1R - 417-2

GENERAL CORRESPONDENCE

YEAR(S):

2004

Price, Wayne

From: Goates, R. Neal [Neal.Goates@conocophillips.com]
Sent: Friday, October 08, 2004 7:04 AM
To: Clyde Yancey
Cc: Charlie Durrett; Wayne Price
Subject: RE: Lusk Compressor

Guys,
I talked to John Prentice and my proposal was Frontier move the tank we clean under and install line and backfill with clean material. He is working with his management to manage and cost out the tank move. Regardless of them putting the tank somewhere else or back on the same location....I have agreed to do the excavation, liner installation, and backfill.

COP has no right or obligation to move sold infrastructure so I'm hoping that Frontier can agree to this plan.

-----Original Message-----
From: Clyde Yancey [mailto:CYancey@maximusa.com]
Sent: Tuesday, October 05, 2004 1:07 PM
To: Goates, R. Neal; Charles Durrett
Subject: Lusk Compressor

Neal and Charlie,

I spoke to Wayne Price regarding his e-mail notification on the Lusk Compressor site. He said he had no choice to require that the tank be replaced or tightness-tested and that the upper five feet "or so" of soil be removed (BMP). It was either this approach or required that a groundwater discharge plan be produced for the site.

From his vantage point - the slop oil tank is "currently" releasing to the environment either through a leak in the tank or release from the valve. He has no indication that this condition has been remedied. Said that CoP and Frontier need to address this issue.

Clyde

Clyde L. Yancey, P.G.
Maxim Technologies, Inc.
10601 Lomas Blvd. NE, Suite 106
Albuquerque, NM 87112
(505) 237-8440

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Price, Wayne

From: Goates, R. Neal [Neal.Goates@conocophillips.com]
Sent: Thursday, November 04, 2004 8:51 AM
To: Price, Wayne; Gum, Tim
Cc: cyancey@maximusa.com; Cwdurrett1@aol.com
Subject: RE: SENM Frontier Assets/ConocoPhillips - Lusk Comprssor Station

Will do.

-----Original Message-----
From: Price, Wayne [mailto:WPrice@state.nm.us]
Sent: Thursday, November 04, 2004 9:08 AM
To: Goates, R. Neal; Price, Wayne; Gum, Tim
Cc: cyancey@maximusa.com; Cwdurrett1@aol.com
Subject: RE: SENM Frontier Assets/ConocoPhillips - Lusk Comprssor Station

OK with OCD if the liner is installed where it will provide an impermeable barrier under and around the tank including being tied into the berm.

-----Original Message-----
From: Goates, R. Neal [mailto:Neal.Goates@conocophillips.com]
Sent: Thursday, November 04, 2004 7:48 AM
To: Price, Wayne; Gum, Tim
Cc: cyancey@maximusa.com; Cwdurrett1@aol.com
Subject: RE: SENM Frontier Assets/ConocoPhillips - Lusk Comprssor Station

Wayne/Tim,
I hope the below tasks will suffice for the required work plan request. The tank has been moved (staged) and excavation will begin in November with closure request pending early December. Let me know if you are ok with this.

-----Original Message-----
From: Goates, R. Neal
Sent: Tuesday, October 12, 2004 4:07 PM
To: 'Price, Wayne'; Gum, Tim
Cc: cyancey@maximusa.com; Lundeen, Bill J.; 'Cwdurrett1@aol.com'
Subject: RE: SENM Frontier Assets/ConocoPhillips - Lusk Comprssor Station

Wayne and Tim,
Frontier has agreed to move the tank and COP will complete the conditions for closure mentioned below. The action plan will be to remove 5 foot of material below the tank and place impermeable barrier (12 mil liner) and backfill with clean material suitable for liner prep and cap with appropriate tank pad material. Upon completion of tasks mentioned above, COP through Maxim will provide you with actions taken in order to close the project.

-----Original Message-----
From: Price, Wayne [mailto:WPrice@state.nm.us]
Sent: Tuesday, October 05, 2004 10:57 AM
To: 'Cwdurrett1@aol.com'; Price, Wayne; Gum, Tim
Cc: Goates, R. Neal; Miley, Joyce M.; cyancey@maximusa.com
Subject: RE: SENM Frontier Assets/ConocoPhillips - Lusk Comprssor Station

OCD hereby approves closure for the Caviness and Anderson Ranch sites.

OCD will require removal of the major source of contamination directly below the Lusk slop oil tank site and will require best management practices to be

incorporated at this site. The tank shall be installed on impermeable barrier with berms.
Please submit an action plan for OCD approval within 30 days.

-----Original Message-----
From: Cwdurrett1@aol.com [mailto:Cwdurrett1@aol.com]
Sent: Tuesday, August 31, 2004 7:11 AM
To: WPrice@state.nm.us; tgum@state.nm.us
Cc: neal.goates@conocophillips.com; Joyce.M.Miley@conocophillips.com; cyancey@maximusa.com
Subject: SENM Frontier Assets/ConocoPhillips - Lusk Comprssor Station

Earlier this year, Maxim submitted a work plan, entitled "Review of the Limited Phase II Investigation Prepared for Frontier Energy Services, LLC by Cinnabar Environmental Services" dated January 23, 2004, to the New Mexico Oil Conservation Division (NMOCD) for Kemnitz, Caviness Ranch, Cedar Lake, Lusk, Skelly, Chaves, and Anderson Ranch compressor sites. This work plan was associated with the 2003 sale of ConocoPhillips assets located in Lea and Eddy counties, New Mexico to Frontier Energy Services, LLC. NMOCD reviewed and approved the work plan on May 17, 2004.

Only three sites Anderson Ranch, Caviness Ranch and Lusk compressor sites required additional work or study. Maxim prepared a work plan to bio-remediate the localized hydrocarbon staining at Anderson Ranch and Caviness Ranch, which was approved by NMOCD. Closure requests for these facilities were submitted electronically to NMOCD on July 28, 2004.

Attached is the Findings Report for Lusk Compressor. After your review, Maxim on-behalf of ConocoPhillips requests closure of this site as well as closure for Anderson Ranch and Caviness Ranch.

If you have any questions concerning these requests please call Mr. Neal Goates (832-379-6427) or me.

Please acknowledge receipt of this electronic communication.

--
Charlie Durrett
Maxim Technologies
1703 W. Industrial Ave.
Midland, TX 79701
P 432-686-8081
F 432-686-8085

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Price, Wayne

From: Price, Wayne
Sent: Monday, September 13, 2004 3:15 PM
To: 'Cwdurrett1@aol.com'
Subject: RE: SENM Frontier Assets/ConocoPhillips - Lusk Comprssor Station

yes please

-----Original Message-----
From: Cwdurrett1@aol.com [mailto:Cwdurrett1@aol.com]
Sent: Monday, September 13, 2004 2:59 PM
To: WPrice@state.nm.us
Cc: neal.goates@conocophillips.com; cyancey@maximusa.com
Subject: Fwd: SENM Frontier Assets/ConocoPhillips - Lusk Comprssor Station

Wayne, would you like for me to send you a hard copy of the reports that were attached to the 8/31/2004 e-mail?

--
Charlie Durrett
Maxim Technologies
1703 W. Industrial Ave.
Midland, TX 79701
P 432-686-8081
F 432-686-8085

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Price, Wayne

From: Cwdurrett1@aol.com
Sent: Tuesday, August 31, 2004 7:11 AM
To: WPrice@state.nm.us; tgum@state.nm.us
Cc: neal.goates@conocophillips.com; Joyce.M.Miley@conocophillips.com; cyancey@maximusa.com
Subject: SENM Frontier Assets/ConocoPhillips - Lusk Comprssor Station


OCD Frontier Lusk Compressor R...

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If you have any questions concerning these requests please call Mr. Neal Goates (832-379-6427) or me.

Please acknowledge receipt of this electronic communication.

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Charlie Durrett
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Midland, TX 79701
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MAXIM TECHNOLOGIES
A DIVISION OF TETRA TECH, INC

1703W. Industrial Ave.
Midland, Texas 79701
(432) 686-8081

August 31, 2004

Mr. Wayne Price
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

RE: SENM Frontier Assets
Findings Report
Lusk Compressor Station
SE Qtr, Sec 26, T18S, R31E

Dear Mr. Price:

Maxim Technologies (Maxim) submits this findings report for the Lusk Compressor Station slop oil tank containment area (site; Figure 1). This work is associated with the 2003 sale of ConocoPhillips assets located in Lea and Eddy counties, New Mexico to Frontier Energy Services, L.L.C. The Bureau of Land Management (BLM) administers this land.

The Cinnabar Environmental Services Phase II report (Projects\2003\271-03 ESA) entitled "*Assessment Site: Maljamar Gas Processing Plant and Associated Gathering System Chaves County, Eddy County and Lea County, New Mexico*" (Cinnabar Report) prepared for Frontier Energy, noted localized hydrocarbon staining at Anderson Ranch and Caviness Ranch, and hydrocarbon affected soil at depth at Lusk Compressor slop oil secondary containment area. However Cinnabar did not define the clean boundary below the affected zone at Lusk Compressor. Maxim prepared a work plan to bio-remediate the localized hydrocarbon staining at Anderson Ranch and Caviness Ranch, which was approved by New Mexico Oil Conservation Division (NMOCD; Attachment 1). Closure reports for these facilities were submitted to NMOCD on July 28, 2004.

An investigative boring program was initiated at Lusk Compressor in accordance with the NMOCD approved work plan to describe the presence/absence and extent of hydrocarbon impact vertically in the vadose zone below the slop oil secondary containment area. Results of this investigation are described below.

Subsurface Investigation

Cinnabar noted in their Phase II report that organic vapors [>100 parts per million(ppm)] were detected from the surface to a total depth of 60 feet below ground surface (fbgs) in the boring established inside the slop oil secondary containment area. Analysis of a soil sample collected in the 4 – 6 fbgs range exhibited a total petroleum hydrocarbon (TPH) concentration of 2,300

milligrams per kilogram (mg/kg; Method OA2) and a TPH gasoline concentration of 610 mg/kg (Method 8015M).

On June 29, 2004 Maxim bored one off-set hole to Cinnabar's initial boring inside the Lusk Compressor slop oil secondary containment area. Boring depth was determined when the photo-ionization detector (PID) reading was below 100 ppm for two consecutive sampling intervals. Top of the Red Beds were encountered at 25 fbgs. The boring was advanced to 100 fbgs to determine the presence of water. No groundwater was encountered below this site.

Impacted soil (> 100 ppm by PID reading) was encountered from the surface to a depth of 75 fbgs (Attachment 2 – Boring Log). Two soil samples were collected and sent to Lancaster Laboratories for analysis [sample #1 with the highest PID reading (5 – 10 fbgs) and sample #1 from the bottom of the boring (95 – 100 fbgs)]. Results are presented in Table 1.

Table1
Lusk Compressor Station Analysis

Sample Depth (feet)	5-10	95-100
Units	mg/kg	mg/kg
Benzene	0.44	ND
Toluene	5.0	ND
Ethylbenzene	8.6	0.002
Xylene (Total)	66.0	0.032
Total BTEX	**80.04**	0.005
TPH – DRO	5,200	340
TPH – GRO	1,400	11
Total TPH	**6,600**	351
Chloride	551	21
Moisture	9 %	4.1 %

TPH (DRO & GRO) analytical Method 8015M
BTEX analytical Method 8260
Cl analytical Method 300A

Exposure Pathway Analysis

Exposure pathways are circuits through which a potential constituent of concern may migrate and potentially expose humans, impact the environment, or affect land use. Potential pathways in the area of the site can include man-made structures such as domestic and public wells. Receptors can include natural features such as lakes, rivers, springs, seeps, and land, plus the natural biota that inhabit them.

Lusk Compressor is located in the Querecho Plains of eastern New Mexico. This area generally consists of a thin cover of Quaternary sand dunes overlying the undivided Triassic Upper Chinle Group.

The soil consists of well-drained sand and sandy clay loam. Typically, the surface layer is reddish-brown loamy fine sand. It is underlain by red light sandy clay. Below this is white moderately to well-indurated caliche. Underlying the caliche is dark reddish shales and thin sandstones of the undivided Triassic Upper Chinle Group. The Upper Chinle Group consists of silty shale, thin bedded to massive, purplish red to reddish brown with greenish reduction spots. The Group is interbedded with thin beds of fine-grained sandstone with chert pebble gravel.

Based on information from the New Mexico Office of State Engineer's database and the from the United States Geological Survey's *Groundwater Levels for the Nation*, groundwater in the vicinity of Lusk Compressor Station is projected to be 400 feet below ground surface (bgs). The nearest water well (CP 00896) is located 1.9 miles north of the site. Depth of the well is 400 feet.

Wetland areas, in the form of hyper-saline lakes and natural playas, are scattered thought the area. A playa is indicated in Figure 1, approximately 300 feet northwest of the site. However this playa was not immediately apparent upon inspection of area.

The site is found in the Eastern Sandhill region of Eddy County, New Mexico. Topography in the area around the site is characterized as undulating sand dunes and sandy hummocks. Vegetation is characterized by a mixture of grasses and shrubs with a variety of forbs occurring on an annual basis depending on the level of precipitation, which is between 10- to 12-inches per year on average. Land use in this rural area is primarily livestock grazing and oil / gas production. Secondary, unpaved roads provide access and are associated with oil and gas development.

As per the subsurface site assessment characterization protocol outlined in NMOCD's "*Guidelines for Remediation of Leaks, spills and Releases,*" dated August 13, 1993 the site is assigned the following score:

Criteria		Ranking Score
Depth to groundwater	>100 feet	0
Distance from water source	>1000 feet	0
Distance from domestic water source	>200 feet	0
Distance from surface water body	>200 feet	0
Total Ranking Score		0

The remediation action level for a ranking score of 0 is 10 ppm for benzene, 50 ppm for BTEX, and 5,000 ppm for TPH.

Recommendation

Maxim recommends no further action at this site. This recommendation is based on no apparent potential for human exposure, impact to the environment, or affect on land use.

Fugitive petroleum hydrocarbons are present above NMOCD remediation action levels but are found below an active oil/gas production facility (Figure 2). These hydrocarbons are not a threat to:

- human exposure owing to it's presence below the ground surface, 5 to 10 fbgs,
- surface water since it is found below the slop oil tank secondary containment (40 ft x 40 ft) and will not be affected by sheet flow from storm events,
- groundwater owing to the depth to water, approximately 400 fbgs, and there are no public or private water wells in the area,
- vegetation in the secondary containment because vegetation is considered a fire hazard inside the berm and is controlled, and
- land use owing to the current use is dedicated to oil / gas production.

In addition, the slop oil tank is still in use and there is no apparent means to remediate the subsoil without removing the tank.

Based on the above information, Maxim requests a variance on NMOCD's recommended remediation action levels and requests closure of this site for ConocoPhillips. If you have any questions concerning this request please call Mr. Neal Goates (832-379-6427) or me.

Sincerely,

MAXIM TECHNOLOGIES, INC.

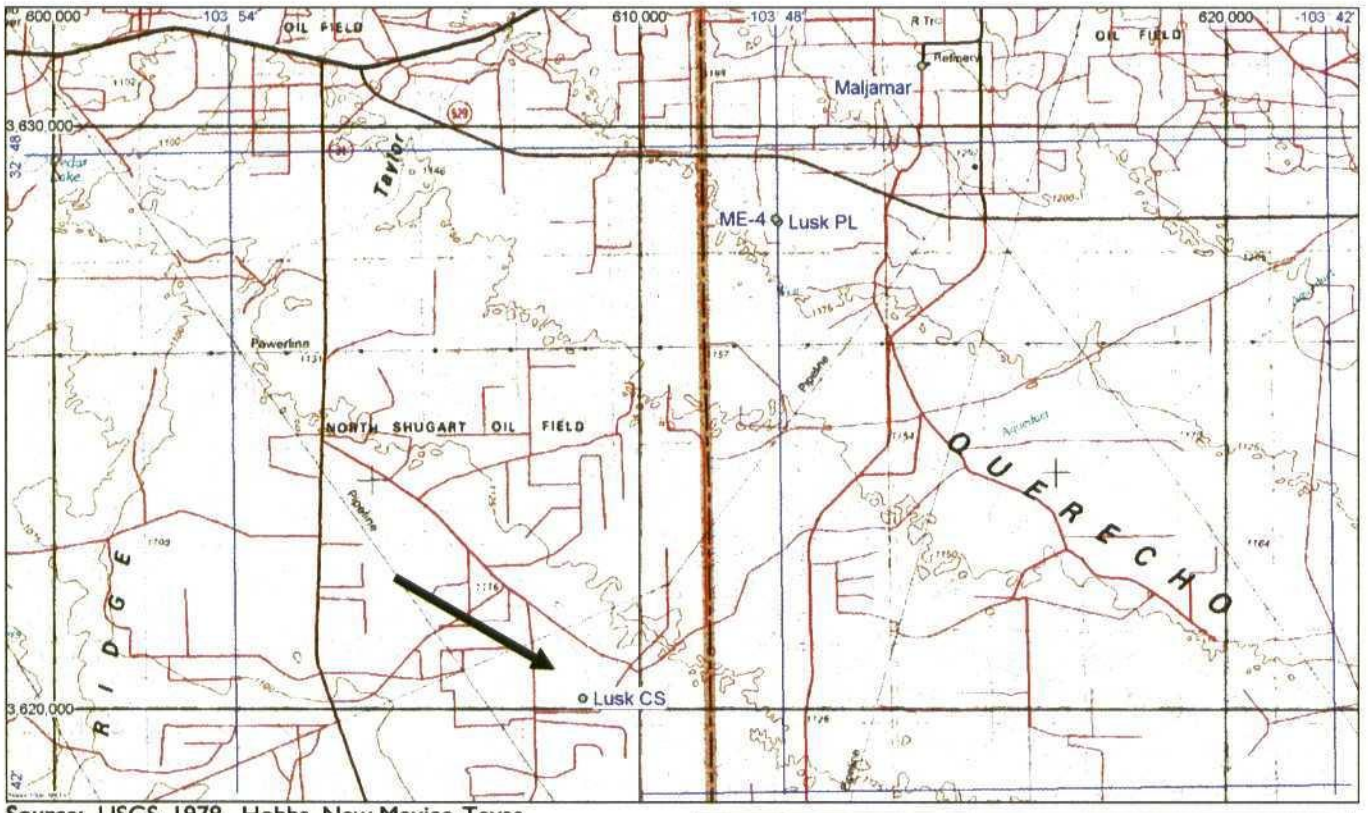
Charles Durrett

Digitally signed by Charles Durrett
DN: CN = Charles Durrett, C = US, O = Maxim Technologies, Inc.
Date: 2004.08.31 07:34:06 -05'00'

Charles Durrett
Office Manager

Cc: Mr. Neal Goates, ConocoPhillips
Mr. Tim Gum, NMOCD District 2

Attachments



Source: USGS, 1978. Hobbs, New Mexico-Texas 1:100,000 scale (reduced)

FIGURE 1: Lusk Compressor Station Location Map	
ConocoPhillips	MAXIM TECHNOLOGIES INC
EDDY & LEA COUNTY NEW MEXICO	PROJECT NO. 4940033 MAP BY: CWD MAP DATE: 08/29/04

FIGURE 2. Lusk Compressor Station Slop Oil Tank (40' x 40')	
ConocoPhillips	MAXIM TECHNOLOGIES INC
EDDY COUNTY NEW MEXICO	PROJECT NO. 4940033 MAP BY: CWD MAP DATE: 08/26/04

Attachment A

-----Original Message-----
From: Price, Wayne [mailto:WPrice@state.nm.us]
Sent: Monday, May 17, 2004 2:10 PM
To: Clyde Yancey (E-mail)
Cc: Joyce Miley (E-mail)
Subject: Maxim Project # 4690016 Jan 23, 2004

Kemnitz, Caviness Ranch, Cedar Lake, Lusk, Skelly, Chaves, and Anderson Ranch compressor sites.

The OCD is in receipt of the work plan for the above sites and herby approves of the plan. Please provide legal locations UL-Sec-TS-R for each site ASAP.

Please be advised that NMOCD approval of this plan does not relieve (ConocoPhillips) of liability should their operations fail to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD approval does not relieve (ConocoPhillips) of responsibility for compliance with any other federal, state, or local laws and/or regulations.

Sincerely:

Wayne Price
New Mexico Oil Conservation Division
1220 S. Saint Francis Drive
Santa Fe, NM 87505
505-476-3487
fax: 505-476-3462
E-mail: WPRICE@state.nm.us

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