



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

December 14, 2005

DENIED

Royce Boyce rboyce@btaoil.com

**RE: French #3 SWD
Unit Letter H Section 24T-18S R-32E Lea County NM
Larson and Associates Proposal Dated November 28, 2005**

Dear Mr. Boyce:

The New Mexico Oil Conservation Division (OCD) has reviewed the information submitted by Larson and Associates (LAS) submitted as agent of BTA Oil Producers. This document contains information on chloride contamination at the subject site. Included is a proposal to incorporate the use of a product that is not recognized by OCD to be documented as sound and proven in this application. OCD is receptive to use of products and procedures that work successfully and effectively.

OCD rejects this proposal based upon the following:

1. No documentation provided on the product proposed.
2. This site requires additional vertical delineation.

BTA is to submit to OCD a revised work plan for approval no later than January 5, 2006.

If you have any questions, please contact me at 505-393-6161 x 111 or e-mail lwjohnson@state.nm.us

Sincerely,

Larry Johnson - Environmental Engineer

Cc: Roger Anderson - Environmental Bureau Chief
Chris Williams - District I Supervisor
Paul Sheeley-Environmental Engineer

DENIED

November 28, 2005

Mr. Larry Johnson
New Mexico Oil Conservation Division – District 1
1625 North French Drive
Hobbs, New Mexico 88240

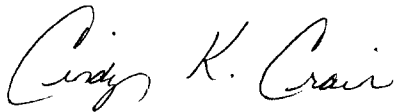
**Re: Spill Remediation Workplan, BTA Oil Producers, French #3 SWD,
Unit Letter H (SE/4, NE/4), Section 24, Township 18 South, Range 32 East,
Lea County, New Mexico**

Dear Mr. Johnson:

Please find enclosed a copy of the above-referenced workplan. The workplan is submitted on behalf of BTA Oil Producers., and presents the proposed soil remediation activities to be conducted by Larson and Associates, Inc.

Please call Royce Boyce at (432) 682-3753 or myself at (432) 687-0901 if you have questions.

Sincerely,
Larson and Associates, Inc.



Cindy K. Crain, P.G.
Project Manager

cc: Royce Boyce – BTA
Pam Inskeep - BTA

DENIED

November 28, 2005

Mr. Larry Johnson
New Mexico Oil Conservation Division – District I
Energy, Minerals and Natural Resources Department
1625 N. French Drive
Hobbs, New Mexico 88240

WTRD 100
75

Re: Spill Remediation Workplan, BTA Oil Producers, French #3 SWD, Unit Letter H (SE/4, NE/4), Section 24, Township 18 South, Range 32 East, Lea County, New Mexico (Latitude: 32.73537 / Longitude: 103.71243)

Dear Mr. Johnson:

BTA Oil Producers (BTA) has retained Larson and Associates, Inc. (LA) to remediate impacted soil from a salt water spill that occurred on July 12, 2005, from a salt water tank located in the southeast quarter (SE/4) of the northeast quarter (NE/4), Section 24, Township 18 South, Range 32 East, Lea County, New Mexico (Site). The spill occurred when the valve for the load line off the tank was opened by livestock. Approximately 200 to 300 barrels (bbl) of produced water was released, and approximately 140 bbl of free liquid was picked up with a vacuum truck. The spill area covered approximately 140 x 200 feet, and BTA submitted a Release Notification and Corrective Action form (Form C-141) to the New Mexico Oil Conservation Division (NMOCD) on July 20, 2005, along with a work plan to conduct an investigation of the impacted soil at the Site. Figure 1 shows the location of the Site.

On July 26, 2005, BTA received a letter from the NMOCD, approving their work plan for investigation. A Spill Remediation Workplan, including details of the soil investigation, was submitted on September 23, 2005, and was denied by the NMOCD. Larson and Associates, Inc. (LA) is pleased to submit this subsequent work plan for remediation at the French #3 SWD site.

12.15.05
WHERE IS
THIS
PLAN?

Initial Investigation

On September 6 and 7, 2005, LA installed nine (9) soil borings (BH-1 through BH-9) at the site using direct-push technology (Terraprobe®) to assess the horizontal and vertical limits of the spill for defining the area of remediation. One (1) background soil boring (BH-10) was installed 100 feet north of the tank battery. Figure 2 shows the locations of the soil borings.

As reported on September 23, 2005, soil samples collected from each boring (BH-1 through BH-10) reported TPH concentrations below the test method detection limit. Chloride concentrations in soil are shown to reduce with depth at borings BH-3, BH-4, BH-7, but increased (specifically at a depth of approximately 10-12' bgs) at borings BH-1, BH-2, BH-5, BH-6, BH-9 and background boring BH-10.

Proposed Remediation

BTA proposes to remediate the entire area affected by the spill using a product called Salt-B-Gone. The product has been used by BTA on produced water spills in North Dakota with excellent results, and has been approved by the North Dakota Industrial Commission. Salt-B-Gone is a salt eating bacteria manufactured by BioResources, Inc, and supplied by Prairie

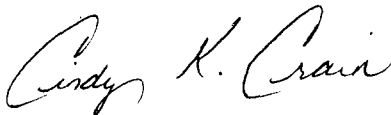
Mr. Larry Johnson
Page 2
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PetroChem of America. Salt-B-Gone will be mixed with fresh water and sprayed on the entire area affected by the spill. After approximately thirty days, a mixture of Salt-B-Gone and water will be re-applied to the area. Following an additional thirty day period, two (2) soil borings will be drilled at the boring BH-1 and BH-6 locations, by air rotary methods, to determine the effectiveness of the product. Borings will be drilled to an approximate depth of thirty feet bgs, and samples will be collected in five (5) foot intervals from a depth of approximately five (5) feet bgs to a depth of approximately thirty feet bgs, and analyzed for chlorides. A copy of the Material Safety Data Sheet for Salt-B-Gone is attached for your review. Figure 2 shows the soil boring locations. A report of the remediation and sample results will be submitted to the NMOCD upon completion of activities.

No COPY
ATTACHED
OF MSDS

If you have any questions or need additional information, please call either myself at (432) 687-0901 or Royce Boyce, with BTA, at (432) 682-3753. We may also be reached by email at Cindy@LAenvironmental.com or RBoyce@btaoil.com.

Sincerely,
Larson and Associates, Inc.



Cindy K. Crain, P.G.
Project Manager

cc: Royce Boyce, BTA
Pam Inskeep, BTA

FIGURES

SITE LOCATION

R-32-E

R-33-E

Oil Wells

Oil Well & Gravel Pit

Oil Well

Oil Well

Drill Hole

Drill Hole

Gravel Pit

Drill Hole

Drill Hole

GRAPHIC SCALE IN FEET

2000' 4000'

Scale: 1" = 2000'

FIGURE #1

LEA COUNTY, NEW MEXICO

BTA Oil Producers

FRENCH #3 SWD
SEC. 24, T-18-S, R-32-E

FACILITY LOCATION

DATE

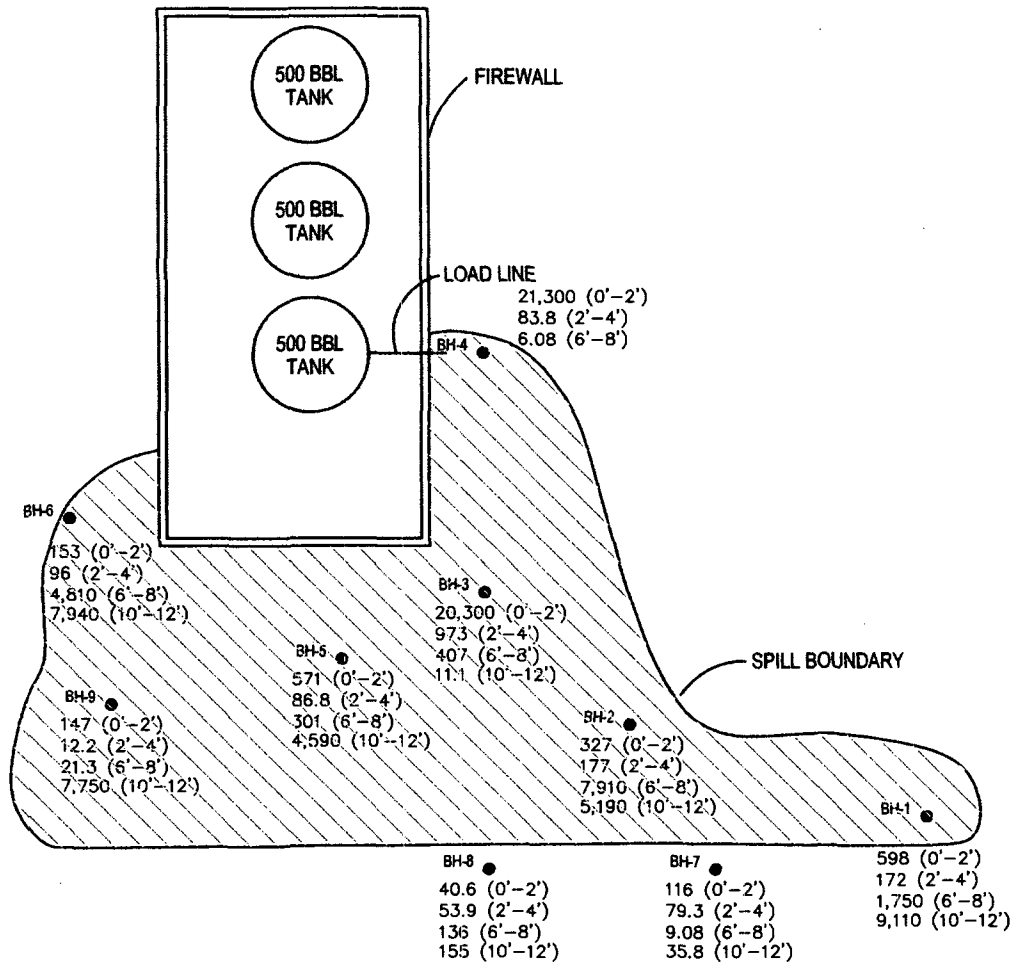
11-28-05

NAME: SJA

FILE: 4-0115-75

Larson & Associates, Inc.
Environmental Consultants

BH-10
65.4 (0'-2')
208 (2'-4')
129 (6'-8')
1,100 (10'-12')



LEGEND

BH-1
598 (0'-2')

GEOPROBE BORING LOCATION WITH
CHLORIDE CONCENTRATION
(MG/KG) AND DEPTH (FEET) IN SOIL
9/6 AND 9/7/05

GRAPHIC SCALE IN FEET

0 50' 100'

Scale: 1" = 50'

FIGURE #2

LEA COUNTY, NEW MEXICO

BTA Oil Producers

FRENCH #3 SWD
SEC. 24, T-18-S, R-32-E

SITE DRAWING

DATE
9/22/05

NAME: SJA

FILE: 0115-75

Larson & Associates, inc.
Environmental Consultants