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APPROVALS

YEAR(S):

1996



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

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

July 2, 1996

CERTIFIED MAIL

RETURN RECEIPT NO. P-269-269-167

Mr. B.D. Shaw
Amoco Production Company
200 Amoco Court
Farmington, New Mexico 87401

RE: FINAL SAN JUAN BASIN PIT CLOSURE REPORTS

Dear Mr. Shaw:

The New Mexico Oil Conservation Division (OCD) has completed a review of Amoco Production Company's (Amoco) May 3, 1995 "AMOCO PRODUCTION COMPANY PIT CLOSURE VERIFICATIONS" which were submitted on behalf of Amoco by their consultant Blagg Engineering, Inc. This document contains "PIT REMEDIATION AND CLOSURE REPORTS" for 29 unlined pits in the San Juan Basin of Northwestern New Mexico.

The OCD's review of the above referenced document is addressed below:

A. The pit closure/soil remediation activities conducted at the sites listed below are approved as meeting the standards in effect at the time of closure.

1. GCU #95E (Blow pit)	Unit P, Sec. 31, T28N, R11W.
2. GCU #107 (Blow pit)	Unit D, Sec. 19, T29N, R12W.
3. GCU #174E (Blow pit)	Unit E, Sec. 28, T28N, R12W.
4. GCU #174E (Separator pit)	Unit E, Sec. 28, T28N, R12W.
5. GCU #202 (Separator pit)	Unit B, Sec. 33, T29N, R12W.
6. GCU #231E (Blow pit)	Unit E, Sec. 27, T28N, R12W.
7. GCU #400E (Blow pit)	Unit A, Sec. 25, T28N, R12W.
8. Jack Frost C#1E (Blow pit)	Unit H, Sec. 26, T27N, R10W.
9. Jack Frost C#1E (Separator pit)	Unit H, Sec. 26, T27N, R10W.
10. Jack Frost D#1E (Blow pit)	Unit N, Sec. 26, T27N, R10W.
11. Jack Frost D#1E (Separator pit)	Unit N, Sec. 26, T27N, R10W.
12. Lodewick #4 (Separator pit)	Unit F, Sec. 18, T27N, R09W.
13. V.W. McManus #1 (Tank drain pit)	Unit M, Sec. 22, T28N, R12W.
14. V.W. McManus #1 (Line drain pit)	Unit M, Sec. 22, T28N, R12W.
15. Sammons GC B#1 (Separator pit)	Unit A, Sec. 18, T29N, R09W.

Please be advised that OCD approval does not relieve Amoco of liability if, in the future, remaining contaminants are found to pose a threat to surface water, ground water, human health or the environment. In addition, OCD approval does not relieve Amoco of responsibility for compliance with any other federal, state or local laws and/or regulations.

B. The pit remedial activities conducted at the site listed below are satisfactory. However, according to the report, onsite landfarming and/or composting actions are still continuing at the site. Subsequently, the OCD cannot issue final closure approval at this time and approval of closure actions at this site is denied. Please resubmit the closure report for this site upon completion of the landfarming and/or composting activities. The final report will include the results of the soil remediation levels achieved and the disposition of the remediated soils.

1. Heath GC A#1A (Separator pit) Unit O, Sec. 32, T30N, R09W.

C. The final pit remedial contaminant levels at the sites listed below are in excess of the OCD's recommended remediation levels. Subsequently, the OCD cannot issue final closure approval and approval of closure actions at these sites is denied. The OCD requests that Amoco submit a plan to address the remaining contamination at these sites. The plan will be submitted to the OCD Santa Fe Office by August 2, 1996 with a copy supplied to the OCD Aztec Office.

1. Gallegos #008 (Separator pit) Unit D, Sec. 19, T29N, R12W.
2. GCU #107 (Drip pit) Unit D, Sec. 19, T29N, R12W.
3. GCU #165 (Blow pit) Unit H, Sec. 29, T28N, R12W.
4. Jack Frost D#1E (Dehy pit) Unit N, Sec. 26, T27N, R10W.
5. Jack Frost E#1 (Separator pit) Unit D, Sec. 25, T27N, R10W.
6. C.A. McAdams C#1E (Dehy pit) Unit B, Sec. 05, T27N, R10W.
7. V.W. McManus #1 (Abandoned pit) Unit M, Sec. 22, T28N, R12W.
8. V.W. McManus #1 (Tank battery pit) Unit M, Sec. 22, T28N, R12W.

D. Ground water at the sites listed below is contaminated with petroleum related constituents in excess of New Mexico Water Quality Control Commission ground water standards and the extent of ground water contamination at these sites has not been determined. Therefore, approval of these pit closure forms is denied. The OCD requests that Amoco investigate the extent of contamination and, if necessary, remediate contaminated ground water pursuant to Amoco's November 21, 1995 ground water investigation/remediation work plan which was approved by the OCD on November 29, 1995.

1. GCU #107 (Separator pit) Unit D, Sec. 19, T29N, R12W.
2. GCU #165 (Separator pit) Unit H, Sec. 29, T28N, R12W.
3. GCU Com D#160 (Separator pit) Unit I, Sec. 27, T29N, R12W.
4. GCU Com D#160 (Blow pit) Unit I, Sec. 27, T29N, R12W.
5. Sammons GC B#1 (Blow pit) Unit A, Sec. 18, T29N, R09W.

Mr. B.D. Shaw
July 2, 1996
Page 3

To simplify the approval process for both Amoco and OCD, the OCD requests that Amoco submit all future pit closure reports only upon completion of all closure activities including onsite landfarming or composting of contaminated soils. The results of final remediation levels achieved during landfarming or composting and the disposition of the remediated soils should be included in the report.

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

Sincerely,

A handwritten signature in cursive script, appearing to read "William C. Olson".

William C. Olson
Hydrogeologist
Environmental Bureau

xc: OCD Aztec District Office
Bill Liess, BLM Farmington District Office
Robert O'Neill, Blagg Engineering, Inc.