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July 26, 2017

Dr. Tomas Oberding
New Mexico Energy, Minerals and Natural Resources Department
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Proposed Closure Strategy – West Boiler Sump
Energy Transfer Company's Jal #3 Gas Plant
Section 33, Township 24 South, Range 37 East
Lea County, New Mexico

Dr. Oberding,

TRC Environmental Corporation (TRC) has prepared the following closure strategy in regard to the closure of the "West Boiler Sump" below-grade tank (BGT) at Energy Transfer Company's (ETC) Jal #3 Gas Plant. The Jal #3 Gas Plant is located in Unit Letter "E" of Section 33, Township 24 South, Range 37 East in Lea County, New Mexico. Review of the New Mexico Water Rights Reporting System (NMWRRS) online database indicated depth to groundwater information is not available for Section 33, Township 24 South, Range 37 East. Review of a depth to groundwater gradient map utilized by the NMOCD indicates groundwater is estimated to be encountered at approximately 220 feet below grade surface (bgs). A "Site Location Map" and "Site Diagram" are provided as Attachment #1 and Attachment #2, respectively. A "Photographic Log" of the subject BGT is provided as Attachment #3.

**Background Information**

On September 6, 2015, representatives of ETC, Terracon and environmental contractors began the process of removing and/or closing existing below-grade tanks (BGTs) at ETC's Jal #3 Gas Plant. Beginning September 29, 2015, the "North Sump", formerly used to contain produced water and residual hydrocarbons, was removed. Upon receiving New Mexico Oil Conservation Division (NMOCD) approval, the affected area was excavated to the maximum extent practicable before soil samples were collected and the excavation was backfilled with locally-sourced caliche. Beginning in May 2016, the "Contingency Tank", formerly used to contain cooling blow-down water and hydrocarbon contacted wastewater, was decommissioned, thoroughly cleaned and inspected. Upon receiving NMOCD permission, the top of BGT was cut below the existing grade, and the tank was filled with excess, non-impacted soil at the facility. In December 2016, the "Classifier Tanks", also formerly used to contain cooling blow-down water and hydrocarbon contacted wastewater, were thoroughly cleaned and inspected. During the inspection, several holes were identified and soil samples were

collected in an effort to determine if soil beneath the tanks had been affected above the NMOCD Recommended Remediation Action Levels (RRAL) for benzene, toluene, ethylbenzene, total xylenes (BTEX), total petroleum hydrocarbon (TPH) and chloride. Upon receiving laboratory analytical results and NMOCD approval, the BGTs were closed in place by cutting the tops of the BGTs below the existing grade, backfilling them in with approved soil exhibiting BTEX, TPH and chloride concentrations below the NMOCD RRAL and installing a 20-millimeter polyurethane liner at 4 feet (ft.) bgs over the tops of the BGTs in an effort to inhibit the accumulation of moisture.

There are currently three (3) BGTs remaining in-situ at the Jal #3 Gas Plant. Two (2) of the BGTs, known as the "Field Scrubber Dump Tanks", are located adjacent to one another just west of the facility. The Field Scrubber Dump Tanks can be described as steel, 210-bbl tanks utilized to contain pipeline liquids. The third BGT, known as the "West Boiler Sump", is located in the south-central portion of the facility adjacent to a mechanical building and numerous above and below ground pipelines. The West Boiler Sump can be described as a fiberglass, 160-bbl tank, utilized to contain waste water from the fresh water treatment system and steam boiler buildings. Each of the remaining BGTs have been taken out of service and cleaned and the associated piping has been rerouted to the on-site injection well and/or above-ground wastewater storage tanks.

**Proposed Closure Strategy**

ETC proposes the following remediation strategies designed to advance the West Boiler Sump toward an NMOCD-approved closure:

- Removal of the BGT's contents and disposing of the contents at an NMOCD-permitted facility, followed by a thorough cleaning to allow for a hydrostatic test and/or detailed inspection.

- Conducting a hydrostatic test and/or a detailed inspection of the floor and sidewalls of the BGT to determine if evidence of a release are present. In the event an inspection is required, it will include checking for holes and/or evidence of failure in the floor and sidewalls of the BGTs,

- In the event evidence of potential releases are discovered during the hydrostatic tests and/or inspections, the potential release would be investigated and reported as necessary.

- An alternative closure method may include utilizing a pneumatic saw to cut five (5) holes in the bottom of the fiberglass BGT to allow for the collection of a representative five-point composite soil sample to characterize soil beneath the BGT. The collected soil sample would be submitted to the laboratory for analysis of BTEX, TPH and chloride concentrations, the results of which will be provided to the NMOCD and compared to the *Closure Criteria for Soils beneath BGTs, Drying Pads Associated with Closed-Loop Systems and Pits where Contents are Removed* for sites where the depth below the bottom of pit to groundwater is greater than 100 ft.

- In the event no evidence of releases are discovered during the hydrostatic test, detailed inspection and/or upon receiving laboratory analytical results, and upon receiving NMOCD permission, the tops of the BGT would be cut below the existing grade at approximately four (4) ft. bgs.

- Upon cutting the tops of the BGT to four (4) ft. bgs, the tank would be backfilled to with locally-sourced, non-impacted material. The final soil cover would consist of engineered fill used throughout the plant. Upon backfilling and compacting the affected area, a permanent steel-marker would be placed to document the location of the closed BGT.

ETC maintains removing the West Boiler Sump from its current location poses a risk to human health and safety due to its proximity to the mechanical building and multiple above and below ground utilities, particularly the plant's main high pressure steam line, which is located on an adjacent pipe rack. A preliminary visual inspection of the floor and side of the tank from the surface and accounts from ETC personnel who have entered the BGT to conduct tank cleaning activities suggest the fiberglass BGT's integrity has not been compromised. A hydrostatic test, detailed inspection and/or the collection of soil samples would be necessary to confirm these.

Upon receiving NMOCD permission and completion of the above-mentioned field activities, ETC will prepare and submit a Final C-144 and *Closure Report* detailing field activities and laboratory analytical results from confirmation soil samples.

If you have any questions, or if additional information is required, please feel free to call Rose Slade (ETC) at 210-403-6525 or myself at 432-520-7720 (office) or 432-466-4450 (cell).

Respectfully submitted,

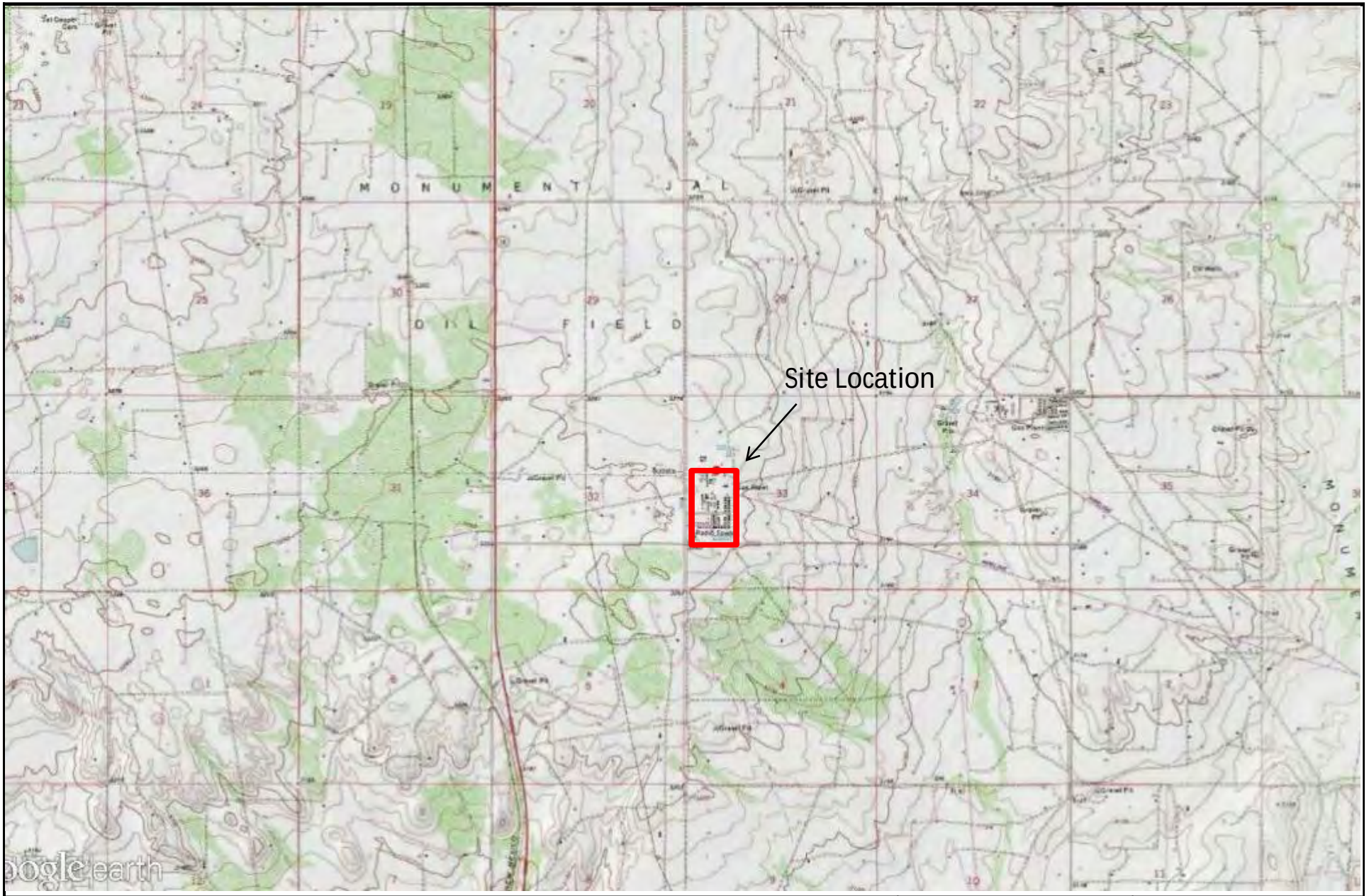
Joel Lowry
Senior Project Manager
TRC Environmental Corporation

Jeffrey Kindley, PG
Senior Project Manager
TRC Environmental Corporation

**Attachments:**

Attachment #1 - Site Location Map
Attachment #2 – Site Diagram
Attachment #3 – Photographic Log

cc: File




LEGEND:

4000 2000 0 2000 4000

Distance in Feet

Attachement #1

Site Location Map
ETC Field Services, LLC
Jal #3 BGTs
Lea County, NM

| | |
|---|---|
| Scale 1" = 4,000' | |
| Drafted By: JL | Checked By: CS |
| Draft: July 28, 2017 | |
| Lat. N 32.173676 Long. W102.173696 | |
| Sec. 33 T24S R37E | |
| TRC Proj. Nos.: 283490, 284097 | |

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LEGEND:

Below-Grade Tank

High-Pressure Steam Line

Attachement #2

Site Diagram
ETC Field Services, LLC
Jal #3 BGTs
Lea County, NM

| | |
|---|---|
| Scale 1" = 40' | |
| Drafted By: JL | Checked By: CS |
| Draft: July 28, 2017 | |
| Lat. N 32.173676 Long. W102.173696 | |
| Sec. 33 T24S R37E | |
| TRC Proj. Nos.: 283490 | |

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**Photo 1:** View of the West Boiler Sump prior to cutting the top off, facing north.

**Photo 2:** View of the West Boiler Sump after cutting top off, facing southwest.

**Photo 3:** View of the interior of the West Boiler Sump after limited cleaning activities.

**Photo 4:** View of the interior of the West Boiler Sump after limited cleaning activities.

**Photo 5:** View of the West Boiler Sump and affected utilities and proximity to pipe rack, facing south.

**Photo 6:** View of the West Boiler Sump, affected utilities, proximity to pipe rack and mechanical building, facing east.

**Photo 7:** View of the West Boiler Sump and affected utilities and proximity to pipe rack support (east side), facing north.

**Photo 8:** View of affected pipe rack support and associated utilities, included the high pressure steam line, facing south.