

NM1 - ____ 10 B ____

**GENERAL
CORRESPONDENCE**

YEAR(S):

2013-2016

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

David Catanach, Division Director
Oil Conservation Division



January 20, 2016

Ms. Marcella Marquez
JFJ Landfarm, L.L.C.
Industrial Ecosystems Inc.
Soil Reclamation Center
P.O. Box 2043
Farmington, New Mexico 87499

RE: Request for Approval to Reuse Remediated Biopile Soils for the Stabilization/Solidification of Drilling Mud and Tank Bottoms and Sludge
JFJ Landfarm, LLC - Industrial Ecosystems Inc.
JFJ Landfarm – Permit # NM1-010-B
Location: NW/4 SE/4 of Section 2, Township 29 North, Range 12 West, NMPM,
San Juan County, New Mexico

Dear Ms. Marquez:

The Oil Conservation Division (OCD) has reviewed JFJ Landfarm, LLC's (JFJ) request, emailed to OCD on January 19, 2016, and associated analytical results to reuse the remediated soils for the stabilization and/or solidification of incoming drilling mud and tank bottoms and sludge from following biopile(s): **437, 420, 936, 432, 889, 427, 410, 415, and 436.**

Based upon the information provided in the request, the above-referenced biopiles are hereby approved for the stabilization and/or solidification of incoming drilling mud and tank bottoms and sludge.

Please be advised that approval of this request does not relieve JFJ of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve JFJ of its responsibility to comply with any other applicable governmental authority's rules and regulations.

If there are any questions regarding this matter, please do not hesitate to contact Brad Jones on my staff at (505) 476-3487 or brad.a.jones@state.nm.us.

Sincerely,

Jim Griswold
Environmental Bureau Chief

JG/baj

cc: OCD District III Office, Aztec

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

David Catanach, Division Director
Oil Conservation Division



January 19, 2016

Ms. Marcella Marquez
JFJ Landfarm, L.L.C.
Industrial Ecosystems Inc.
Soil Reclamation Center
P.O. Box 2043
Farmington, New Mexico 87499

RE: Request for Approval to Reuse Remediated Biopile Soils for the Stabilization/Solidification of Drilling Mud and Tank Bottoms and Sludge
JFJ Landfarm, LLC - Industrial Ecosystems Inc.
JFJ Landfarm – Permit # NM1-010-B
Location: NW/4 SE/4 of Section 2, Township 29 North, Range 12 West, NMPM,
San Juan County, New Mexico

Dear Ms. Marquez:

The Oil Conservation Division (OCD) has reviewed JFJ Landfarm, LLC's (JFJ) request, emailed to OCD on January 18, 2016, and associated analytical results to reuse the remediated soils for the stabilization and/or solidification of incoming drilling mud and tank bottoms and sludge from following biopile(s): **774, 564, 942, and 867.**

Based upon the information provided in the request, the above-referenced biopiles are hereby approved for the stabilization and/or solidification of incoming drilling mud and tank bottoms and sludge.

Please be advised that approval of this request does not relieve JFJ of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve JFJ of its responsibility to comply with any other applicable governmental authority's rules and regulations.

If there are any questions regarding this matter, please do not hesitate to contact Brad Jones on my staff at (505) 476-3487 or brad.a.jones@state.nm.us.

Sincerely,

Jim Griswold
Environmental Bureau Chief

JG/baj

cc: OCD District III Office, Aztec

1220 South St. Francis Drive • Santa Fe, New Mexico 87505
Phone (505) 476-3460 • Fax (505) 476-3462 • www.emnrd.state.nm.us/ocd

State of New Mexico
Energy, Minerals and Natural Resources Department

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Deputy Cabinet Secretary

David Catanach, Division Director
Oil Conservation Division



January 6, 2016

Ms. Marcella Marquez
JFJ Landfarm, L.L.C.
Industrial Ecosystems Inc.
Soil Reclamation Center
P.O. Box 2043
Farmington, New Mexico 87499

RE: Request for Approval to Reuse Remediated Biopile Soils for the Stabilization/Solidification of Drilling Mud and Tank Bottoms and Sludge
JFJ Landfarm, LLC - Industrial Ecosystems Inc.
JFJ Landfarm – Permit # NM1-010-B
Location: NW/4 SE/4 of Section 2, Township 29 North, Range 12 West, NMPM,
San Juan County, New Mexico

Dear Ms. Marquez:

The Oil Conservation Division (OCD) has reviewed JFJ Landfarm, LLC's (JFJ) email request, emailed to OCD on January 5, 2016, and associated analytical results to reuse the remediated soils for the stabilization and/or solidification of incoming drilling mud and tank bottoms and sludge from following biopile(s): **573, 45, 918, 140, 959, 606, 633, and 604.**

Based upon the information provided in the request, the above-referenced biopiles are hereby approved for the stabilization and/or solidification of incoming drilling mud and tank bottoms and sludge.

Please be advised that approval of this request does not relieve JFJ of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve JFJ of its responsibility to comply with any other applicable governmental authority's rules and regulations.

If there are any questions regarding this matter, please do not hesitate to contact Brad Jones on my staff at (505) 476-3487 or brad.a.jones@state.nm.us.

Sincerely,

Jim Griswold
Environmental Bureau Chief

JG/baj

cc: OCD District III Office, Aztec

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Energy, Minerals and Natural Resources Department

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Deputy Cabinet Secretary

David Catanach, Division Director
Oil Conservation Division



December 7, 2015

Ms. Marcella Marquez
JFJ Landfarm, L.L.C.
Industrial Ecosystems Inc.
Soil Reclamation Center
P.O. Box 2043
Farmington, New Mexico 87499

RE: Request for Approval to Reuse Remediated Biopile Soils for the Stabilization/Solidification of Drilling Mud and Tank Bottoms and Sludge
JFJ Landfarm, LLC - Industrial Ecosystems Inc.
JFJ Landfarm – Permit # NM1-010-B
Location: NW/4 SE/4 of Section 2, Township 29 North, Range 12 West, NMPM,
San Juan County, New Mexico

Dear Ms. Marquez:

The Oil Conservation Division (OCD) has reviewed JFJ Landfarm, LLC's (JFJ) email request, dated and emailed to OCD on December 4, 2015, and associated analytical results to reuse the remediated soils for the stabilization and/or solidification of incoming drilling mud and tank bottoms and sludge from following biopile(s): **926, 933, 767, 956, 957, 688, 837, 875, 894, 916, 686, 541, 830, 953, 788, and 796.**

Based upon the information provided in the request, the above-referenced biopiles are hereby approved for the stabilization and/or solidification of incoming drilling mud and tank bottoms and sludge.

Please be advised that approval of this request does not relieve JFJ of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve JFJ of its responsibility to comply with any other applicable governmental authority's rules and regulations.

If there are any questions regarding this matter, please do not hesitate to contact Brad Jones on my staff at (505) 476-3487 or brad.a.jones@state.nm.us.

Sincerely,

Jim Griswold
Environmental Bureau Chief

JG/baj

cc: OCD District III Office, Aztec

State of New Mexico
Energy, Minerals and Natural Resources Department

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Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

David Catanach, Division Director
Oil Conservation Division



December 7, 2015

Ms. Marcella Marquez
JFJ Landfarm, L.L.C.
Industrial Ecosystems Inc.
Soil Reclamation Center
P.O. Box 2043
Farmington, New Mexico 87499

RE: Request for Approval to Reuse Remediated Biopile Soils for the Stabilization/Solidification of Drilling Mud and Tank Bottoms and Sludge
JFJ Landfarm, LLC - Industrial Ecosystems Inc.
JFJ Landfarm – Permit # NM1-010-B
Location: NW/4 SE/4 of Section 2, Township 29 North, Range 12 West, NMPM,
San Juan County, New Mexico

Dear Ms. Marquez:

The Oil Conservation Division (OCD) has reviewed JFJ Landfarm, LLC's (JFJ) email request, dated November 2, 2015 and emailed to OCD on November 9, 2015, and associated analytical results to reuse the remediated soils for the stabilization and/or solidification of incoming drilling mud and tank bottoms and sludge from following biopile(s): **798, 838, 937, 804, and 928.**

Based upon the information provided in the request, the above-referenced biopiles are hereby approved for the stabilization and/or solidification of incoming drilling mud and tank bottoms and sludge.

Please be advised that approval of this request does not relieve JFJ of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve JFJ of its responsibility to comply with any other applicable governmental authority's rules and regulations.

If there are any questions regarding this matter, please do not hesitate to contact Brad Jones on my staff at (505) 476-3487 or brad.a.jones@state.nm.us.

Sincerely,

Jim Griswold
Environmental Bureau Chief

JG/baj

cc: OCD District III Office, Aztec

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Phone (505) 476-3460 • Fax (505) 476-3462 • www.emnrd.state.nm.us/ocd

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Oil Conservation Division



December 7, 2015

Ms. Marcella Marquez
JFJ Landfarm, L.L.C.
Industrial Ecosystems Inc.
Soil Reclamation Center
P.O. Box 2043
Farmington, New Mexico 87499

RE: Request for Approval to Reuse Remediated Biopile Soils for the Stabilization/Solidification of Drilling Mud and Tank Bottoms and Sludge
JFJ Landfarm, LLC - Industrial Ecosystems Inc.
JFJ Landfarm – Permit # NM1-010-B
Location: NW/4 SE/4 of Section 2, Township 29 North, Range 12 West, NMPM,
San Juan County, New Mexico

Dear Ms. Marquez:

The Oil Conservation Division (OCD) has reviewed JFJ Landfarm, LLC's (JFJ) email request, dated November 2, 2015, and associated analytical results to reuse the remediated soils for the stabilization and/or solidification of incoming drilling mud and tank bottoms and sludge from following biopile(s): **930, 938, 940, 958, 988, 943, 939, 927, and 962.**

Based upon the information provided in the request, the above-referenced biopiles are hereby approved for the stabilization and/or solidification of incoming drilling mud and tank bottoms and sludge.

Please be advised that approval of this request does not relieve JFJ of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve JFJ of its responsibility to comply with any other applicable governmental authority's rules and regulations.

If there are any questions regarding this matter, please do not hesitate to contact Brad Jones on my staff at (505) 476-3487 or brad.a.jones@state.nm.us.

Sincerely,

Jim Griswold
Environmental Bureau Chief

JG/baj

cc: OCD District III Office, Aztec

Griswold, Jim, EMNRD

From: Adam Rankin <AGRankin@hollandhart.com>
Sent: Friday, November 13, 2015 4:20 PM
To: Griswold, Jim, EMNRD
Cc: Wade, Gabriel, EMNRD; Jordan L. Kessler; marcella@industrialecosystems.com
Subject: RE: JFJ Vadose Zone letter - request for extension of time to respond

Jim,

I am following up on my voicemail messages of today and yesterday. As we have recently discussed, JFJ is working to address the issues raised by the OCD in its letter. You recently confirmed to me that OCD would require JFJ to obtain background samples for all of the WQCC constituents, not just the metals. As I mentioned to you, those sampling analyses require 15 days or more to run at the laboratory. JFJ has not received its samples back from the lab yet and so cannot prepare a response to the Division until those samples have been analyzed and returned from the laboratory.

JFJ will require additional time to review the analysis and prepare a response to the Division. I understand from our prior discussions on this issue that the Division would be willing to grant JFJ additional time to respond to the Division's letter so long as it was working in good faith to address the issues raised. Because JFJ has been endeavoring to do so and because I have not heard back from you, we assume that the Division approves an extension to respond.

As I mentioned in my voicemail messages, because of the work involved and the approaching holidays, JFJ may require until the early part of January to prepare its response. We anticipate that this timeframe is acceptable. Please let me know if it is not. We look forward to continuing to work with you to address the Division's concerns.

Very best,
Adam

From: Griswold, Jim, EMNRD [mailto:Jim.Griswold@state.nm.us]
Sent: Tuesday, September 15, 2015 3:43 PM
To: Adam Rankin; marcella@industrialecosystems.com
Cc: Wade, Gabriel, EMNRD; Jordan L. Kessler; Jones, Brad A., EMNRD
Subject: RE: JFJ Vadose Zone letter - request for extension of time to respond

The OCD approves an extension until close-of-business on November 13, 2015 for JFJ Landfarm, LLC to provide additional sampling results, comparison of vadose zone soil analytic data to available background concentrations or practical quantitation limits, and a response action plan for division approval as requested in the May 13, 2015 letter from Mr. Jones to Ms. Marquez. Please retain a copy of this email for your files as no hardcopy will be sent.

Jim Griswold
Environmental Bureau Chief
EMNRD/Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505
505.476.3465
email: jim.griswold@state.nm.us

From: Adam Rankin [mailto:AGRankin@hollandhart.com]
Sent: Thursday, September 10, 2015 3:52 PM
To: Griswold, Jim, EMNRD

Cc: Wade, Gabriel, EMNRD; Jordan L. Kessler

Subject: JFJ Vadose Zone letter - request for extension of time to respond

Dear Jim,

Attached is a letter sent by the Division to JFJ regarding vadose zone testing and requiring a response within 120 days. The 120-deadline imposed by the letter would run on Monday. JFJ is not aware of any authority for the deadline imposed, but has been reviewing the issue raised by the Division and requires an extension of 60 days to continue its review. Can you please confirm by response to this email that the Division approves a 60-day extension?

Very best,

Adam

Adam G. Rankin

Holland & Hart LLP

110 North Guadalupe Suite 1

P.O. Box 2208

Santa Fe, NM 87504

Office: (505) 988-4421

Direct: (505) 954-7294

Cell: (505) 570-0377

Fax (505) 983-6043

E-mail: agrankin@hollandhart.com

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HOLLAND&HART 

CONFIDENTIALITY NOTICE: This message is confidential and may be privileged. If you believe that this email has been sent to you in error, please reply to the sender that you received the message in error; then please delete this e-mail. Thank you.

Jones, Brad A., EMNRD

From: Griswold, Jim, EMNRD
Sent: Tuesday, September 15, 2015 3:43 PM
To: Adam Rankin; marcella@industrialecosystems.com
Cc: Wade, Gabriel, EMNRD; Jordan L. Kessler; Jones, Brad A., EMNRD
Subject: RE: JFJ Vadose Zone letter - request for extension of time to respond

The OCD approves an extension until close-of-business on November 13, 2015 for JFJ Landfarm, LLC to provide additional sampling results, comparison of vadose zone soil analytic data to available background concentrations or practical quantitation limits, and a response action plan for division approval as requested in the May 13, 2015 letter from Mr. Jones to Ms. Marquez. Please retain a copy of this email for your files as no hardcopy will be sent.

Jim Griswold

Environmental Bureau Chief
EMNRD/Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505
505.476.3465
email: jim.griswold@state.nm.us

From: Adam Rankin [<mailto:AGRankin@hollandhart.com>]
Sent: Thursday, September 10, 2015 3:52 PM
To: Griswold, Jim, EMNRD
Cc: Wade, Gabriel, EMNRD; Jordan L. Kessler
Subject: JFJ Vadose Zone letter - request for extension of time to respond

Dear Jim,

Attached is a letter sent by the Division to JFJ regarding vadose zone testing and requiring a response within 120 days. The 120-deadline imposed by the letter would run on Monday. JFJ is not aware of any authority for the deadline imposed, but has been reviewing the issue raised by the Division and requires an extension of 60 days to continue its review. Can you please confirm by response to this email that the Division approves a 60-day extension?

Very best,
Adam

Adam G. Rankin

Holland & Hart LLP
110 North Guadalupe Suite 1
P.O. Box 2208
Santa Fe, NM 87504
Office: (505) 988-4421
Direct: (505) 954-7294
Cell: (505) 570-0377
Fax (505) 983-6043
E-mail: agrankin@hollandhart.com
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CONFIDENTIALITY NOTICE: This message is confidential and may be privileged. If you believe that this email has been sent to you in error, please reply to the sender that you received the message in error; then please delete this e-mail. Thank you.

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

David Catanach, Division Director
Oil Conservation Division



September 16, 2015

Ms. Marcella Marquez
JFJ Landfarm, L.L.C.
Industrial Ecosystems Inc.
Soil Reclamation Center
P.O. Box 2043
Farmington, New Mexico 87499

RE: Request for Approval to Reuse Remediated Biopile Soils for the Stabilization/Solidification of Drilling Mud and Tank Bottoms and Sludge
JFJ Landfarm, LLC - Industrial Ecosystems Inc.
JFJ Landfarm – Permit # NM1-010-B
Location: NW/4 SE/4 of Section 2, Township 29 North, Range 12 West, NMPM,
San Juan County, New Mexico

Dear Ms. Marquez:

The Oil Conservation Division (OCD) has reviewed JFJ Landfarm, LLC's (JFJ) email request, dated September 3, 2015, and associated analytical results to reuse the remediated soils for the stabilization and/or solidification of incoming drilling mud and tank bottoms and sludge from following biopile(s): **919, 881, 912, 951, 548, 950, 880, and 929.**

Based upon the information provided in the request, the above-referenced biopiles are hereby approved for the stabilization and/or solidification of incoming drilling mud and tank bottoms and sludge.

Please be advised that approval of this request does not relieve JFJ of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve JFJ of its responsibility to comply with any other applicable governmental authority's rules and regulations.

If there are any questions regarding this matter, please do not hesitate to contact Brad Jones on my staff at (505) 476-3487 or brad.a.jones@state.nm.us.

Sincerely,

Jim Griswold
Environmental Bureau Chief

JG/baj

cc: OCD District III Office, Aztec

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

David Catanach, Division Director
Oil Conservation Division



July 8, 2015

Ms. Marcella Marquez
JFJ Landfarm, L.L.C.
Industrial Ecosystems Inc.
Soil Reclamation Center
P.O. Box 2043
Farmington, New Mexico 87499

**RE: Request for Approval to Reuse Remediated Biopile Soils for the Stabilization/Solidification of Drilling Mud and Tank Bottoms and Sludge
JFJ Landfarm, LLC - Industrial Ecosystems Inc.
JFJ Landfarm – Permit # NM1-010-B
Location: NW/4 SE/4 of Section 2, Township 29 North, Range 12 West, NMPM,
San Juan County, New Mexico**

Dear Ms. Marquez:

The Oil Conservation Division (OCD) has reviewed JFJ Landfarm, LLC's (JFJ) email request, dated July 8, 2015, and associated analytical results to reuse the remediated soils for the stabilization and/or solidification of incoming drilling mud and tank bottoms and sludge from following biopile(s): **876, 878, and 1007.**

Based upon the information provided in the request, the above-referenced biopiles are hereby approved for the stabilization and/or solidification of incoming drilling mud and tank bottoms and sludge.

Please be advised that approval of this request does not relieve JFJ of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve JFJ of its responsibility to comply with any other applicable governmental authority's rules and regulations.

If there are any questions regarding this matter, please do not hesitate to contact me at (505) 476-3487 or brad.a.jones@state.nm.us.

Sincerely,

Brad A. Jones
Environmental Engineer

BAJ/baj

cc: OCD District III Office, Aztec

1220 South St. Francis Drive • Santa Fe, New Mexico 87505
Phone (505) 476-3460 • Fax (505) 476-3462 • www.emnrd.state.nm.us/ocd

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



May 13, 2015

Ms. Marcella Marquez
JFJ Landfarm, L.L.C.
Industrial Ecosystems Inc.
Soil Reclamation Center
P.O. Box 2043
Farmington, New Mexico 87499

RE: 2014 Quarterly Vadose Zone Monitoring Reports Review
JFJ Landfarm, LLC - Industrial Ecosystems Inc.
JFJ Landfarm – Permit # NM1-010-B
Location: NW/4 SE/4 of Section 2, Township 29 North, Range 12 West, NMPM,
San Juan County, New Mexico

Dear Ms. Marquez:

The Oil Conservation Division (OCD) has completed the review of JFJ Landfarm, LLC's (JFJ) 2014 1st Quarterly Vadose Zone Monitoring Report, dated June 13, 2014, 2014 2nd Quarterly Vadose Zone Monitoring Report, dated September 23, 2014, 2014 3rd Quarterly Vadose Zone Monitoring Report, dated December 29, 2014, and 2014 4th Quarterly Vadose Zone Monitoring Report, dated April 28, 2015. The vadose zone results were not compared to the background results or Practical Quantitative Limit (PQL), whichever is higher, in order to determine if a release has occurred and if additional follow-up actions are required. The semi-annual treatment zone (soils to be remediated) for total petroleum hydrocarbons (TPH) and chlorides have not been demonstrated to OCD. The five year vadose sampling event has not been implemented and demonstrated. Also, OCD did not receive any follow-up demonstrations of compliance with 19.15.36.15.E.(5) NMAC, as requested by OCD in the April 10, 2014 review of the 2013 Quarterly Vadose Zone Monitoring Reports, due to detected chlorides up to 1500 mg/kg, TPH, and xylene in the vadose zone.

Pursuant to Paragraph (5) of 19.15.36.15.E NMAC, "If vadose zone sampling results show that the concentrations of TPH, BTEX or chlorides exceed the higher of the PQL or the background soil concentrations, then the operator shall notify the division's environmental bureau of the exceedance, and shall immediately collect and analyze a minimum of four randomly selected, independent samples for TPH, BTEX, chlorides and the constituents listed in Subsections A and B of 20.6.2.3103 NMAC. The operator shall submit the results of the re-sampling event and a response action plan for the division's approval within 45 days of the initial notification. The response action plan shall address changes in the landfarm's operation to prevent further contamination and, if necessary, a plan for remediating existing contamination." Please complete the requirements of Paragraph (5) of 19.15.36.15.E NMAC for the 2013 reported detections and provide the comparison to background and/or PQLs.

In accordance with Paragraph (1) of 19.15.36.15.E NMAC, "The operator shall monitor the vadose zone beneath the treatment zone in each landfarm cell." Pursuant to Paragraph (3) of 19.15.36.15.E NMAC,

"The operator shall collect and analyze a minimum of four randomly selected, independent samples from the vadose zone, using the methods specified below for the constituents listed in Subsections A and B of 20.6.2.3103 NMAC at least every five years and shall compare each result to the higher of the PQL or the background soil concentrations to determine whether a release has occurred." OCD has reviewed the administrative file and has been unable to locate the five year vadose zone monitoring program demonstration. Part 36 became effective February 14, 2007. The five year sampling event has been due since March 2012, please complete the demonstration. As underlined in the above reference of Paragraph (3) of 19.15.36.15.E NMAC, the "methods specified below for the constituents listed in Subsections A and B of 20.6.2.3103 NMAC" are those identified in Subsection F of 19.15.36.15 NMAC: such as "determined by EPA SW-846 methods 6010B or 6020 or other EPA method approved by the division..." Please perform the five year vadose zone monitoring program demonstration on all of the active landfarm cells and submit the sampling results and comparison to background and/or PQLs demonstrating compliance of Paragraph (3) of 19.15.36.15.E NMAC by EPA SW-846 methods 6010B or 6020.

The 2014 Quarterly Vadose Zone Monitoring Reports only includes a brief written summary and the laboratory results from the sampling events. The requirements of Subsection E of 19.15.36.15 NMAC are clear that the operator "shall compare each result to the higher of the PQL or the background soil concentrations to determine whether a release has occurred." OCD has searched the administrative files for the facility and has been unable to locate any laboratory data identified as facility background. Please provide OCD a copy of the laboratory data set used for the background/PQL data set, in order to establish the facility background with OCD.

Pursuant to 19.15.36.15.D NMAC, "The operator shall collect and analyze at least one composite soil sample, consisting of four discrete samples, from the treatment zone at least semi-annually using the methods specified below for TPH and chlorides." OCD notified all landfarm operators in a letter dated June 30, 2011 and titled "*Compliance with the Transitional Provisions of the Surface Waste Management Facilities rule (Rule 36) and Treatment and Vadose Monitoring Requirements at Existing Landfarms*" of the expectation of compliance. If the sampling has occurred, please provide OCD copies of the laboratory results to demonstrate compliance. If not, please initiate the required sampling and submit the results.

Please complete the required actions of 19.15.36.15.E NMAC by performing the additional sampling, provide OCD with the sampling results compared to background or PQL, and a response action plan within 120 days from the date of this letter. Please perform the five year monitoring program on all of the active landfarm cells within 120 days from the date of this letter. Please provide OCD a copy of the laboratory data set used for the background/PQL data set, in order to establish the facility background with OCD. Please submit any past and all future treatment zone results to OCD to demonstrate compliance to 19.15.36.15.D NMAC. If there are any questions regarding this matter, please do not hesitate to contact me at (505) 476-3487 or brad.a.jones@state.nm.us.

Sincerely,


Brad A. Jones
Environmental Engineer

BAJ/baj

cc: OCD District III Office, Aztec
Jeffrey Blagg, Blagg Engineering, Inc., PO Box 87, Bloomfield, NM 87413

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



April 10, 2014

Ms. Marcella Marquez
JFJ Landfarm, L.L.C.
Industrial Ecosystems Inc.
Soil Reclamation Center
P.O. Box 2043
Farmington, New Mexico 87499

RE: 2013 Quarterly Vadose Zone Monitoring Reports Review
JFJ Landfarm, LLC - Industrial Ecosystems Inc.
JFJ Landfarm – Permit # NM1-010-B
Location: NW/4 SE/4 of Section 2, Township 29 North, Range 12 West, NMPM,
San Juan County, New Mexico

Dear Ms. Marquez:

The Oil Conservation Division (OCD) has completed the review of JFJ Landfarm, LLC's (JFJ) 2013 1st Quarterly Vadose Zone Monitoring Report, dated April 26, 2013, 2013 2nd Quarterly Vadose Zone Monitoring Report, dated August 6, 2013, 2013 3rd Quarterly Vadose Zone Monitoring Report, dated November 14, 2013, and 2013 4th Quarterly Vadose Zone Monitoring Report, dated March 17 2014. The vadose zone results were not compared to the background results or PQL (whichever is higher) in order to determine if a release had occurred and if additional follow-up actions are required to be completed. All four quarterly monitoring reports demonstrate a downward migration of TPH, Chloride, and Xylene contamination approximately three feet into the vadose zone. The five year vadose sampling event has not been implemented and demonstrated. Also, the incorrect test method for TPH was utilized and demonstrated in regards to vadose zone monitoring.

Pursuant to Paragraph (5) of 19.15.36.15.E NMAC, "If vadose zone sampling results show that the concentrations of TPH, BTEX or chlorides exceed the higher of the PQL or the background soil concentrations, then the operator shall notify the division's environmental bureau of the exceedance, and shall immediately collect and analyze a minimum of four randomly selected, independent samples for TPH, BTEX, chlorides and the constituents listed in Subsections A and B of 20.6.2.3103 NMAC. The operator shall submit the results of the re-sampling event and a response action plan for the division's approval within 45 days of the initial notification. The response action plan shall address changes in the landfarm's operation to prevent further contamination and, if necessary, a plan for remediating existing contamination." The 2013 1st Quarterly Vadose Zone Monitoring Report demonstrated TPH contamination in Cells 9B and 4G

and high Chlorides (360 mg/kg when all other cells were less than 7.5 mg/kg) in Cell 7C. The 2013 2nd Quarterly Vadose Zone Monitoring Report demonstrated TPH contamination and high Chlorides in Cell 7G, Xylene contamination in Cell 9A, TPH and Xylene contamination in Cell 11D, and TPH contamination in Cell 12C. The 2013 3rd Quarterly Vadose Zone Monitoring Report demonstrated TPH contamination Cells 7H and 9B. The 2013 4th Quarterly Vadose Zone Monitoring Report demonstrated high Chlorides (1500 mg/kg and 110 mg/kg for a resample when the other eight cells were less than 1.5 mg/kg) in Cell 9C. OCD was not notified of the exceedances, the required additional sampling was not performed, and OCD did not receive the required response action plan to address the confirmed contamination. Please complete the requirements of Paragraph (5) of 19.15.36.15.E NMAC.

In accordance with Paragraph (1) of 19.15.36.15.E NMAC, "The operator shall monitor the vadose zone beneath the treatment zone in each landfarm cell." Pursuant to Paragraph (3) of 19.15.36.15.E NMAC, "The operator shall collect and analyze a minimum of four randomly selected, independent samples from the vadose zone, using the methods specified below for the constituents listed in Subsections A and B of 20.6.2.3103 NMAC at least every five years and shall compare each result to the higher of the POL or the background soil concentrations to determine whether a release has occurred." OCD has reviewed the administrative file and has been unable to locate the five year vadose sampling demonstration. Part 36 became effective February 14, 2007. The five year sampling event is due, please provide. As underlined in the above reference of Paragraph (1) of 19.15.36.15.E NMAC, the "methods specified below for the constituents listed in Subsections A and B of 20.6.2.3103 NMAC" are those identified in Subsection F of 19.15.36.15 NMAC: such as "determined by EPA SW-846 methods 6010B or 6020 or other EPA method approved by the division..." Please perform the five year monitoring program on all of the active landfarm cells and submit all future sampling results demonstrating compliance of Paragraph (3) of 19.15.36.15.E NMAC by EPA SW-846 methods 6010B or 6020.

In regards to utilizing the proper TPH test method for vadose zone monitoring, in accordance with Paragraph (2) of 19.15.36.15.E NMAC the operator shall analyze the samples from the vadose zone "using the methods specified below for TPH, BTEX and chlorides and shall compare each result to the higher of the POL or the background soil concentrations to determine whether a release has occurred." The "methods specified below for TPH, BTEX and chlorides" are those identified in Subsection F of 19.15.36.15 NMAC: such as "TPH, as determined by EPA method 418.1 or other EPA method approved by the division..." Pursuant to the Transitional Provisions of Subsection A of 19.15.36.20.NMAC, "Existing surface waste management facilities shall comply with the operational, waste acceptance and closure requirements provided in 19.15.36 NMAC, except as otherwise specifically provided in the applicable permit or order, or in a specific waiver, exception or agreement that the division has granted in writing to the particular surface waste management facility." The most common vadose zone monitoring (commonly referred to, but incorrectly as "Treatment Zone Monitoring" within existing landfarm permits) condition in an existing landfarm permit is as follows: "The soil samples must be analyzed using EPA-approved methods for total petroleum hydrocarbons (TPH) and volatile aromatic organics (BTEX) quarterly and for major cations/anions and Water Quality Control Commission (WQCC) metals annually." The permit condition only identified the constituent and does not specify the test method. Part 36 specifies EPA Method 418.1 as the

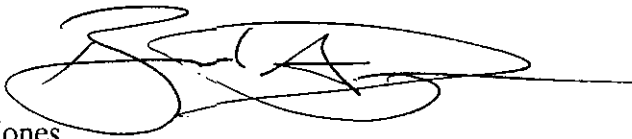
Ms. Marquez
JFJ Landfarm, LLC
Permit NM1-010-B
April 10, 2014
Page 3 of 3

required vadose zone analyses for TPH. Please submit all future vadose zone sampling results demonstrating TPH by EPA Method 418.1.

The 2013 Quarterly Vadose Zone Monitoring Reports only includes a brief written summary and the laboratory results from the sampling events. The requirements of Subsection E of 19.15.36.15 NMAC are clear that the operator "shall compare each result to the higher of the PQL or the background soil concentrations to determine whether a release has occurred." The rest of the vadose zone assessment was not completed to determine if a release has occurred and/or if the required additional testing and a response action plan of Paragraph (5) of 19.15.36.15.E NMAC are required. Please complete the required assessment.

Please complete the required actions of 19.15.36.15.E NMAC by performing the required additional sampling and provide OCD with the sampling results compared to background or PQL and a response action plan within 120 days of receipt of this letter. Please perform the five year monitoring program on all of the active landfarm cells. Please submit future vadose zone sampling results demonstrating TPH by EPA Method 418.1 and compliance to Paragraph (3) of 19.15.36.15.E NMAC by EPA SW-846 methods 6010B or 6020. If there are any questions regarding this matter, please do not hesitate to contact me at (505) 476-3487 or brad.a.jones@state.nm.us.

Sincerely,

A handwritten signature in black ink, appearing to read 'BAJ', with a long horizontal line extending to the right.

Brad A. Jones
Environmental Engineer

BAJ/baj

cc: OCD District III Office, Aztec
Jeffrey Blagg, Blagg Engineering, Inc., PO Box 87, Bloomfield, NM 87413