and each load will be documented.
 - b) When and if any water accumulated on the property from rain, it will be vacuumed up and hauled to an approved OCD disposal.
 - c) Water may be added to the landfarm from time to time for dust control and to enhance remediation and will help keep any odor down, if that were to occur.
 - d) Berms will be inspected and maintained on a routine basis so as to prevent erosion, especially after rainfall or windstorm.

e) Because a landfarm is designed to remediate contaminated soils and not transfer contaminants into underlying native soil and/or groundwater, "Treatment Zone Monitoring" will be used at the facility. The treatment zone monitoring will consist of:

- 1) Test the background soil at the facility at a depth of 2 to 3 ft. The samples will be analyzed for TPH, BTEX, Cations/Anions and heavy metals using approved EPA methods.
- 2) A treatment zone not to exceed 3 ft. beneath the landfarm will be monitored. Samples will be taken from each cell on a quarterly schedule and analyzed for BTEX and TPH and for BTEX, TPH, Cations/Anions and heavy metals annually. All Sample holes will be filled with an impermeable material such as cement or bentonite. All test results will be submitted to the OCD in Santa Fe.
- 3) Only exempt oil and gas waste will be accepted at the landfarm unless special approval by OCD. The material accepted will have documentation as to where, what company, who delivered it and signed by an authorized company person. The material will be hauled in by truck, spread in 6 in. lifts and disked every other week.
- 4) A new lift may be added only after testing and approval from OCD.

10) Closure Plan: once Blackwater has stopped operations, it is estimated that it will take approximately two years to finish remediating what soils are left in the landfarm. We will continue to disk, test, and monitor until facility meets with OCD guidelines. After all criteria is met, the area will be leveled, contoured and seeded.

Closure cost for this two year period is as follows:

(Estimating that there will be 4-five acre cells in use at time of closure)

Analytical tests for 2 years	
BTEX - 8 quarters - \$40.00 x 4	\$ 1,280
TPH - 8 quarters - \$50.00 x 4	\$ 1,600
Metals - 2 years - \$200.00 x 4	\$ 1,600
Cations/Anions - 2 years - \$100.00 x 2	\$ 400

TOTAL	\$ 4,880

Quarterly sampling, time and labor for 4 cells

Labor at \$50.00 per hour

30 Minutes per cell

4 cells equals 2 hours per sampling event plus 1 hr. for report

3 hrs. x \$50.00 x 8 quarters

TOTAL	\$1,200
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Disking for two years every two weeks
 Actual disking area approximately 15 acres (roads, buffer zone, pipeline, etc.)
 \$30.00 per hr. - 30 min. per acre
 15 acres x 30 min. x 26 weeks 2 years = 23400 min. = 390 hrs.
 390 hrs. x \$30.00 per hour

TOTAL disking & tilling \$11,700

Freshwater as needed
 \$120.00 per load
 \$120 x 5 loads x 8 events in two years

TOTAL \$ 4,800

Leveling and Contouring Landfarm
 D-6 dozer with operator \$75.00 per hr.
 1 Hr. per acre.
 \$75 x 20 acres

TOTAL \$ 1,500

Revegetation for 20 acres
 Tractor and drill \$30.00 per hr. at 30 min. per acre, 20 acres = \$300
 Seed cost & material
 \$10.00 per lb. at 5 lbs. per acre x 20 acres = \$1,000

TOTAL REVEGETATION \$ 1,300

TOTAL ESTIMATED CLOSURE COST WOULD BE = \$23,380

11) Geology - Hydrology

The Jal Basin is located in the extreme southeastern corner of New Mexico. This area is relatively flat, sand covered surface, underlain by hard caliche, similar to the Eunice Plains.

The primary source of drinking water is the alluvium and chinle formations.

With normal depths from 60 ft. to 500 ft. Near the area we are permitting, no water is found. Find within State Engineers water report and logs.

12) Notice of requirement to offsets.

13) An open system such as a landfarm should not have an H2S problem. If H2S becomes a problem, proper testing and notification will be conducted.

14) Blackwater and Commercial Exchange will adhere to all applicable rules and regulations pertaining to this permit.

New Mexico Office of the State Engineer
Well Reports and Downloads

Township: Range: Sections:

NAD27 X: Y: Zone: Search Radius:

County: Basin: Number: Suffix:

Owner Name: (First) (Last) Non-Domestic Domestic All

Well / Surface Data Report

Avg Depth to Water Report

Water Column Report

Clear Form

WATERS Menu

Help

WELL / SURFACE DATA REPORT 07/06/2004

DB File Nbr (acre ft per annum)
Use Diversion Owner

Well Number

(quarters are 1=NW 2=NE 3=SW 4=SE)
(quarters are biggest to smallest
Source Tw's Rng Sec q q q

X Y are in Feet
Zone X Y

UTM are in
UTM_Zone

No Records Found, try again

31

36

35



20 Acres
S $\frac{1}{2}$ & SE $\frac{1}{4}$ of NW $\frac{1}{4}$
Sect 1 T. 25 R. 37

6

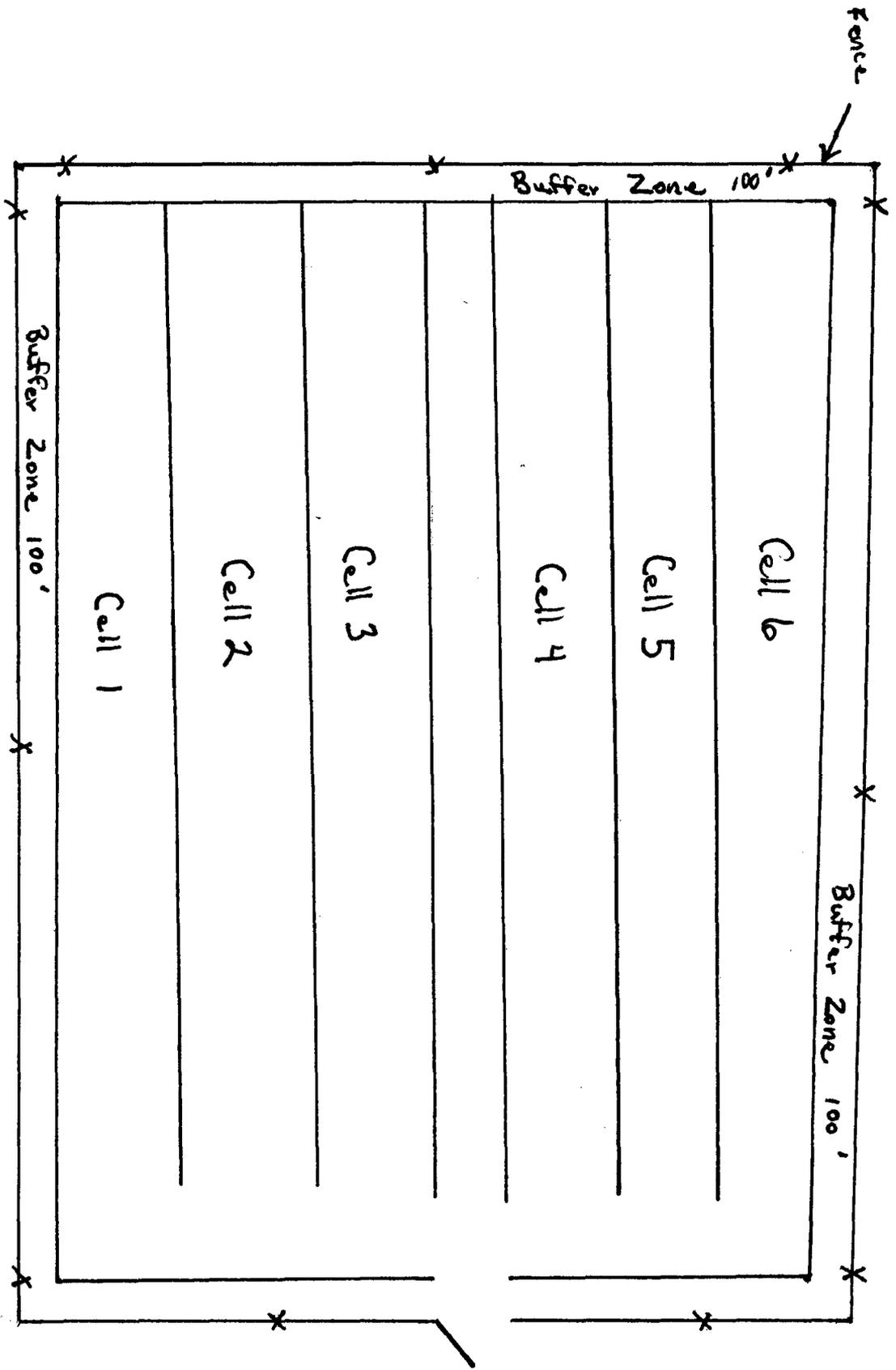
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2

12

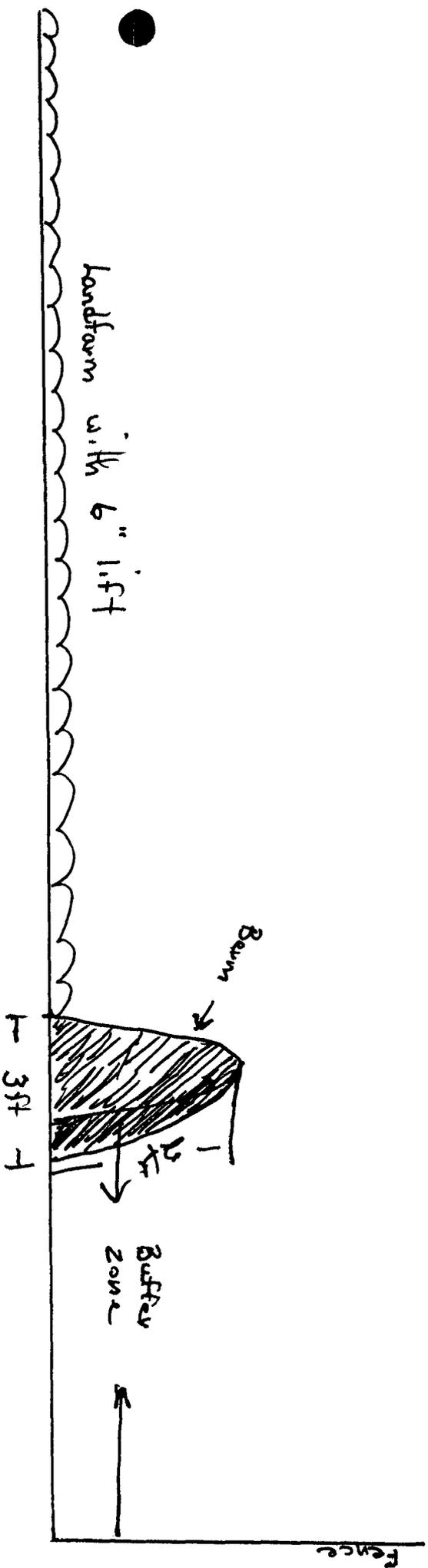
11

Blackwater Landfarm



ZTS

Blackwater Landform



3 ft
Treatment Zone

NOTICES

LANDOWNER

Joyce & George Willis
Box 307
Jal, NM 88252

OFFSET LANDOWNERS

State of New Mexico Land Office
310 Old Santa Fe Trail
Box 1148
Santa Fe, NM 87514-1148

Blocker Family Trust
Blocker Brothers et al
Box 744
Alto, NM 88312-0744

COUNTY COMMISSIONER

Lea County Commissioner
Attn: Darrell Stephenson
100 N. Main, Suite. 4
Lovington, NM 88260

July 22, 2004

Dear Landowner:

Pursuant to the rules of the NMOCD, Blackwater Landfarm is seeking application with the New Mexico Oil Conservation Division to operate a commercial land treatment facility. The facility, a 20 acre tract of land, is located in the SE 1/4 of the NW 1/4 of Section 1, Tws. 25 S., Range 37 E., Lea Co., New Mexico. The facility is seeking to remediate RCRA exempt and characteristically non-hazardous hydrocarbon contaminated soils associated with oil and gas production. The soils are remediated by spreading them on the ground surface in 6 in. lifts or less and periodically disking them to enhance natural remediation of the contaminants. The facility will be owned and operated by Commercial Exchange, Mark Goss.

Any questions about the application may be directed to Eddie W. Seay, (505)392-2236 or 601 W. Illinois, Hobbs, NM 88242. Any protest or comments may be directed to the Oil Conservation Division, Box 6429, 1220 S. Saint Francis Dr., Santa Fe, NM 87505, (505)476-3440, within 30 days.

Thank you,

A handwritten signature in black ink, appearing to read "Eddie W. Seay", with a long, sweeping underline that extends to the right.

Eddie W. Seay, Agent

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Clerk: BJF140

07/23/04

Sent To: **Joyce & George Willis**

Street, Apt. No., or PO Box No.: **Box 307**

City, State, ZIP+4: **Jal, NM 88252**

PS Form 3800, June 2002 See Reverse for Instructions

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Clerk: BJF140

07/23/04

Sent To: **State of New Mexico Land Office**

Street, Apt. No., or PO Box No.: **370 Old Santa Fe Trail**

City, State, ZIP+4: **Santa Fe, NM 87504**

PS Form 3800, June 2002 See Reverse for Instructions

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Clerk: BJF140

07/23/04

Sent To: **Blocker Family Trust**

Street, Apt. No., or PO Box No.: **Blocker Brothers, et al**

City, State, ZIP+4: **Alb, NM 88210**

PS Form 3800, June 2002 See Reverse for Instructions

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Clerk: BJF140

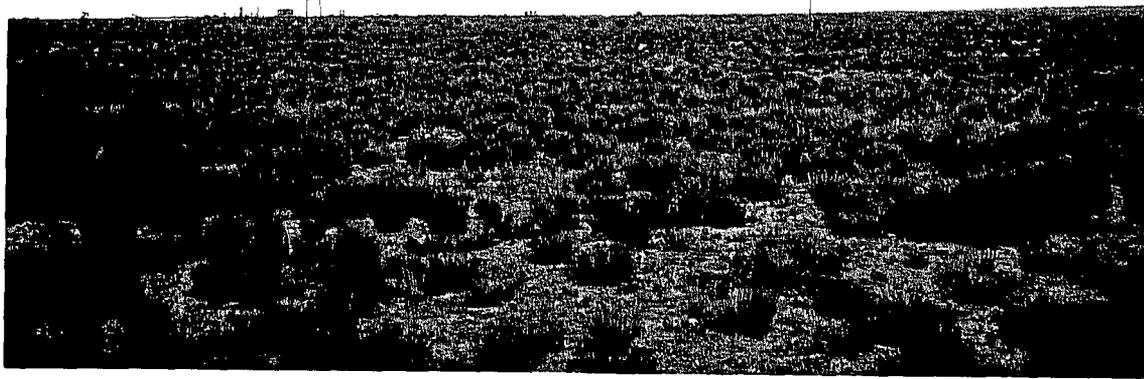
07/23/04

Sent To: **Lea County Commissioner**

Street, Apt. No., or PO Box No.: **ATTN: Darrell Stephenson**

City, State, ZIP+4: **100 N. Main, Suite 4**

PS Form 3800, June 2002 See Reverse for Instructions



S 6 N

W 6 E





N S S



E t W