

RECR - 19

**WORKPLAN AND
PURCHASE ORDER**

**YEAR(S):
2009**

September 3, 2009

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

Dear Mr. Griswold:

Re: Work Plan for Remedial Action at the Ramapo #1, West White Ranch #2, and Pogo State #2 Sites in Southeastern New Mexico

RESPEC is pleased to submit the following work plan and cost estimate for the above-referenced sites of formerly operating oils wells. All work will be conducted in accordance with all pertinent state and federal regulations. A Professional Geologist will have direct supervisory control over the project. RESPEC will give a minimum of 96 hours' advance notice to the Oil Conservation Division (OCD) Project Manager before starting work, which will be organized into the following tasks:

- Tasks 1 through 4 – Common to All Sites
- Tasks 5 through 9 – Specific to the Ramapo #1 Site
- Tasks 10 through 13 – Specific to the West White Ranch #2 Site
- Tasks 14 through 16 – Specific to the Pogo State #2 Site
- Task 17 – Common to All Sites

TASK 1 — PREPARE A WORK PLAN

This task involves the preparation of the work plan and cost estimates and interaction with all subcontractors and the OCD Project Manager.

TASK 2 – LOCATE BURIED UTILITIES VIA NEW MEXICO ONE CALL

RESPEC's subcontractor will contact the New Mexico One Call System to locate, mark, and map all buried pipelines and utilities at the sites. The subcontractor will maintain and update a One Call log as required throughout the duration of the project.

TASK 3 – HOLD A PREJOB CONFERENCE

A prejob conference will be scheduled to detail site remediation procedures, including the timeline for construction activities, required signage for public information and traffic control, local and countywide notification as required, project budgeting and cost control, and required safety procedures for the project.

TASK 4 – PREPARE A HEALTH AND SAFETY PLAN

A project-specific health and safety plan (HASP) will be completed before fieldwork commences. The HASP will include, but not be limited to, the following: an information summary for the three sites, a list of key personnel on-site and their responsibilities, tailgate meeting schedules and mandatory attendance logs, site hazards, emergency information, a job hazard assessment, requirements for personal protective equipment (PPE), air quality monitoring, decontamination and disposal, employee training, and emergency procedures.

RAMAPO #1 SITE

The Ramapo #1 site is located at Latitude 32.788400 Longitude -104.232973, in ULSTR K-36-17S-27E in Eddy County, New Mexico, east of Artesia, west of Loco Hills, and south of U.S. Highway 82. It can be reached by driving 9.7 miles east from the main intersection in Artesia (15 miles west of Loco Hills) on U.S. Highway 82 toward Lovington, then south on Hilltop Road just east of the power station (on the north side) for 1.5 miles, turning west on Evans Road and driving 0.3 miles.

This site has been an illegal dumping area for about 60 years and has two pits contaminated with oilfield waste and chloride. In addition to the removal of all trash and debris, RESPEC will oversee the execution of Tasks 5-9 below.

TASK 5 – MUCK OUT AND BACKFILL PIT #1

Pit #1 (see Photograph 1 on p.3) measures approximately 40 feet by 25 feet at the surface and has an unknown depth. RESPEC's subcontractor will muck out Pit #1 to a depth of 8 to 10 feet and backfill it with soil free from contamination. All contaminated soil will be removed from the site and taken to a waste facility approved by the New Mexico Oil Conservation Division (OCD).



Photograph 1. Pit #1 on Ramapo #1 Site

TASK 6 – MUCK OUT AND BACKFILL PIT #2

Pit #2 (see Photograph 2 below) measures approximately 20 feet by 20 feet at the surface and has an unknown depth. RESPEC's subcontractor will muck out Pit #2 to a depth of 8 to 10 feet and backfill it with soil free from contamination. All contaminated soil will be removed from the site and taken to a waste facility approved by the OCD.



Photograph 2. Pit #1 on Ramapo #1 Site

TASK 7 – REMOVE CONTAMINATED SOIL FROM THE AREA AROUND PIT #1 AND REGRADE THE SITE

The soil in the area around Pit #1 (see Photograph 3 on p.4) is contaminated with chloride and hydrocarbons. RESPEC will oversee the removal of this contaminated soil to a depth of 1 to 2 feet. The contaminated soil will be removed from the site and taken to a waste facility approved by the OCD and will be replaced with soil free from

contamination. The area will then be regraded so as to divert water runoff, thereby preventing erosion of the downgradient road.



Photograph 3. Area Around Pit #1

TASK 8 – REMOVE CONTAMINATED SOIL FROM THE AREA AROUND PIT #2, REGRADE THE SITE, AND RESEED

The soil in the area around Pit #2 (see Photograph 4 below) is contaminated with chloride and hydrocarbons. RESPEC will oversee the removal of this contaminated soil to a depth of 1 to 2 feet. The contaminated soil will be removed from the site and taken to a waste facility approved by the OCD and will be replaced with soil free from contamination. The area will then be regraded so as to divert water runoff, thereby preventing erosion of the road. In the process of soil removal and regrading, RESPEC will make sure that the two buried pipelines in this area (one possibly for fresh water) are not damaged or disturbed. Photograph 5 below shows an exposed pipeline. The area around Pit #2 will be seeded with grass and watered.



Photograph 4. Area Around Pit #2



Photograph 5. One of Two Buried Pipelines

TASK 9 – REPAIR/REGRADE ROADS AS NEEDED

Erosion has damaged several parts of the roads at the Ramapo #1 site. RESPEC will oversee the installation of water bars and the backfilling of roads as needed. After repairs, the roads will be able to accommodate the hauling of equipment by heavy vehicles.

WEST WHITE RANCH #2 SITE

The West White Ranch #2 site is on gated private property belonging to Mr. Clay Boyd (reachable by telephone 432-685-1022 and by e-mail at c777boyd@aol.com). The site is located at H-1-12S-28E 1836 FNL, 660 FEL, in Chaves County, east-southeast of Roswell, south of U.S. Highway 380 to Tatum. On the site are a primary (main) pit, which measures approximately 90 feet by 50 feet at the surface (see Photograph 6 below), and an emergency pit with a surface area of approximately 100 square feet (see Photograph 7 below). There are also roadways that may require some work with a grader to make them suitable for truck traffic.



Photograph 6. Primary Pit



Photograph 7. Emergency Pit

TASK 10 – DELINEATE SOIL CONTAMINATION

RESPEC will delineate the soil contamination with OCD-recommended field testing. The levels of contamination will, of course, determine the amount of soil to be removed (see Task 12 below).

TASK 11 – REMOVE AND DISPOSE OF THE FENCE, THE PIT LINER, AND DEBRIS

RESPEC's subcontractor will remove the fence around the main pit, the pit liner, and all debris and dispose of them in the closest appropriate landfill.

TASK 12 – REMOVE CONTAMINATED SOIL IN AND AROUND THE EMERGENCY PIT, THE ROADWAY, AND THE PRIMARY PIT

RESPEC will oversee the removal of contaminated soil from the two pits, the areas around them, and the roadway. The contaminated soils will be removed from the site and taken to a waste facility approved by the OCD.

TASK 13 – BACKFILL THE PITS, RESTORE THE ROADWAY, AND RESEED THE BARREN AREAS

Both pits will be backfilled with soil from an existing stockpile on the site (see Photograph 8 below). The roadway will be restored by means of a grader. All barren areas, including the backfilled pits, will be seeded with grass and watered.



Photograph 8. Stockpile of Soil for Backfill

POGO STATE #2 Site

The Pogo State #2 site, at N-16-7S-28E 660 FSL 1980 FWL, is 2 miles west of Elkins in Chaves County, New Mexico, north of U.S. Highway 72 between Roswell and Portales. It is located on Miller Ranch managed by Mr. Bill Smith, who can be reached by telephone at (575) 623-7555. On the site are a shallow pit (see Photograph 9 on p.7) with a surface area of approximately 400 square feet and a road that runs past the ranch house, which has an asphalt driveway.



Photograph 9. Shallow Pit at Pogo State #2 Site

TASK 14 – REPAIR THE ROAD TO ALLOW FOR TRUCK TRAFFIC

RESPEC's subcontractor will grade or backfill as needed to fill in the gullies on the roadway and make it serviceable for heavy truck traffic.

TASK 15 – EXCAVATE AND BACKFILL THE PIT AND LEVEL THE GROUND SURFACE

The pit will be excavated to a depth of 5 to 10 feet to remove hydrocarbon contamination. The contaminated soil will be removed from the site and taken to a waste facility approved by the OCD and will be replaced with soil free from contamination. The ground surface will then be leveled.

TASK 16 – REMOVE CONTAMINATED SOIL AROUND THE PIT AND ELSEWHERE, REGRADE, AND RESEED

Contaminated soil around the pit and elsewhere on the site (see Photograph 10 below) will be removed to a depth of 1 to 2 feet. The contaminated soil will be removed from the site and taken to a waste facility approved by the OCD. The area will then be regraded, seeded with grass, and watered.



Photograph 10. Contaminated Soil at Pogo State #2 Site

TASK 17 – PREPARE AND SUBMIT APPROPRIATE REPORTS

As required by the OCD, RESPEC will submit one or more appropriate reports. At a minimum, any such report will include the following:

- A site map showing all buried pipelines and electrical hazards.
- The volume of material removed from the excavation zone(s), the trip manifests, and the name of the disposal/reclamation company.
- The volume/weight of trash removed and the name of the disposal/recycling company used.
- A tabulation of all analytical data gathered during the investigation.
- One or more maps, with cross sections showing the location, depth, and concentrations of all waste material removed and disposed.
- Conclusions and recommendations.

INSURANCE

RESPEC maintains at its own expense the following insurance plans in dollar amounts that meet or exceed the value of services to be performed under the terms of this work plan:

- Workers' compensation insurance: statutory.
- Employer's liability insurance of \$1,000,000 per occurrence, \$1,000,000 aggregate.
- Comprehensive general liability insurance of \$1,000,000 per occurrence, \$2,000,000 aggregate.
- Vehicle liability insurance of \$1,000,000 per occurrence (property damage and bodily injury combined).

Within 20 working days of the contract signing, RESPEC will provide the owner/operator with a certificate of insurance naming the owner/operator as the certificate holder.

ASSUMPTIONS

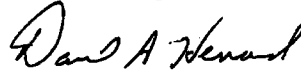
- Access to the sites will be during normal working hours.
- Excavation areas will be free of underground utilities.
- All waste at the sites is considered exempt oil field waste.

- On the Pogo State #2 site, repairs to the asphalt road to the ranch house will be made under separate contract at \$181.00 per ton of placed cold mix (placed with blade and roller).
- Due to the shallowness of excavations, compaction of fill dirt will be achieved by wheel rolling with heavy equipment only.
- Excavated areas will be finished with backfill.

COST ESTIMATE

Ramapo #1	\$ 70,697.00 + \$ 4,860.42 NMGR = \$ 75,557.42
West White Ranch #2	\$ 56,179.50 + \$ 3,862.34 NMGR = \$ 60,041.84
Pogo #2	\$ 59,407.50 + \$ 4,084.27 NMGR = \$ 63,491.77

Respectfully submitted,

Dave Henard,
Project GeologistDAH:pas
Project Central File 1912 — Category E

West White Ranch 002 30-005-10094 H-1-12S-28E

SITE INSPECTION: OCTOBER 23, 2008

Site Ranking: 0. Closest water of record is a well located in 2-12S-28E. DTGW: 140'.

Observation:

1. 2 pits: one used for P/A activities (lined/no breach) and one emergency pit (unlined) to control fluids from brine water blow out.
2. Chloride staining at the emergency pit and on location. Sparse vegetation on location.
3. Debris on location.

Recommendation:

1. Delineation of location, along roadway flow path, and emergency pit.
2. Remediation as warranted based on soil analytical data.

Photos available at the following link:

L:\Artesia\Pictures\Stevens_Operating\West_WhiteRanch_2



State of New Mexico Purchase Order

PO Number to be on all Invoices and Correspondence

Dispatch via Print

Energy, Minerals & Resources

1220 South St. Francis Drive
Santa Fe NM 87505
United States

Vendor: 0000059915
RESPEC, INC.
5971 JEFFERSON NE STE 101
ALBUQUERQUE NM 87109

Purchase Order 62100-0000022342	Date 09/28/2009	Revision	Page 1
Payment Terms Pay Now	Freight Terms FOB Destination	Ship Via Best Way	
Buyer RACHEL D. HERRERA	Phone 505/476-3311		

Ship To: 1220 South St. Francis Drive
Room 346
Santa Fe NM 87501
United States

Bill To: 1220 South St. Francis Drive
Room 346
Santa Fe NM 87501
United States

Origin: CON **ExclExcl #:**

Line-Sch	Item/Description	Mfg ID	Quantity	UOM	PO Price	Extended Amt	Due Date
1- 1	Environmental corrective action at three wellsites in Southeastern New Mexico. (Ramapo #1, West White Ranch #2, and Pogo State #2. Contact person is Jim Griswold @ 476-3465. Contact person is Rachel Herrera @ 476-3477		1.00	EA	228,954.69	228,954.69	09/28/2009

52100-31100-0710000000-535300- -0750- - -110-90000

Schedule Total 228,954.69

Contract ID: 80-805-00-03377AF

Contract Line: 0 Release: 0

Item Total 228,954.69

CONTRACT EXP. 7/16/10

Total PO Amount 228,954.69

Agency Approval - I certify that the proposed purchase represented by this document is authorized by and is made in accordance with all State (and if applicable Federal) legislation rules and regulation. I further certify that adequate unencumbered cash and budget expenditure authority exists for this proposed purchase and all other outstanding purchase commitments and accounts payable.

Authorized Signature

STATE OF NEW MEXICO
GENERAL SERVICES DEPARTMENT- PURCHASING DIVISION
TERMS AND CONDITIONS UNLESS OTHERWISE SPECIFIED

SPD-101A (07/92)

1. GENERAL: When the State Purchasing Agent issues a purchase document in response to the Vendors bid, a binding contract is created.
2. VARIATION IN QUANTITY: No variation in the quantity of any item called for by this order will be accepted unless such variation has been caused by conditions of loading, shipping, packing or allowances in manufacturing process, and then only to the extent, if any, specified elsewhere in this order.
3. ASSIGNMENT:
 - A: Neither the order, nor any interest therein, nor claim thereunder, shall be assigned or transferred by the Vendor, except as set forth in subparagraph 3B below or as expressly authorized in writing by the STATE PURCHASING AGENTS OFFICE. No such assignment or transfer shall relieve the Vendor from the obligations and liabilities under this order.
 - B: Vendor agrees that any and all claims for overcharge resulting from antitrust violations which are borne by the State as to goods, services, and materials purchased in connection with this bid are hereby assigned to the State.
4. STATE FURNISHED PROPERTY: State furnished property shall be returned to the state upon request in the same condition as received except for ordinary wear, tear, and modifications ordered hereunder.
5. DISCOUNTS: Prompt payment discounts will not be considered in computing the low bid. Discounts for payment within 20 days will be considered after the award of the contract. Discounted time will be computed from the date of receipt of the merchandise or invoice, whichever is later.
6. INSPECTION: Final inspection and acceptance will be made at the destination. Supplies rejected at the destination for non-conformance with specifications shall be removed, at the Vendors risk and expense, promptly after notice of rejection.
7. INSPECTION OF PLANT: The State Purchasing Agent may inspect, at any reasonable time, the part of the contractors, or any subcontractors plant or place of business, which is related to the performance of this contract.
8. COMMERCIAL WARRANTY: The Vendor agrees that the supplies or services furnished under this order shall be covered by the most favorable commercial warranties the Vendor gives to any customer for such supplies or services, and that the rights and remedies provided herein shall extend to the State and are in addition to and do not limit any rights afforded to the State by any other cause of this order. Vendor agrees not to disclaim warranties of fitness for a particular purpose or merchantability.
9. TAXES: The unit price shall exclude all State taxes.
10. PACKING, SHIPPING AND INVOICING:
 - A: The States purchase document number and the Vendors name, users name and location shall be shown on each packing and delivery ticket, package, bill of lading and other correspondence in connection with the shipment. The users count will be accepted by the Vendor as final and conclusive on all shipments not accompanied by a packing ticket.
 - B: The Vendors invoice shall be submitted in triplicate, duly certified and shall contain the following information: order number, description of supplies or services, quantities, unit prices and extended totals. Separate invoices shall be rendered for each and every complete shipment.
 - C: Invoices must be submitted to the using agency and NOT THE STATE PURCHASING AGENT.
11. DEFAULT: The State reserves the right to cancel all or any part of this order without cost to the State, if the Vendor fails to meet the provisions of this order and, except as otherwise provided herein, to hold the Vendor liable for any excess cost occasioned by the State due to the Vendors default. The Vendor shall not be liable for any excess costs if failure to perform the order arises out of causes beyond the control and without the fault or negligence of the Vendor, such causes include, but are not restricted to, acts of God or of the public enemy, acts of the State or of the Federal Government, fires, floods, epidemics, quarantine restrictions, strikes, freight embargos, unusually severe weather and defaults of subcontractors due to any of the above, unless the State shall determine that the supplies or services to be furnished by the subcontractor where obtainable from other sources in sufficient time to permit the Vendor to meet the required delivery scheduled. The rights and remedies of the State provided in this paragraph shall not be exclusive and are in addition to any other rights now being provided by law or under this order.
12. NON-COLLUSION: In signing this bid, the Vendor certifies he/she has not, either directly or indirectly, entered into action in restraint of free competitive bidding in connection with this proposal submitted to the State Purchasing Agent.
13. NON-DISCRIMINATION: Vendors doing business with the State of New Mexico must be in compliance with the Federal Civil Rights Act of 1964 and Title VII of that Act, Rev., 1979.
14. THE PROCUREMENT CODE: Sections 13-1-28 through 13-1-199 NMSA 1978 imposes civil and criminal penalties for its violation. In addition, the New Mexico criminal statutes impose felony penalties for bribes, gratuities and kickbacks.
15. All bid items are to be NEW and most current production, unless otherwise specified.