

are part of former Line 90 crude oil pipeline that runs from New Mexico to California. Two of these crude oil pump stations are located in New Mexico, two are located in Arizona and one is located in Utah.

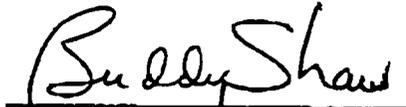
7. The pipeline has been sold to Questar Southern Trails Pipeline Company and is now being converted to a natural gas pipeline.

8. BP Amoco's remediation efforts at these five sites are being overseen by The Navajo EPA and by the Oil Conservation Division for the two sites in New Mexico.

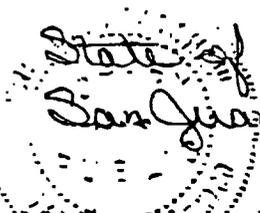
9. BP Amoco has fully complied with all requirements of OCD Permit Approval NM-02-0003.

10. BP Amoco has complied with the requirements of Rule 711 including the Financial Assurance Requirements of Rule 711(3).

FURTHER AFFIANT SAYETH NOT.


Buddy Shaw

SUBSCRIBED AND SWORN before me on this 22 day of August, 2001.


State of New Mexico
San Juan County
My Commission Expires:
6-16-2005


Notary Public



Facsimile Transmission
IS 777 645 024

Date: 07/07/98 Time Sent: 12:15

This transmission consists of: 8 pages

TO	Collins U.S. Corp.	FROM Buddy Shaw BP
	Fax Number (760) 505-1013 FAX Transmittal Number for Confirmation	



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 S. PACIFIC
SANTA FE, NEW MEXICO 87505
(505) 827-7131

November 30, 1998

11:01 AM

CERTIFIED MAIL
RETURN RECEIPT NO. P-326-936-499

Mr. Buddy Shaw
Amoco Production Company
200 Amoco Court
Farmington, New Mexico 87401

RE: **OCD Rule 711 Permit Approval NM-02-0003**
Amoco Production Company
Crouch Mesa Centralized Surface Waste Management Facility
SW/4 SE/4 of Section 2, Township 29 North, Range 12 West, NMPM,
San Juan County, New Mexico.

Dear Mr. Shaw:

The permit application for the Amoco Production Company (Amoco) centralized surface waste management facility located in the SW/4 SE/4 of Section 2, Township 29 North, Range 12 West, NMPM, San Juan County, New Mexico is hereby approved in accordance with New Mexico Oil Conservation Division (OCD) Rule 711 under the conditions contained in the enclosed attachment. This permit approval is conditional upon the receipt and approval by the Director of financial assurance in the amount of \$25,000 for this facility or a \$50,000 blanket bond for all of Amoco's centralized surface waste management facilities. A \$50,000 blanket bond #365193 has been submitted by Amoco and approved by the Director. The application consists of the permit application Form C-137 dated March 27, 1998 and materials from the original permit application already on file with the OCD.

The construction, operation, monitoring and reporting shall be as specified in the enclosed attachment. All modifications and alternatives to the approved landfarming methods must receive prior OCD approval. Amoco is required to notify the Director of any facility expansion or process modification and to file the appropriate materials with the Division.

Please be advised approval of this facility permit does not relieve Amoco Production Company of liability should your operation result in actual pollution of surface water, ground water, or the environment. In addition, OCD approval does not relieve Amoco Production Company of responsibility for compliance with other federal, state or local laws and/or regulations.

Please be advised that all tanks exceeding 16 feet in diameter and exposed pits, ponds or lagoons must be screened, netted or otherwise rendered non-hazardous to migratory birds. In

Mr. Buddy Shaw
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November 30, 1998

addition, OCD Rule 310 prohibits oil from being stored or retained in earthen reservoirs, or open receptacles.

The Amoco Crouch Mesa Centralized Surface Waste Management Facility Permit NM-02-0003 will be reviewed at least once every five (5) years from the date of this approval letter. The facility is subject to periodic inspections by the OCD.

Enclosed are two copies of the conditions of approval. Please sign and return one copy to the OCD Santa Fe Office within five working days of receipt of this letter.

If you have any questions please do not hesitate to contact Martyne J. Kieling at (505) 827-7153.

Sincerely,

A handwritten signature in cursive script that reads "Lori Wrotenbery". The signature is written in black ink and is positioned above the typed name and title.

Lori Wrotenbery
Director

LW/mjk

xc with attachments:
Aztec OCD Office

**ATTACHMENT TO OCD 711 PERMIT APPROVAL
PERMIT NM-02-003
AMOCO PRODUCTION COMPANY
SW/4 SE/4 of Section 2, Township 29 North, Range 12 West, NMPM,
San Juan County, New Mexico
(November 25, 1998)**

LANDFARM AND COMPOST CONSTRUCTION

1. The facility will be fenced and have a sign at the entrance. The sign will be legible from at least fifty (50) feet and contain the following information: a) name of the facility; b) location by section, township and range; and c) emergency phone number.
2. Contaminated soils will not be placed within one hundred (100) feet of the boundary of the facility.
3. Contaminated soils will not be placed within twenty (20) feet of any pipeline crossing the landfarm/compost facility. In addition, no equipment will be operated within ten (10) feet of a pipeline. All pipelines crossing the facility will have surface markers identifying the location of the pipelines.
4. The portion of the facility containing contaminated soils will be bermed to prevent runoff and runoff. A perimeter berm no less than four (4) feet above grade will be constructed and maintained such that it is capable of containing precipitation from a one-hundred year flood for the specific region. Individual calls will be contained with three (3) foot berms and individual compost piles or landfarms within each call will be contained within two (2) foot berms.
5. All above ground tanks located at the facility and containing materials other than fresh water will be labeled as to contents and hazards and will be bermed to contain one and one-third the volume of the largest tank or all interconnected tanks.

LANDFARM AND COMPOST OPERATION

1. Disposal will occur only when an attendant is on duty. The facility will be secured when no attendant is present.
2. All contaminated soils received at the facility for land farming will be spread and disked within 72 hours of receipt.
3. Soils to be landfarmed will be spread on the surface in lifts of six inches or less.
4. Soils to be landfarmed will be disked a minimum of one time every two weeks (biweekly) to enhance biodegradation of contaminants.
5. All contaminated soils received at the facility for composting will be placed into compost piles or cells within 72 hours of receipt. Individual compost piles or cells will be labeled. Weekly temperature measurements will be taken on each compost cell, recorded, and maintained for OCD review. Compost piles will be turned as necessary to enhance biodegradation.

6. Exempt contaminated soils will be placed in the landfarm and compost facility so that they are physically separate (i.e., bermed) from non-exempt contaminated soils. There will be no mixing of exempt and non-exempt soils.
7. Successive lifts of contaminated soils will not be spread on the landfarm or compost facility until a laboratory measurement of total petroleum hydrocarbons (TPH) in the previous lift is less than 100 ppm and the sum of all aromatic hydrocarbons (BTEX) is less than 50 ppm, and the benzene is less than 10 ppm. Comprehensive records of the laboratory analyses and the sampling locations will be maintained at the facility for OCD review.
8. Prior to removal of remediated soils from the facility, the soils will be tested for TPH, BTEX and benzene content. The remediated soils may only be moved to another location when the level of TPH in the remediated soil is less than 100 ppm, BTEX is less than 50 ppm, and the benzene is less than 10 ppm. Comprehensive records of the laboratory analyses, destination and volume of remediated soils removed from the facility will be maintained at the facility for OCD review. Authorization from the OCD Santa Fe office will be obtained prior to removal of the remediated soils to sensitive areas.

Amoco may request alternate remediation levels for soils to be used or deposited at a location if remediation standards described in the OCD surface impoundment closure guidelines are met. Alternate remediation levels shall be subject to approval on a case-by-case basis. Requests shall be submitted to the Santa Fe OCD office for review.
9. Moisture will be added as necessary to enhance bio-remediation and to control blowing dust. There will be no ponding, pooling or run-off of water allowed. Any ponding of precipitation will be removed within twenty-four (24) hours of discovery.
10. Enhanced bio-remediation through the application of microbes and/or fertilizers (livestock manure) will be permitted at this facility. Records shall be maintained on the composition of additives, and the method, amount and frequency of application. These records will be subject to OCD review.

TREATMENT ZONE MONITORING OF LANDFARM AND COMPOSTING AREA

1. In the event that any new cells are opened, one (1) background soil sample will be taken from the center portion of the new landfarm or compost cell two (2) feet below the native ground surface prior to operation. The sample will be analyzed for total petroleum hydrocarbons (TPH), major cations/anions, volatile aromatic organics (BTEX), and heavy metals using approved EPA methods.
2. A treatment zone not to exceed three (3) feet beneath the landfarm and compost native ground surface will be monitored. A minimum of one random soil sample will be taken from each individual cell, with no cell being larger than five (5) acres, six (6) months after the first contaminated soils are received in the cell and then quarterly thereafter. The samples will be taken between two (2) to three (3) feet below the native ground surface.
3. The treatment zone soil samples will be analyzed using approved EPA methods for total petroleum hydrocarbons (TPH) and volatile aromatic organics (BTEX) quarterly and major cations/anions and heavy metals annually.
4. After obtaining the soil samples the boraholes will be filled with an impermeable material such as cement or bentonite.

WASTE ACCEPTANCE CRITERIA

1. The facility is authorized to accept only exempt and "non-hazardous" non-exempt oilfield wastes that are generated in the State of New Mexico by Amoco Production Company.
2. The facility is authorized to accept only:
 - a. Oilfield waste that is exempt from RCRA Subtitle C regulations and that does not contain Naturally Occurring Radioactive Material (NORM) regulated pursuant to 20 NMAC 3.1 Subpart 1403.
 - b. "Non-hazardous" non-exempt oilfield waste on a case-by-case basis after conducting a hazardous waste characterization including corrosivity, reactivity, ignitability, and toxic constituents and receiving OCD approval. The test for hazardous characteristics for a particular waste may be effective for an extended period of time from the date of analysis if approved by the OCD. In addition, the generator must certify that this waste does not contain Naturally Occurring Radioactive Material (NORM) regulated pursuant to 20 NMAC 3.1 Subpart 1403.
3. At no time will any OCD-permitted surface waste management facility accept wastes that are determined to be RCRA Subtitle C hazardous wastes by either listing or characteristic testing.
4. The transporter of any wastes to the facility will supply a certification that wastes delivered are those wastes received from the generator and that no additional materials have been added.
5. No free liquids or soils with free liquids will be accepted at the landfarm and composting facility.
6. Comprehensive records of all material disposed of at the surface waste management facility will be maintained by the permit holder.

REPORTING AND RECORD KEEPING

1. Analytical results from the treatment zone monitoring will be submitted to the OCD Santa Fe office for annual review by November 30 of each year.
2. Background sample analytical results from new wells will be submitted to the OCD Santa Fe office for review by November 30 of each year.
3. The applicant will notify the OCD Aztec District office within 24 hours of any break, spill, blow out, or fire or any other circumstance that could constitute a hazard or contamination in accordance with OCD Rule 116.
4. Authorization from the OCD Santa Fe office will be obtained prior to removal of the remediated soils to sensitive areas.
5. All records of testing and monitoring will be retained for a period of five (5) years.
6. The OCD will be notified prior to the installation of any pipelines or wells or other structures within the boundaries of the facility.

7. The OCD Santa Fe and Aztec District offices will be notified when operation of the facility is discontinued for a period in excess of six (6) months or when the facility is to be dismantled. A closure plan for the facility will be provided.

FINANCIAL ASSURANCE

1. Pursuant to OCD Rule 711.B.3.a., financial assurance in a form approved by the Director is required from Amoco Production Company in the amount of \$25,000 for this facility or in the amount of \$50,000 to cover all of Amoco Production Company's surface waste management facilities.
2. Financial assurance must be submitted within thirty (30) days of this permit approval or on December 30, 1998.
3. The facility is subject to periodic inspections by the OCD. The conditions of this permit and the facility will be reviewed by the OCD no later than five (5) years from the date of this approval.

CLOSURE

1. The OCD Santa Fe and Aztec District offices will be notified when operation of the facility is discontinued for a period in excess of six (6) months or when the facility is to be dismantled. Upon cessation of operations for six (6) consecutive months, the operator shall complete cleanup of constructed facilities and restoration of the facility site within the following six (6) months, unless an extension of time is granted by the Director.
2. A closure plan for the facility will be provided including the following OCD closure procedures:
 - a. When the facility is to be closed no new material will be accepted.
 - b. Existing landfarm and compost soils will be remediated until they meet the OCD standards in effect at the time of closure.
 - c. The soils beneath the landfarm and compost cells will be characterized as to the total petroleum hydrocarbons (TPH) and volatile aromatic organics (BTEX) content in order to determine potential migration of contamination beneath the facility.
 - d. Contaminated soils exceeding OCD closure standards for the site will be removed or remediated according to a site specific remediation plan to be developed by the owner/operator.
 - e. The area will be contoured, seeded with native grasses and allowed to return to its natural state. If the landowner desires to keep existing structures, berms, or fences for future alternative uses the structures, berms, or fences may be left in place.
 - f. Closure will be pursuant to all OCD requirements in effect at the time of closure, and any other applicable local, state and/or federal regulations.

CERTIFICATION

Amoco Production Company, by the officer whose signature appears below, accepts this permit and agrees to comply with all terms and conditions contained herein. Amoco Production Company further acknowledges that these conditions and requirements of this permit may be changed administratively by the Division for good cause shown as necessary to protect ground water, surface water, human health and the environment.

Accepted:



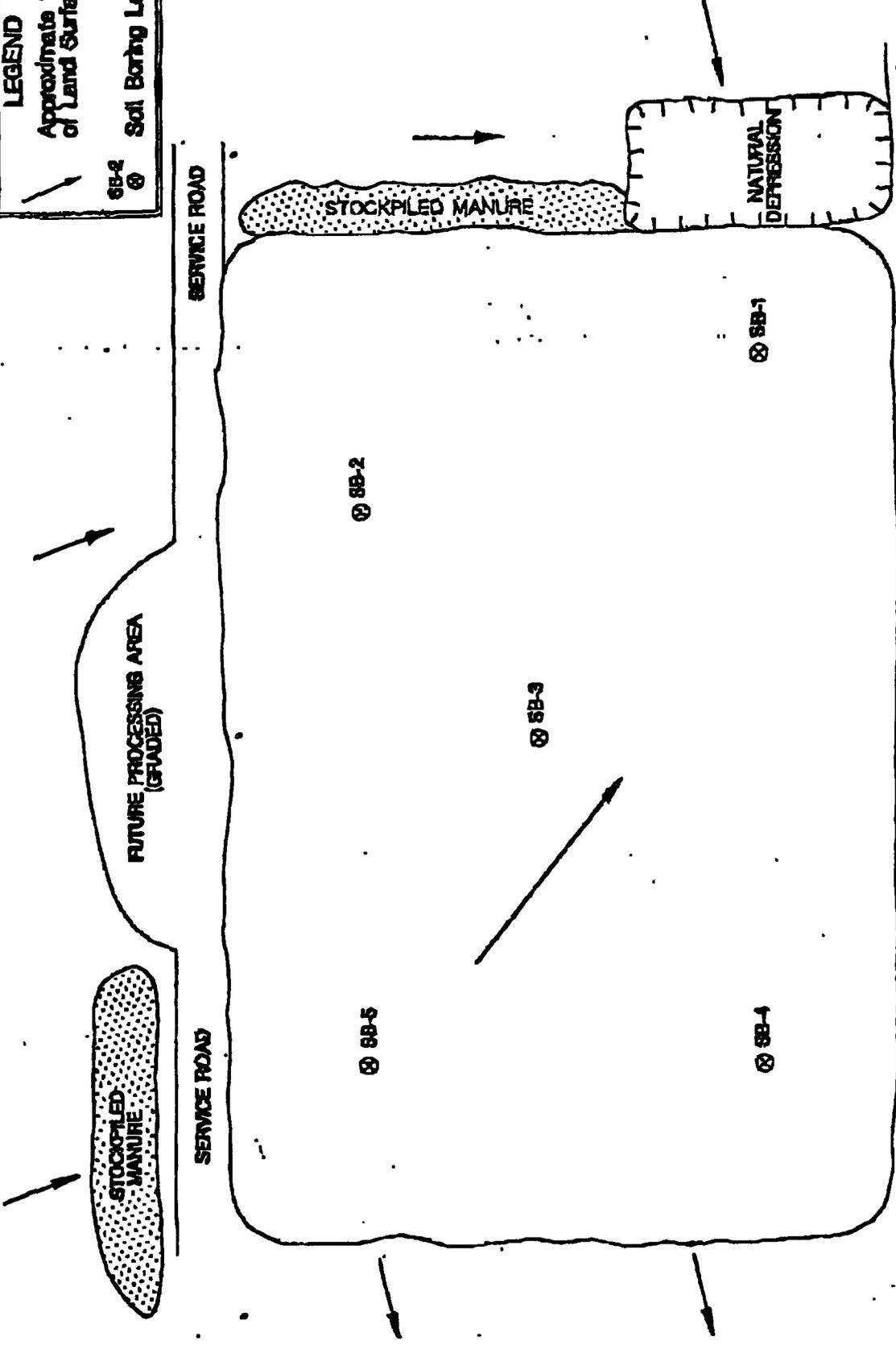
AMOCO PRODUCTION COMPANY

LEGEND

Approximate Direction of Land Surface Slope

Soil Boring Location

SB-2



Site Assessment

SITE MAP

Amoco
Composting Site, NM

FIGURE 2



Scale in feet

**GeoWest
Golden, Inc.**



BP 11000

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