

GW – 382

**GENERAL
CORRESPONDENCE**

YEAR(S): 2008 - 2012

Lowe, Leonard, EMNRD

From: Marc Gentry [marc@sentinelgeo.com]
Sent: Wednesday, June 25, 2008 9:00 AM
To: Lowe, Leonard, EMNRD
Subject: RE: GW-382, DP Request.doc
Attachments: 0154_0001.pdf

Mr. Lowe,

Per our conversation, appended to this e-mail is a copy of the first couple of pages from the workplan in question. Thanks for your help with this matter.

marc gentry

Marc E. Gentry, PG
Managing Partner

Sentinel Geo-Services, LLC
A DFJ Company
2855 Mangum Road, Suite 522
Houston, TX 77092
Phone: 713.686.8900
Fax: 713.686.5181
www.sentinelgeo.com

From: Lowe, Leonard, EMNRD [mailto:Leonard.Lowe@state.nm.us]
Sent: Monday, June 23, 2008 12:41 PM
To: marc@sentinelgeo.com
Cc: Price, Wayne, EMNRD; tom.roland@reefcorp.com; lorenzo.rangel@reefcorp.com
Subject: RE: GW-382, DP Request.doc

Mr. Marc Gentry,

How is your discharge plan application progressing?

As noted within the discharge plan request letter Reef Chemical has until 45 days to submit their application. That date is identified as July 7th, 2008.

Thank you for your attention.

llowe

Leonard Lowe
Environmental Engineer
Oil Conservation Division/EMNRD
1220 S. St. Francis Drive
Santa Fe, N.M. 87505
Office: 505-476-3492
Fax: 505-476-3462
E-mail: leonard.lowe@state.nm.us
Website: <http://www.emnrd.state.nm.us/ocd/>

6/25/2008

From: Lowe, Leonard, EMNRD
Sent: Monday, June 02, 2008 8:35 AM
To: 'marc@sentinelgeo.com'
Subject: FW: GW-382, DP Request.doc

Mr. Marc Gentry,

Good morning.

I received your voice mail. I sent this e-mail to the following individuals within Reef Chemical on May 22nd, which has the inspection letter.

If you have any questions please reply or call me.

I will be in the office all week, as far as I know.

llowe

Leonard Lowe
Environmental Engineer
Oil Conservation Division/EMNRD
1220 S. St. Francis Drive
Santa Fe, N.M. 87505
Office: 505-476-3492
Fax: 505-476-3462
E-mail: leonard.lowe@state.nm.us
Website: <http://www.emnrd.state.nm.us/ocd/>

From: Lowe, Leonard, EMNRD
Sent: Thursday, May 22, 2008 11:22 AM
To: 'tom.roland@reefcorp.com'; 'lorenzo.rangel@reefcorp.com'
Cc: Johnson, Larry, EMNRD
Subject: GW-382, DP Request.doc

Mr. Tom Roland

Please review letter and attachments pertaining to the Hobbs, Reef Services LLC., oil and gas service facility.

If you have any questions please feel free to call me or e-mail me.

llowe

Leonard Lowe
Environmental Engineer
Oil Conservation Division/EMNRD
1220 S. St. Francis Drive
Santa Fe, N.M. 87505
Office: 505-476-3492
Fax: 505-476-3462
E-mail: leonard.lowe@state.nm.us
Website: <http://www.emnrd.state.nm.us/ocd/>

6/25/2008

3rd page is blank.

Lowe 6.25.08

Identify remediation work via OCD records.

4000



www.geotransinc.com

3035 Prospect Park Drive
Suite 40
Rancho Cordova, CA 95670-6070

916-853-1800 FAX 916-853-1860

November 5, 2004

P:\PROJECTS\BEAZER\2201.019\Hobbs Soil remediation workplan2.doc

Mr. Wayne Price
Petroleum Engineer Specialist
New Mexico Oil Conservation District
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

**RE: Soil Remediation Work Plan
Former Axelson Facility
2703 W. Marland Boulevard, Hobbs, New Mexico**

Dear Mr. Price:

On behalf of Beazer East, Inc. (Beazer), this letter presents the results of the April and May 2004 investigation activities implemented at the Former Axelson Facility located at 2703 W. Marland Boulevard in Hobbs, New Mexico (Site). This letter also presents a remediation work plan for impacted soils at the Site in order to achieve a No Further Action (NFA) status for Site soils from the New Mexico Oil Conservation District (OCD).

Site soil and groundwater samples were collected and analyzed in the spring of 2004 to compliment the findings of the June 2001 and February 1995 Site investigations, reported in the *Site Investigation Report, Former Axelson Facility, 2703 W. Marland Boulevard, Hobbs, New Mexico*, (GeoTrans, September 2001). OCD approved the 2004 investigation activities by letter, dated June 19, 2002. The delay between OCD approval and implementation of the investigation activities was due to negotiating property access; OCD was kept apprised of the access issues.

Results of the previous investigations indicated that soil and groundwater impacts at the Site are primarily total petroleum hydrocarbons (TPH) associated with historic operations conducted at the Site. The investigations in 2004 confirmed that soil impacts are present to approximately 25 to 35 feet below ground surface (bgs) in a localized area at the south side of the Site building. The 2004 investigations also confirmed that impacted Site groundwater is present in the vicinity of the impacted soil. The upgradient extent of the groundwater impacts has been defined and the cross-gradient extent has been defined to the south. Groundwater 300 feet downgradient of the Site boundary appears to be unimpacted by Site constituents.

This letter compliments the July 1, 2004 Data Transmittal and Request to Abandon/Plug Short-Term Wells, Former Axelson Facility, 2703 W. Marland Boulevard, Hobbs, New Mexico (GeoTrans). The July 1, 2004 letter presented the analytical data for the downgradient portion of the 2004 investigation activities, therefore, this Soil Remediation Work Plan letter will only refer to the data presented in the July 1, 2004 letter and will not duplicate the downgradient data.

Mr. Wayne Price
New Mexico Oil Conservation District
November 5, 2004
Page 2

BACKGROUND

The purpose of the April and May 2004 soil and groundwater investigation activities, as identified in the Site Investigation Report, was to supplement the previous investigation results, assess the horizontal extent of soil impacts at the Site, and assess existing downgradient soil and groundwater conditions. In addition, the Site Investigation Report identified the need to delineate the vertical and lateral extent of naturally occurring radioactive materials (NORMs) that exceed New Mexico Administrative Code Title 20, Chapter 3, Part 1, Subpart 14 (20 NMAC 3.1, Subpart 14) at the Site. The NORM activities and subsequent removal and disposal occurred in July and August 2004. The NORM work will be reported under separate cover.

The Site was leased by Axelson, Inc. (Axelson) from 1980 to approximately 1997 to repair submersible rod sucker oil pumps and rods. A figure presenting a plot plan of the Site, with the location of the 1995 and 2001 investigation activities is shown on Figure 1. The Site is currently leased by Reef Chemical, an oil field chemical distribution company.

An underground tank south of the Site building was identified in the Site Investigation Report as the septic tank for the building. A camera survey was performed in April 2004 to identify what piping was connected to the septic tank. The camera survey indicated that the restroom sanitary sewer line is connected to a septic tank located north of the building in the asphalt parking area, as shown on Figure 1. A shallow excavation north of the building confirmed the septic tank location. The two catch basins inside the Site building are connected to the tank located south of the building, this piping is separate and distinct from the restroom and septic piping. Accordingly, the tank located south of the building will be referred to as the catch basin tank in this Work Plan letter and no further work will be performed in the vicinity of the septic tank north of the building.

The 2004 investigation performed on Site included drilling and sampling five soil borings; sampling the groundwater monitoring wells and the former water supply well located at the Site; and sampling the concrete catch basin tank.

SOIL INVESTIGATION

The Site Investigation Report identified soils to be impacted by TPH at concentrations above the OCD action level. Samples were collected during the 2004 soil investigation to refine the understanding of the lateral and vertical extent of soil impacts on Site. Five soil borings (SB-7 through SB-11) were completed at the Site, as shown on Figure 1. The borings were completed using an air rotary drill rig and soil samples were collected at 5-foot intervals for lithologic purposes, field screening, and potential laboratory analysis. The soil borings were completed to approximately 35 feet below ground surface (bgs).

The lithology encountered generally consists of an 18 to 20 foot thick layer of sandy silt/silty sand overlying a 2 to 4-foot thick caliche layer (hard pan). A well to medium graded sand material underlies the caliche layer and is present from approximately 23 to 40 feet bgs. Groundwater was not encountered in any of the soil borings.

Field indications of impacts (petroleum odors) were identified in the Site soil samples at SB-8 (30-35 feet bgs), SB-9 (10-35 feet bgs), and SB-10 (10-35 feet bgs). Selected soil samples from each boring location were analyzed for TPH and total solids. The soil analytes and corresponding analytical methods are presented in Table 1.

The soil borings were backfilled to ground surface with hydrated bentonite chips. Boring logs for SB-7 through SB-11 are presented in Attachment A.

GROUNDWATER INVESTIGATION

Groundwater samples were collected at the Site to assess the current groundwater conditions and evaluate the potential of natural attenuation of the petroleum hydrocarbons constituents.

Seven groundwater monitoring wells and a former water supply well (WSW-1) are located at the Site (Figure 1). The screened intervals and total depths of each well are summarized on Table 2. Three groundwater monitoring wells (MW-1 through MW-3) were installed at the Site in 1995 and are screened from 25 to 35 feet bgs. However, due to decreases in static water levels at the Site (currently 38 feet bgs), MW-1 through MW-3 are no longer screened in the water table and are currently dry. Therefore, groundwater samples were only collected from wells MW-4 through MW-7 and WSW-1 during April 2004. The former water supply well was sampled to assess the chemical constituents present in the well and to evaluate groundwater conditions upgradient of the Site wells. A list of groundwater analyses performed for the Site wells along with the corresponding analytical methods is presented in Table 1.

The four groundwater monitoring wells at the Site were re-sampled in May 2004, the former water supply well was not re-sampled.

Depth to water was measured at the four Site groundwater monitoring wells to calculate the groundwater flow direction. The groundwater elevations measured at the Site wells are presented in Table 3. These elevations were used to calculate the groundwater flow direction for April and May 2004, as shown on Figures 2 and 3. The groundwater flow direction was calculated to be southeast (S52°E to S61°E) with a flat gradient of 0.0011 to 0.0009 feet per foot (ft/ft). This is consistent with prior groundwater flow direction and gradient data collected at the Site.

Approximately 2-inches of a light non-aqueous phase liquid (LNAPL) were present in well MW-5 during the April 2004 sampling event. However, only 0.5-inches of LNAPL were present in well MW-5 during the May 2004 sampling event. This is the first time NAPL has been detected at the Site and in well MW-5. A sample of the NAPL material was submitted for fuel fingerprinting analysis to evaluate the type, nature, and estimated age of the product present in the well.

CATCH BASIN TANK INVESTIGATION

In May 2004, a grab sample was collected from the concrete catch basin tank, at the exterior south side of the building. Liquid was not present in the catch basin tank during the May 2004 sampling event. A sample of semi-solid material was collected from the catch basin tank and

analyzed for TPH, volatile organic compounds (VOCs), semi-volatile organic compounds (SVOCs), and polynuclear aromatic hydrocarbons (PAHs). The semi-solid sample was analyzed to assess the chemical constituents present for disposal profiling purposes and to evaluate if the chemical constituents had changed since the June 2001 sampling event.

DISCUSSION OF ANALYTICAL RESULTS

This section presents an evaluation of the analytical results from the April and May 2004 sampling events. The evaluation also includes the results from the 2001 investigation to identify areas proposed for remediation activities.

Soil Results

The analytical results for the soil samples collected during the on-site investigation are summarized in Table 4. Petroleum hydrocarbons in the diesel, gasoline, and motor oil ranges were not detected in borings SB-7 and SB-11. The analytical results confirmed the field indications of petroleum hydrocarbon soil impacts in borings SB-8, SB-9, and SB-10.

The detected concentrations of petroleum hydrocarbons in borings SB-8, SB-9, and SB-10 exceed the corresponding OCD recommended remediation action level of 100 milligrams per kilogram (mg/Kg). TPH concentrations ranged from 512 mg/Kg to 16,700 mg/Kg. All 12 samples collected from both SB-9 and SB-10 (10 to 35 feet bgs) had TPH concentrations above the recommended action level. The highest concentrations of TPH were detected in soils collected from 15 to 20 feet bgs in both the 2001 and 2004 samples.

Groundwater Results

The analytical results for the groundwater samples collected in 2001 and 2004 are summarized in Tables 5 through 9. Petroleum hydrocarbons in the diesel, gasoline, and motor oil ranges were detected in samples from MW-4 and MW-5. The petroleum hydrocarbon concentrations detected in well MW-4 in 2004 decreased by an order of magnitude compared to the June 2001 sampling event. However, the TPH concentrations in well MW-4 still exceed the corresponding EPA Suggested No-Adverse Response Level (SNARL), as shown in Table 5. LNAPL was present in well MW-5 during April and May 2004, and this is reflected in the elevated TPH concentrations (up to 230,900 micrograms per liter [$\mu\text{g/L}$]) in groundwater at this well. This concentration is not considered to reflect dissolved TPH concentrations in groundwater, but rather reflects the presence of emulsion in the water sample. Only motor oil range TPH was detected in well MW-7 (at 110 $\mu\text{g/L}$) and all ranges of TPH were below reporting limits in samples from MW-6.

Although minor concentrations of VOCs, SVOCs, and PAHs were detected in the wells, the only detection that exceeded the New Mexico Water Quality Control Commission Groundwater Standards (WQCCs) and/or Maximum Contaminant Levels (MCLs) was the detection of naphthalene at 140 $\mu\text{g/L}$ at MW-5.

The LNAPL product from MW-5 was submitted to Friedman & Bruya, Inc. for a fuel fingerprinting analysis; the results determined that the LNAPL was "Kerosene / Diesel #1". According to the analytical laboratory report, the product "has undergone little to no biological degradation.... the

Mr. Wayne Price
New Mexico Oil Conservation District
November 5, 2004
Page 5

extent of degradation in this fuel is consistent with releases that occurred within the last 5 years".

The former water supply well was detected to have a very low level of motor oil range TPH (150 µg/L) and of toluene (5.8 µg/L). These results are below the respective SNARL, MCL, and WQCC values.

Catch Basin Tank Results

The analytical results for the grab sample collected from the concrete catch basin tank are summarized in Table 10. The semi-solid sample analytical results indicate that the VOCs, SVOCs, and PAHs present in the catch basin tank have not changed significantly since the June 2001 sampling event. The concentrations of petroleum hydrocarbons detected in 2004 decreased approximately one order of magnitude compared to the June 2001 results. The New Mexico Environment Hazardous Waste Bureau reviewed the catch basin tank sample results from 2001 and stated in an April 16, 2002 letter that "the sludge is not considered to be characteristic hazardous waste as defined in 40 CFR 261 Subpart C. The sludge may be handled as nonhazardous solid waste providing the facility is in compliance with OCD regulations."

RECOMMENDED REMEDIATION WORKPLAN

The strategy to remediate the Site addresses soil impacts with the intent to obtain an NFA designation from OCD for Site soils. The Site groundwater impacts are limited to petroleum hydrocarbons and low level concentrations of VOCs in the vicinity of the impacted soil. Source removal through soil excavation will enhance the progress of natural attenuation processes in groundwater currently occurring at the Site.

The impacted soils in the vicinity of the concrete catch basin tank at the south side of the building will be excavated, including soil boring locations SB-3 and SB-4 and wells MW-1, MW-4 and MW-5. It is anticipated that OCD will require these wells to be properly plugged prior to beginning the excavation activities.

The soil TPH concentrations at the eastern Site boundary (SB-9 and SB-10) indicate that the TPH impacts above the OCD recommended action level of 100 mg/Kg extend off-site onto Mr. Lewis Wright's property. OCD has stated that Beazer will be considered responsible to remediate Mr. Wright's property. Upon remediation of Mr. Wright's property, OCD will issue a clean closure notice for Mr. Wright's property. Beazer is currently attempting to negotiate access to Mr. Wright's property.

All remediation work will be conducted in accordance with GeoTrans' Standard Operating Procedures (SOPs), presented in Attachment B, and in accordance with the Site Health and Safety Plan (HASP), presented in Attachment C.

Soil Remediation

The scope of work to remediate the Site includes cleaning and removing the concrete catch basin tank and cleaning and backfilling the concrete catch basins located within the building. Impacted soil in the vicinity of the concrete catch basin tank will also be removed, based on the June 2001 and April 2004 analytical results and confirmatory visual assessment in the field. Figure 4 presents the approximate extent of the area to be excavated.

It is anticipated that the soil will be excavated to approximately 25 to 35 feet in depth (west to east trend in depth) using an excavator with shoring and sloping entrances for depths greater than 20 feet bgs. Soil impacts greater than 35 feet in the eastern portion and 25 feet in the western portion of the excavation area are associated with chemical partitioning from the groundwater and will be addressed by remediation of the Site groundwater. Soil excavation activities near well MW-5 may be expanded to remove NAPL material (if present) in the vadose zone at this location. The excavation will extend as close as possible to the edge of the building without compromising the structural integrity of the building. Although the specifics of completing the excavation may vary from what is described in this Work Plan, the extent of the excavation will remain as identified in this Work Plan.

If impacted soils remain in place under the building, soil samples will be collected from under the building following remediation activities. These soil samples will be used in the Johnson-Ettinger model to evaluate the potential of constituents volatilizing into the building.

The eastern extent of the excavation will extend onto Mr. Wright's property, assuming assess can be negotiated with Mr. Wright. The extent of the excavation on Mr. Wright's property will be based on visual and olfactory assessment, with confirmation soil samples.

A maximum of 15 confirmatory soil samples will be collected from the bottom of the excavation and sidewalls for laboratory analysis. The sample locations will be based on field observations and conditions (i.e., staining, discoloration, etc.) of the exposed soils. The samples will be analyzed for TPH to verify the impacted soils were removed.

The catch basins will be cleaned and backfilled with concrete. The concrete catch basin tank will be cleaned and removed from the ground in conjunction with the soil excavation activities. The tank void will be observed for indications of leaks or potential piping from the tank. The excavated areas will be backfilled and compacted. The estimated total volume of soil to be excavated is approximately 4,500 to 5,000 cubic yards. The contents of the catch basins and concrete catch basin tank and the excavated soils will be disposed of in accordance with local, state, and federal requirements, subject to approval by Beazer and Halliburton.

To enhance bioremediation in the excavation area, an Oxygen Release Compound (ORC) material is proposed to be placed in the vadose zone below the bottom of the excavation. The vadose zone is currently present at 35 to 37 feet bgs (May 2004). Several trenches will be constructed in the bottom of the excavation and ORC will be added to the trenches. ORC is a proprietary formulation of phosphate-intercalated magnesium peroxide that time releases oxygen when hydrated. ORC enhances in-situ bioremediation of dissolved phase

Mr. Wayne Price
New Mexico Oil Conservation District
November 5, 2004
Page 7

hydrocarbons, chlorinated compounds, and other biodegradable materials in groundwater and soil by stimulating the growth and activity of naturally occurring microbes. ORC is a non-hazardous, food grade material composed of less than 10 microns in diameter magnesium peroxide powder. ORC converts to a weakly cemented magnesium hydroxide. ORC does not affect the dimensions of the contaminant plume or volatilize the pollutants. Once the ORC material is placed at the desired depth, the trenches will backfilled and compacted along with the excavation area.

Groundwater Remediation

Two replacement wells will be installed at the Site after completion of the soil excavation and backfilling activities. One well will be installed near the current location of the concrete catch basin tank and the other well will be installed near the current location of well MW-5. The wells will be installed to monitor post-excavation groundwater conditions at the Site. The wells will be constructed so that the screened interval crosses the water table, currently 37 to 38 feet bgs. The location of the replacement monitoring wells is shown in Figure 4. The new wells will be developed, surveyed and sampled for the same constituents as well WSW-1 (Table 1).

Monitoring wells MW-2 and MW-3 will be abandoned, as they are no longer screened in the perched groundwater. The former water supply well will also be abandoned as it is not properly sealed and is a potential conduit to the perched groundwater at the Site.

The Site groundwater conditions will be monitored based on the analytical results from the replacement wells and the existing wells. It is anticipated that monitored natural attenuation will be an appropriate remedial technology for the groundwater impacts (principally petroleum hydrocarbons) present at the Site, combined with the source removal performed through soil excavation and placement of ORC material in the vadose zone.

SCHEDULE

Preparation for the field activities will begin following OCD approval of the soil remediation work plan. Scheduling and mobilization of the subcontractors will require approximately 4 to 6 weeks, pending subcontractor availability. The Site remedial activities will require approximately 6 to 8 weeks to complete. Installation of the replacement wells, development, surveying, sampling, and well abandonment activities will require approximately two weeks, pending subcontractor availability. The groundwater monitoring well analytical results will be available within three weeks of completing the sampling activities.

OCD will be notified approximately five days prior to beginning the field activities. In addition, as the remediation activities proceed, OCD will be kept informed of the progress within a reasonable period of time.

A soil remediation report and request for No Further Action on soils will be prepared to document the field activities and submitted to OCD approximately 4 weeks after receipt of the analytical results for samples from the replacement wells. The report will include a description of the field activities, a map showing the excavation area and replacement well locations,

Mr. Wayne Price
New Mexico Oil Conservation District
November 5, 2004
Page 8

tabulated analytical results, well construction logs for the replacement wells, and analytical laboratory reports.

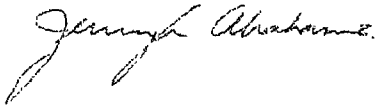
SUMMARY AND CONCLUSIONS

Soil samples collected from the Site in 2001 and 2004 characterize the limited extent of soil impacts; the impacts are mainly TPH and are localized to the vicinity of the catch basin tank located at the south side of the building. The soil impacts extend to approximately 25 to 35 feet in depth in this area and are associated with historic operations conducted at the Site. Groundwater impacts are limited to TPH impacts, and are directly associated with the impacted soils.

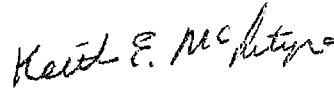
The recommended Site remediation includes cleaning and filling two catch basins inside the building, cleaning and removing the catch basin tank and excavating the impacted soil in the vicinity of the catch basin tank. Source removal through soil excavation combined with addition of ORC material in the vadose zone of the excavation is anticipated to enhance the natural attenuation processes in groundwater at the Site. The groundwater will continue to be monitored by sampling two replacement wells and existing on-site groundwater monitoring wells screened across the water table. A remediation report will be submitted to OCD documenting the soil remediation activities, and will request a No Further Action determination from OCD for soils at the Site.

Please contact GeoTrans at (916) 853-1800 if you have questions regarding this soil remediation work plan.

Sincerely,
GEOTRANS, INC.



Jennifer A. Abrahams, R.G.
Associate
Senior Hydrogeologist


for

Tanya Akkerman
Senior Scientist

Attachments

cc: Mitchell Brouman, Beazer East, Inc.
Jim McGinty, Halliburton
Bill Staggs, Site Owner

Lowe, Leonard, EMNRD

From: Tom.Roland@reefcorp.com
Sent: Monday, June 23, 2008 11:46 AM
To: Lowe, Leonard, EMNRD
Cc: lorenzo.rangel@reefcorp.com; marc@sentinelgeo.com; Price, Wayne, EMNRD
Subject: RE: GW-382, DP Request.doc

Mr. Leonard,

Marc Gentry as contracted with Reef Services, LLC is working towards this end and should have you the plan before that date. Thank you for your interest.

Tom L. Roland

Director of Safety & Environmental
Reef Services, LLC
7906 W. Hwy 80
Midland, TX 79706
(432) 560-5600
(432) 560-5636 fax
(432) 559-1564 cell

"At Reef, We Deliver Safety First"

From: "Lowe, Leonard, EMNRD" <Leonard.Lowe@state.nm.us>
To: <marc@sentinelgeo.com>
Cc: "Price, Wayne, EMNRD" <wayne.price@state.nm.us>, <tom.roland@reefcorp.com>, <lorenzo.rangel@reefcorp.com>
Date: 06/23/2008 12:37 PM
Subject: RE: GW-382, DP Request.doc

Mr. Marc Gentry,

How is your discharge plan application progressing?

As noted within the discharge plan request letter Reef Chemical has until 45 days to submit their application. That date is identified as July 7th, 2008.

Thank you for your attention.

llowe

6/25/2008

Leonard Lowe

Environmental Engineer
Oil Conservation Division/EMNRD
1220 S. St. Francis Drive
Santa Fe, N.M. 87505
Office: 505-476-3492
Fax: 505-476-3462
E-mail: leonard.lowe@state.nm.us
Website: <http://www.emnrd.state.nm.us/ocd/>

From: Lowe, Leonard, EMNRD
Sent: Monday, June 02, 2008 8:35 AM
To: 'marc@sentinelgeo.com'
Subject: FW: GW-382, DP Request.doc

Mr. Marc Gentry,

Good morning.

I received your voice mail. I sent this e-mail to the following individuals within Reef Chemical on May 22nd, which has the inspection letter.

If you have any questions please reply or call me.

I will be in the office all week, as far as I know.

llowe

Leonard Lowe

Environmental Engineer
Oil Conservation Division/EMNRD
1220 S. St. Francis Drive
Santa Fe, N.M. 87505
Office: 505-476-3492
Fax: 505-476-3462
E-mail: leonard.lowe@state.nm.us
Website: <http://www.emnrd.state.nm.us/ocd/>

From: Lowe, Leonard, EMNRD
Sent: Thursday, May 22, 2008 11:22 AM
To: 'tom.roland@reefcorp.com'; 'lorenzo.rangel@reefcorp.com'
Cc: Johnson, Larry, EMNRD
Subject: GW-382, DP Request.doc

Mr. Tom Roland

6/25/2008

Please review letter and attachments pertaining to the Hobbs, Reef Services LLC., oil and gas service facility.

If you have any questions please feel free to call me or e-mail me.

llowe

Leonard Lowe

Environmental Engineer

Oil Conservation Division/EMNRD

1220 S. St. Francis Drive

Santa Fe, N.M. 87505

Office: 505-476-3492

Fax: 505-476-3462

E-mail: leonard.lowe@state.nm.us

Website: <http://www.emnrd.state.nm.us/ocd/>

Confidentiality Notice: This e-mail, including all attachments is for the sole use of the intended recipient (s) and may contain confidential and privileged information. Any unauthorized review, use, disclosure or distribution is prohibited unless specifically provided under the New Mexico Inspection of Public Records Act. If you are not the intended recipient, please contact the sender and destroy all copies of this message. -- This email has been scanned by the Sybari - Antigen Email System.

This e-mail has been scanned by MCI Managed Email Content Service, using Skeptic(tm) technology powered by MessageLabs. For more information on MCI's Managed Email Content Service, visit <http://www.mci.com>.

This inbound email has been scanned by the MessageLabs Email Security System.

6/25/2008

Lowe, Leonard, EMNRD

From: Lowe, Leonard, EMNRD
Sent: Monday, June 02, 2008 8:35 AM
To: 'marc@sentinelgeo.com'
Subject: FW: GW-382, DP Request.doc
Attachments: GW-382, DP Request.pdf; GW-382, Insp.pdf; DP Application.pdf; DP Guide Oilfield.Service.pdf; New & Mod WQCC PN Rules.pdf; New & Mod PN Flow Chart.pdf

Mr. Marc Gentry,

Good morning.

I received your voice mail. I sent this e-mail to the following individuals within Reef Chemical on May 22nd, which has the inspection letter.

If you have any questions please reply or call me.

I will be in the office all week, as far as I know.

llowe

Leonard Lowe

Environmental Engineer
Oil Conservation Division/EMNRD
1220 S. St. Francis Drive
Santa Fe, N.M. 87505
Office: 505-476-3492
Fax: 505-476-3462
E-mail: leonard.lowe@state.nm.us
Website: <http://www.emnrd.state.nm.us/ocd/>

From: Lowe, Leonard, EMNRD
Sent: Thursday, May 22, 2008 11:22 AM
To: 'tom.roland@reefcorp.com'; 'lorenzo.rangel@reefcorp.com'
Cc: Johnson, Larry, EMNRD
Subject: GW-382, DP Request.doc

Mr. Tom Roland

Please review letter and attachments pertaining to the Hobbs, Reef Services LLC., oil and gas service facility.


If you have any questions please feel free to call me or e-mail me.

llowe

Leonard Lowe

Environmental Engineer
Oil Conservation Division/EMNRD
1220 S. St. Francis Drive
Santa Fe, N.M. 87505
Office: 505-476-3492
Fax: 505-476-3462
E-mail: leonard.lowe@state.nm.us
Website: <http://www.emnrd.state.nm.us/ocd/>

6/25/2008



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson

Governor
Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



May 22, 2008

Mr. Tom Roland
7906 West Hwy 80
P.O. Box 11347 (79702-8347)
Midland, Texas 79706

Re: Discharge Plan Submittal Request (Designated **GW-382**)
2703 W. Marland
Hobbs, New Mexico, Lea County 88240

Dear Mr. Roland:

The New Mexico Oil Conservation Division (NMOCD) Environmental Bureau performed an inspection of the above stated Reef Services LLC., facility on May 15, 2008. The inspection photos are attached to this letter. The inspection concluded several areas of concern: (1) flawed best management practices towards the amount of barrels and containers within their yard, (2) questionable practices of remediation from leaking containers, (3) concern over in process third party remediation and (4) questionable soil contamination. Upon these conclusions the OCD is requesting that Reef Services, LLC, submit a discharge plan for their oil and gas service company. The OCD identified a discharge plan number for this facility as GW-382; please annotate this in all documentation pertaining to this facilities discharge plan application.

The Discharge Plan Application for Service Companies, Gas Plants, Refineries, Compressor, Geothermal Facilities and Crude Oil Pump stations and Guidelines can be found on our website <http://www.emnrd.state.nm.us/ocd/EH-DischargePlanGuidlines.htm>. These have been attached to this letter for your convenience.

Processing a new discharge plan application requires the applicant to provide public notice. I have attached the WQCC rules and regulations to provide direction for this task. The notice procedures are done within stages of this entire process I have attached a flow chart of this process for clarification, please review.

The OCD Environmental Bureau is obligated by the New Mexico Water Quality Control Commission to protect the ground waters of the state of New Mexico. The NMOCD performs this duty via a Discharge Plan Permit. Please provide information via the discharge plan application and submit to the OCD office within **45 days** of receipt of this letter. Along with your application a \$100.00 filing fee shall be submitted and payable to the Water Quality Management Fund.

If you have any questions pertaining to this process please call me at (505) 476-3492 or e-mail me at leonard.lowe@state.nm.us.

Oil Conservation Division * 1220 South St. Francis Drive

* Santa Fe, New Mexico 87505

* Phone: (505) 476-3440 * Fax (505) 476-3462* <http://www.emnrd.state.nm.us>



May 22, 2008
Page 2

Sincerely,

A handwritten signature in cursive script, appearing to read 'Leonard Lowe', written in black ink.

Leonard Lowe
Environmental Engineer

xc: Larry Johnson, Environmental Engineer OCD District I Office
Lorenzo Rangel, Safety representative, Reef Services Hobbs