NM1 - 2

MONITORING REPORTS

YEAR(S):

6/2003

RECEIVED
JUN 0 9 2003
Environmental Bureau
Oil Conservation Division

Daughtery – Crosby Salt Lake Treating Plant and Disposal Facility Closure Report
Section 19, Township 8S, Range 30E
Section 24, Township 8S, Range 30E
Section 19, Township 8S, Range 29E
Chaves County, New Mexico

June 1, 2003

Prepared for:

Mr. Frates S. Seeligson
4040 Broadway Suite 510
San Antonio, Texas 78209

By:

Safety & Environmental Solutions, Inc.
703 E. Clinton Suite 103
Hobbs, New Mexico 88240
(505) 397-0510

TABLE OF CONTENTS

I. Background

Safety & Environmental Solutions, Inc. (SESI) was contracted by Frates Seeligson to perform assessment and cleanup services on the area identified as the Daughtery – Crosby Salt Lake Treating Plant and Disposal Facility in the letter from the New Mexico Oil Conservation Division (NMOCD) to Mr. Frates S. Seeligson dated October 22, 2002. The subject area is located in Section 19, Township 8S, Range 30E, Section 24, Township 8S, Range 30E, and Section 19, Township 8S, Range 29E, in Chaves County, New Mexico. The site is situated on the White Lake Ranch privately owned by Mr. Kent Gable. The site was an NMOCD approved treating and reclaiming facility operated from the late 1970s to the late 1980s. The site is currently abandoned.

II. Contaminant and Size of Leak

The suspected contaminant is crude oil and produced water associated with the treating and reclaiming facility. The crude oil and produced water is considered exempt oilfield waste. No evidence of other contaminants was observed.

III. Surface and Ground Water

There is no protectable groundwater in the area according to the database provided by the New Mexico State Engineer's Office.

IV. Soils

The soils in the area are predominantly sand and sandy loam.

V. Work Performed

The above referenced letter required that the following areas be addressed at the subject site: Process Area, Flow Lines, Above Ground Tanks, Crosby Salt Lake and Area between Process Area and Crosby Lake.

The closure of each area is detailed below.

Process Area

Surface contamination in the form of "hardpan" or well-degraded hydrocarbons was present in the process area. There was no evidence of contamination that would migrate either vertically or horizontally from that area. The hardpan was disced in place and broken into small pieces, which will hasten natural attenuation in the area.

Flow Lines

All flowlines were cut into 6' sections and transported to the City of Roswell, solid waste landfill. The total weight of the discarded flowlines was 8.5 tons.

Above Ground Tanks

The two above ground tanks at the site were removed by Wilbanks Trucking Company of Artesia, New Mexico, who accepted the tanks for disposal. The area where the tanks were located was returned to natural grade.

Crosby Salt Lake

The hydrocarbon material at the lake was excavated and disposed of onsite at the location near the lake agreed upon by the NMOCD at the last inspection in December 2002. Two disposal trenches were excavated at that location. One trench was 180' long, 25' wide and 18' deep resulting in the removal of 3,900 cubic yards of soil. Approximately 2,167 cubic yards of contaminated material was placed into this pit and the pit was capped with approximately 2,500 cubic yards of clay and sand. The second trench was 180' long, 30' wide and 16' deep resulting in the removal of approximately 4,160 cubic yards of soil. Approximately 2,600 cubic yards of contaminated material was placed into this pit and the pit was capped with approximately 2,500 cubic yards of clay and sand. The remaining soil that was excavated from the pits was used to build a roadway from the lakebed to the disposal site. This road was ripped and left in place after completion of the project.

SESI retrieved composite sample of the Dunes and the Discard Area. The samples were preserved on ice and sent under chain of custody to Cardinal Laboratories of Hobbs, New Mexico. The samples were analyzed for TPH (EPA method SE-846 8015 M), BTEX (EPA method SW-846 8260, and Chlorides (EPA method 4500-Cl^-B). The results of the analysis are as follows:

ID	GRO	DRO	Cl^-	Benzene	Toluene	Ethyl Benzene	Total Xylenes
D.C. Comp #1 Dunes	<10.0	233	5520	<0.005	<0.005	<0.005	<0.015
D.C. Comp #2 Dunes	<10.0	42.1	1020	<0.005	<0.005	<0.005	<0.015
D.C. Discard Area	<10.0	271	160	<0.005	<0.005	<0.005	<0.015

Area between Process Area and Crosby Lake

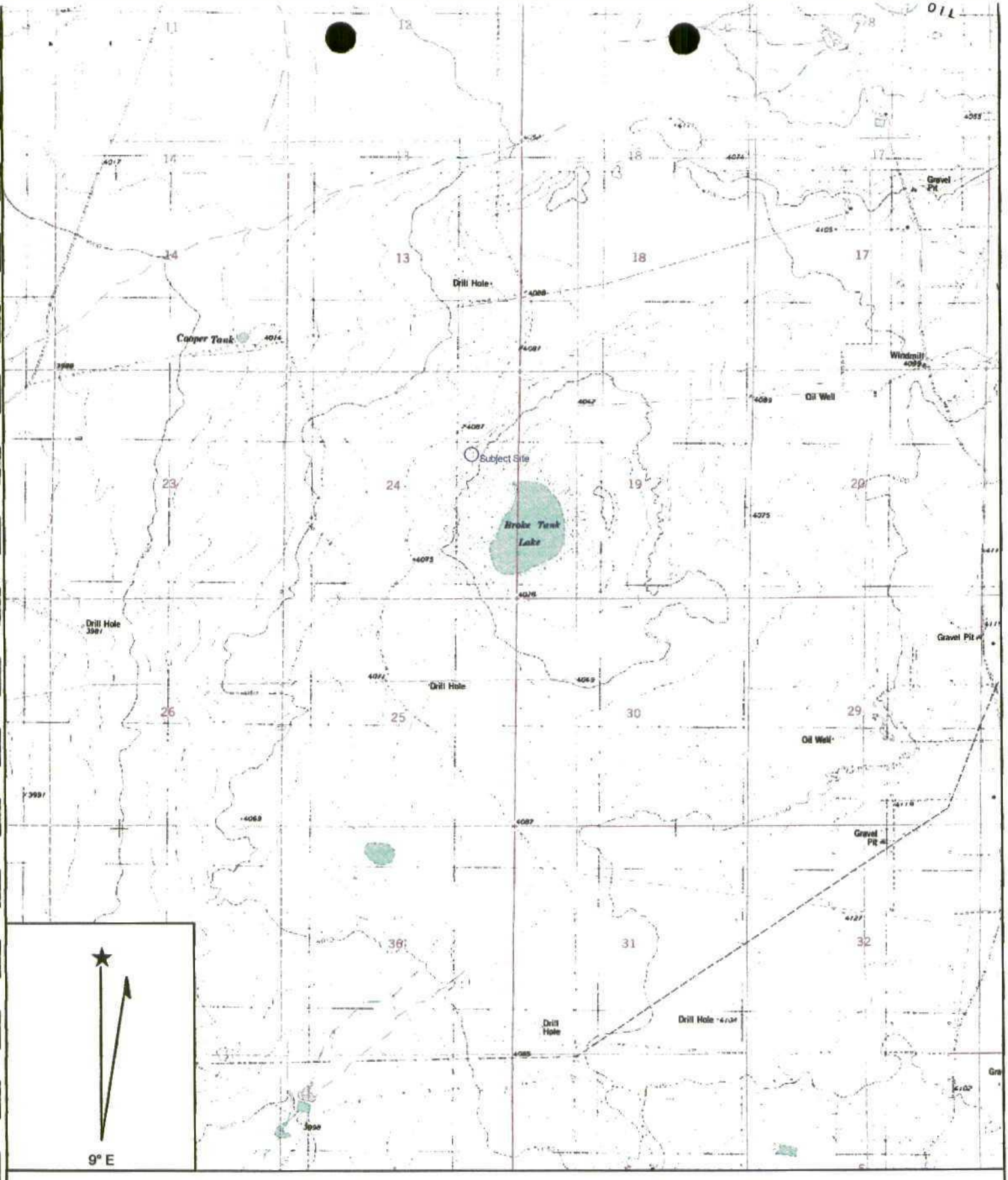
This area contained degraded hydrocarbon contamination along two "run" areas. This area was approximately 600' X 600' and was "disced" in place and broken into small pieces, which will hasten natural attenuation in the area.

The area was worked in a manner to avoid future erosion of the area. No vertical or horizontal investigation was performed in this area.

VI. Figures & Appendices

Figure 1 - Vicinity Map
Appendix A - Analytical Results
Appendix B - Site Photos

Figure 1
Vicinity Map



Name: PRESLER LAKE
Date: 1/11/2003
Scale: 1 inch equals 2857 feet

Location: 033° 35' 56.5" N 103° 55' 46.4" W
Caption: Frates Seeligson
Daughtery - Crosby Salt Lake
Treating Plant _Disposal Facility

Appendix A
Analytical Results

CARDINAL LABORATORIES

PHONE (915) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603
PHONE (505) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
SAFETY & ENVIRONMENTAL SOLUTIONS, INC.
ATTN: BOB ALLEN
703 E. CLINTON, #103
HOBBS, NM 88240
FAX TO: (505) 393-4388

Receiving Date: 05/19/03
Reporting Date: 05/20/03
Project Number: SEE-02-001
Project Name: NOT GIVEN
Project Location: NOT GIVEN

Sampling Date: 05/16/03
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: BC
Analyzed By: BC

LAB NUMBER	SAMPLE ID	GRO (C_6-C_{10}) (mg/Kg)	DRO (>C_{10}-C_{28}) (mg/Kg)	Cl* (mg/Kg)
ANALYSIS DATE		05/20/03	05/20/03	05/20/03
H7668-1	D.C. COMP #1 DUNES	<10.0	233	5520
H7668-2	D.C. COMP #2 DUNES	<10.0	42.1	1020
H7668-3	D.C. DISCARD AREA	<10.0	271	160
Quality Control		814	844	990
True Value QC		800	800	1000
% Recovery		102	106	99.0
Relative Percent Difference		2.5	3.4	6.0

METHODS: TPH GRO & DRO: EPA SW-846 8015 M; Cl^-: Std. Methods 4500-Cl^-B
*Analyses performed on 1:4 w:v aqueous extracts.

Chemist

5/20/03
Date

H7668A.XLS

CARDINAL LABORATORIES

PHONE (915) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603
PHONE (505) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
SAFETY & ENVIRONMENTAL SOLUTIONS, INC.
ATTN: BOB ALLEN
703 E. CLINTON, #103
HOBBS, NM 88240
FAX TO: (505) 393-4388

Receiving Date: 05/19/03
Reporting Date: 05/20/03
Project Number: SEE-02-001
Project Name: NOT GIVEN
Project Location: NOT GIVEN

Sampling Date: 05/16/03
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: BC
Analyzed By: BC

LAB NUMBER	SAMPLE ID	BENZENE (mg/Kg)	TOLUENE (mg/Kg)	ETHYL BENZENE (mg/Kg)	TOTAL XYLENES (mg/Kg)
ANALYSIS DATE		05/19/03	05/19/03	05/19/03	05/19/03
H7668-1	D.C. COMP #1 DUNES	<0.005	<0.005	<0.005	<0.015
H7668-2	D.C. COMP #2 DUNES	<0.005	<0.005	<0.005	<0.015
H7668-3	D.C. DISCARD AREA	<0.005	<0.005	<0.005	<0.015
Quality Control		0.090	0.092	0.088	0.262
True Value QC		0.100	0.100	0.100	0.300
% Recovery		89.8	91.9	88.2	87.2
Relative Percent Difference		3.2	6.6	2.0	1.6

METHOD: EPA SW-846 8260

Chemist

5/20/03
Date

H7668B.XLS

CARDINAL LABORATORIES, INC.

2111 Beechwood, Abilene, TX 79603 (915) 673-7001 Fax (915) 673-7020
101 East Marland, Hobbs, NM 88240 (505) 393-2326 Fax (505) 393-2476

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Company Name: SESI
Project Manager:
Address: 703 E. CLINTON, #103
City: HOBBS State: NM Zip: 88240
Phone #: (505) 397-0510
Fax #: (505) 393-4388
Project #: 352-02-0001 Project Owner:
Project Name:
Project Location:

BILL TO PO #:
Company: SAME
Attn:
Address:
City:
State: Zip:
Phone #:
Fax #:

FOR LAB USE ONLY				MATRIX						PRES.			SAMPLING		ANALYSIS REQUEST
LAB I.D.	Sample I.D.	(G)RAB OR (C)OMP.	# CONTAINERS	GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER:	ACID:	ICE / COOL	OTHER:	DATE	TIME	BTEX 8021B TPH 8015 Chlorides
H7668-1	D.C. Comp#1 Dunes	C	1			✓					✓		5-16-03	9:44	✓ ✓ ✓
-2	D.C. Comp#2 Dunes	C	1			✓					✓		5-16-03	9:55	✓ ✓ ✓
-3	D.C. Discard Area	C	1			✓					✓		5-16-03	10:09	✓ ✓ ✓

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising whether based in contract or tort, shall be limited to the amount paid by the client for the analyses. All claims including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within 30 days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise.

Terms and Conditions: Interest will be charged on all accounts more than 30 days past due at the rate of 24% per annum from the original date of invoice, and all costs of collections, including attorney's fees.

Sampler Relinquished: Date: 5-19-03 Time: 10:00
Relinquished By: Date: 5/19/03 Time: 11:20
Delivered By: (Circle One) Sampler - UPS - Bus - Other:

Received By:
Received By: (Lab Staff)
Sample Condition: Cool ☒ Yes ☐ No; Intact ☒ Yes ☐ No
CHECKED BY: (Initials)

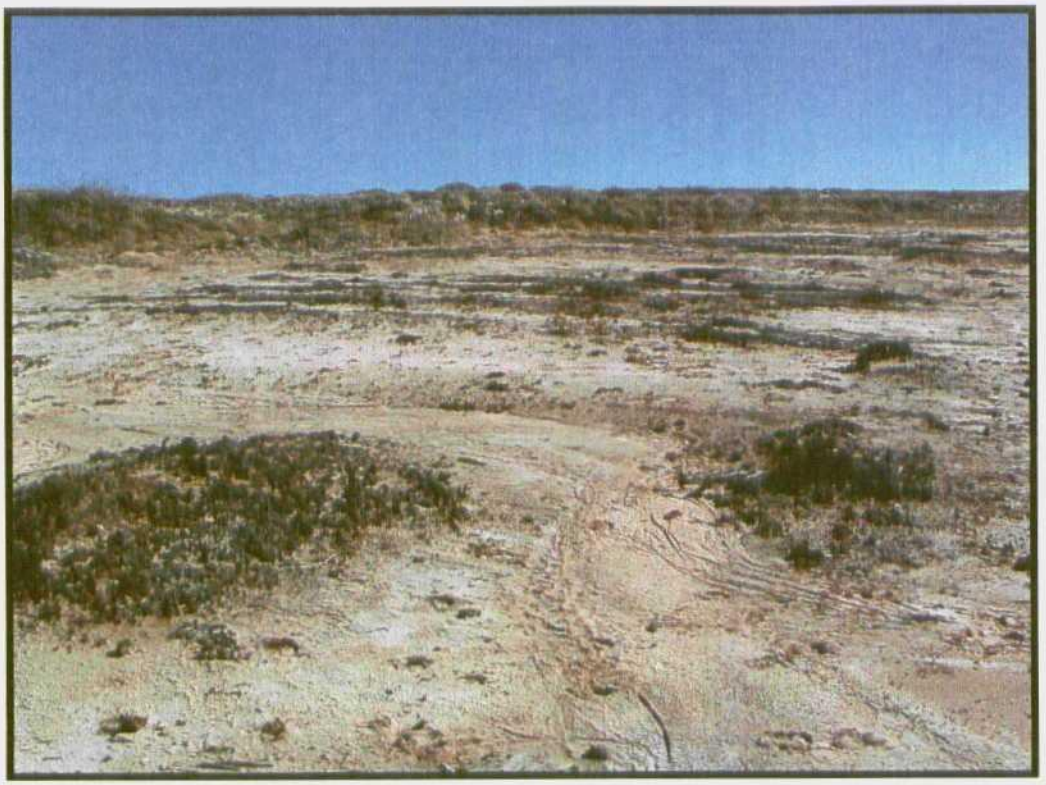
Phone Result ☐ Yes ☐ No Additional Fax #:
Fax Result: ☐ Yes ☐ No
REMARKS:

† Cardinal cannot accept verbal changes. Please fax written changes to 915-673-7020.

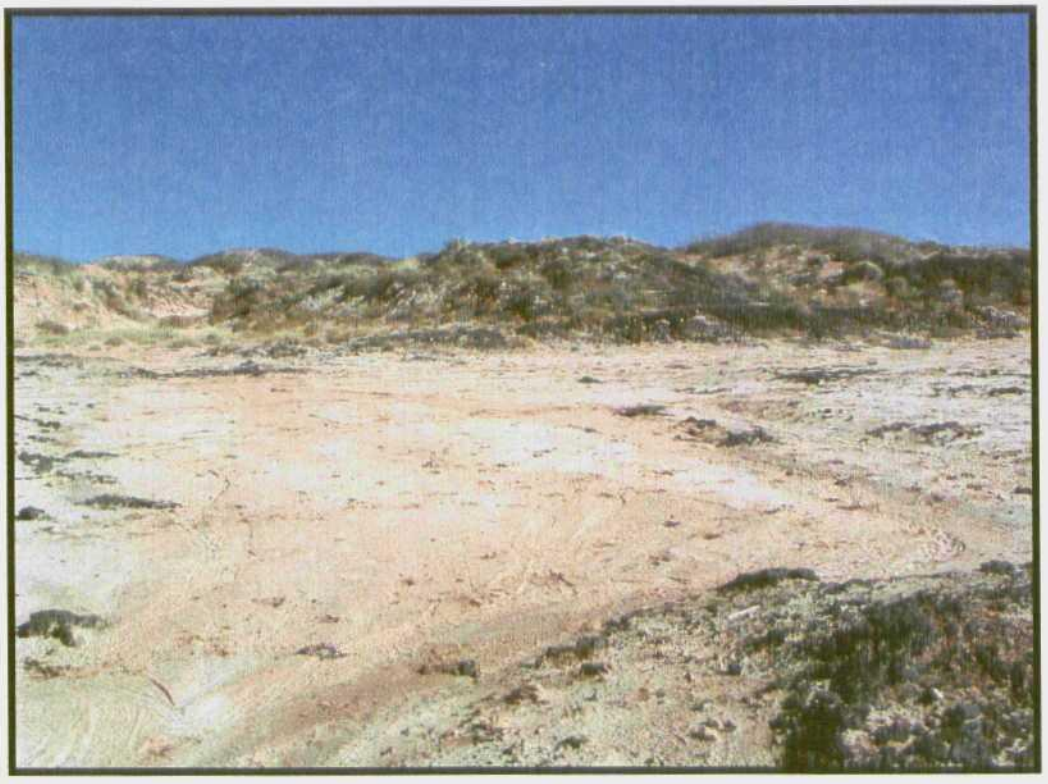
Appendix B
Site Photos

Process Area Before 11/20/02

Process Area Before 11/20/02



Lake Shore Before 11/20/02



Lake Shore Before 11/20/02

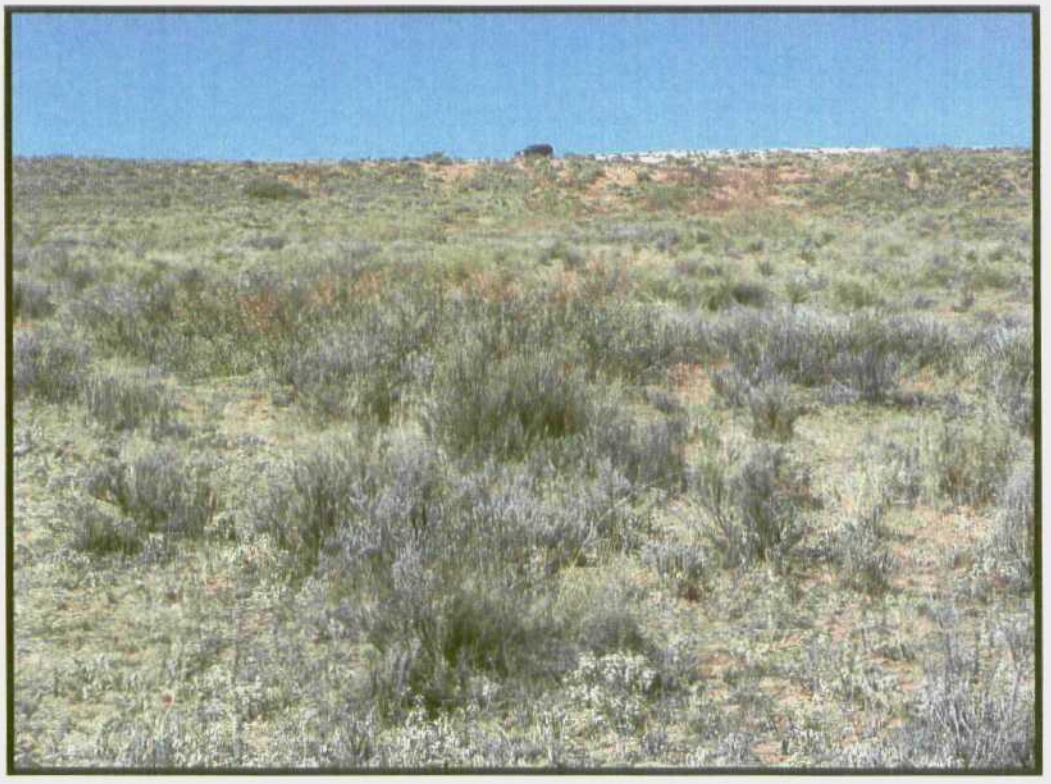
Lake Shore Before 11/20/02

Lake Shore Before 11/20/02

Typical "Run" at Lake Shore 11/20/02

More "Run" at Lake Shore 11/20/02

Lake Shore 11/20/02



"Run" Area Between Process Area & Lake Bed 11/20/02

"Run" Area Between Process Area & Lake Bed 11/20/02

"Run" Area 11/20/02

"Run" Area 11/20/02

Lake Shore During Excavation 3/5/03

"Typical" Material Found at Lake Shore 3/5/03

Lake Shore During Excavation 3/5/03

Lake Shore During Excavation 3/5/03

"Typical" Material Found at Lake Shore 3/5/03

Lake Shore During Excavation 3/21/03

Trench #1 3/21/03

Trench #1 3/21/03

Lake Shore During Excavation 3/25/03

Lake Shore During Excavation 3/25/03

Spoils Pile 3/25/03

Lake Shore 3/25/03

Spoils Pile 3/25/03

Spoils Pile 3/25/03

Spoils Pile 3/25/03

Spoils Pile 3/25/03

Contaminated Material Being Placed in Trench 3/25/03

Partially Filled Trench #1 3/25/03

Partially Filled Trench #1 3/25/03

Lake Shore 4/4/03

Lake Shore 4/4/03

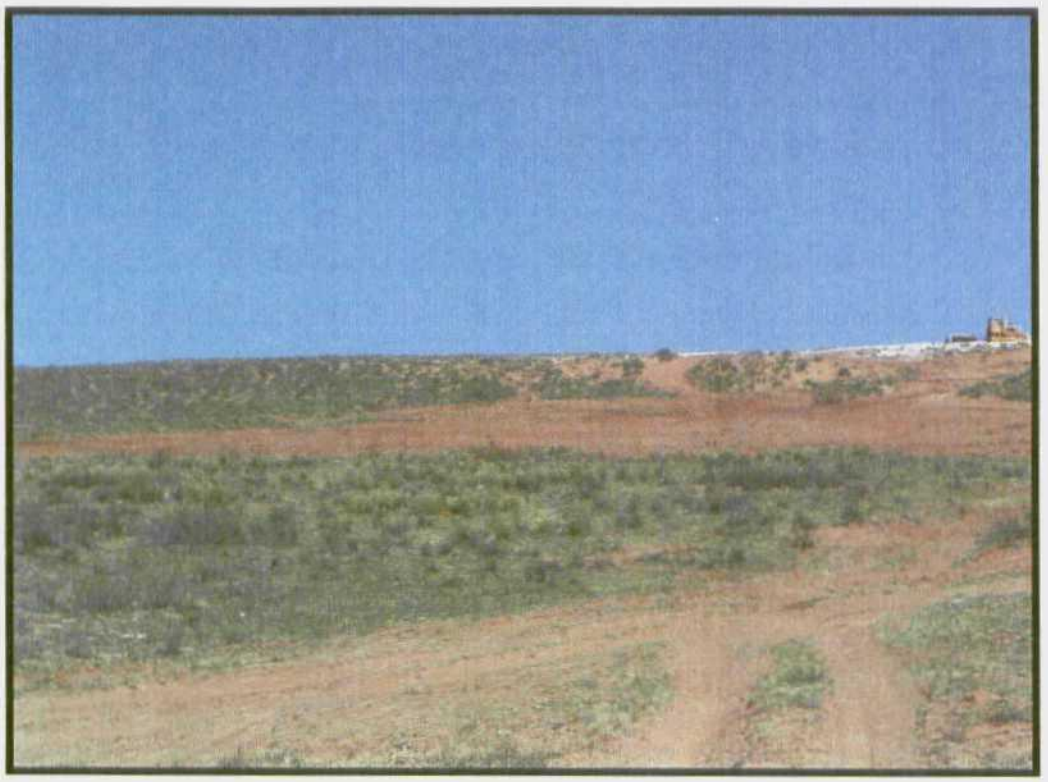
Lake Shore 4/4/03

Lake Shore 4/4/03

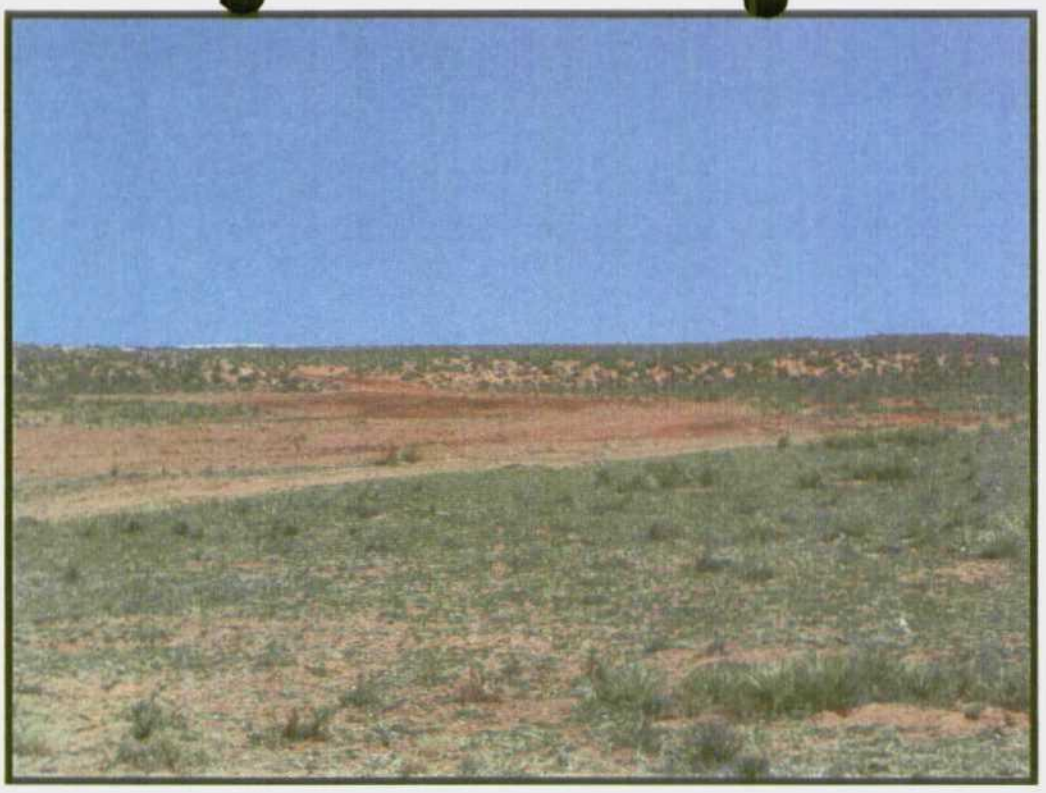
Trench #2 4/4/03

Lake Shore 4/4/03

"Run" Area Between Process Area & Lake 4/4/03



"Run" Area Between Process Area & Lake 4/4/03



"Run" Area Between Process Area & Lake 4/4/03

"Run" Area Between Process Area & Lake 4/4/03

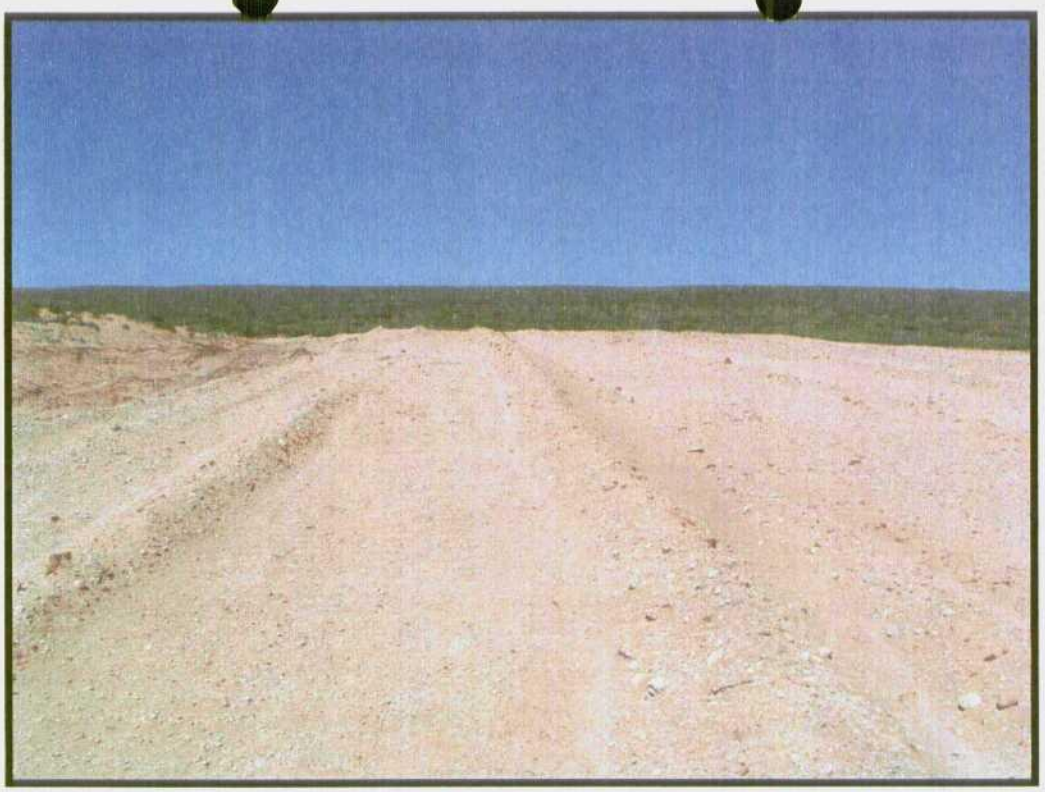
"Run" Area Between Process Area & Lake 4/4/03

Lake Shore Final 5/16/03

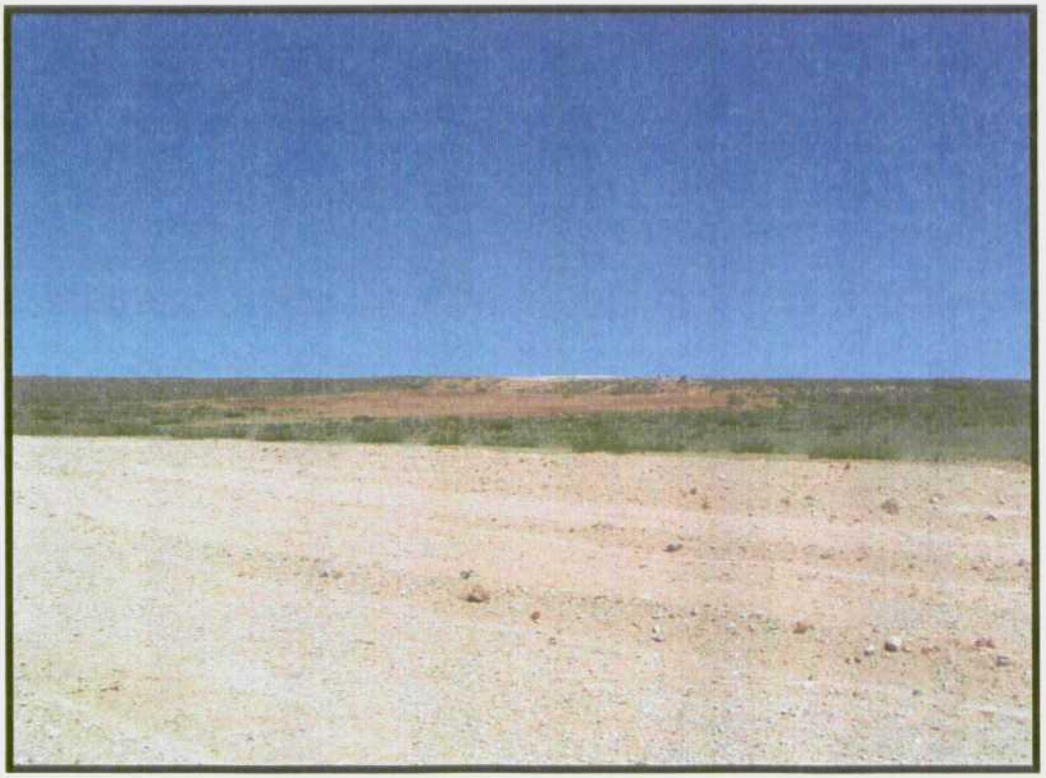
Lake Shore Final 5/16/03

Example of Isolated Small Run
Soil Sampled Underneath This Run 5/16/03

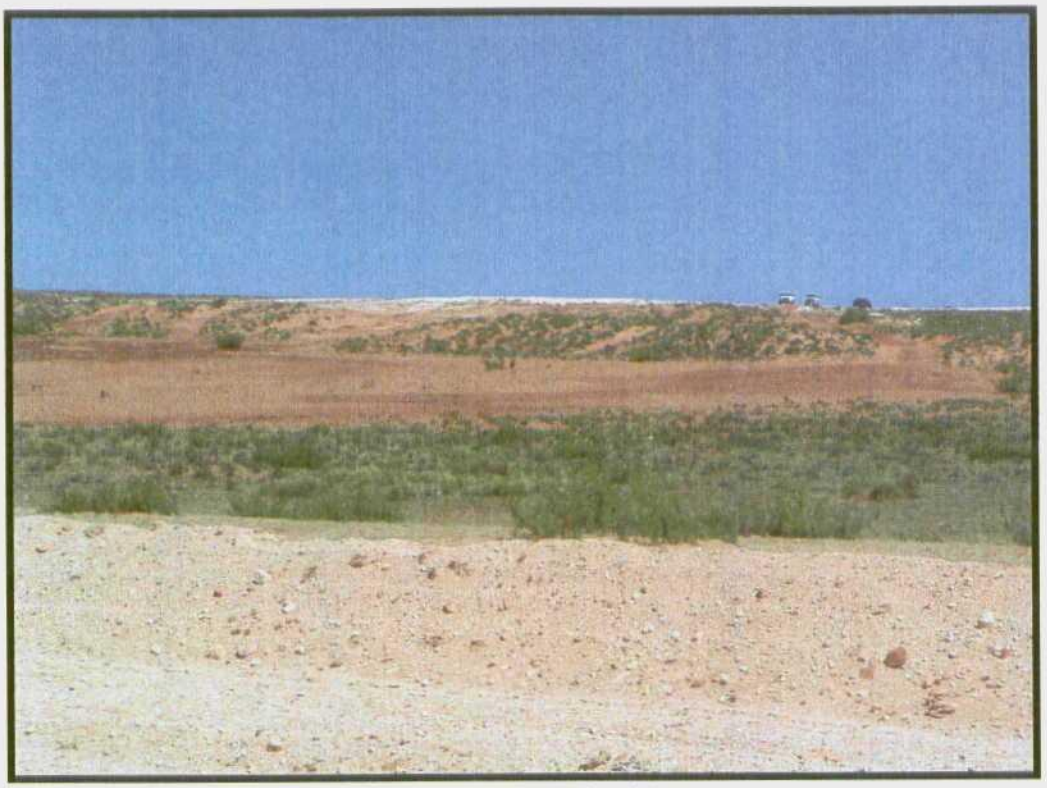
Soil Sample Location5/16/03



Capped Trench 5/16/03



Capped Trench 5/16/03



Run Area 5/16/03

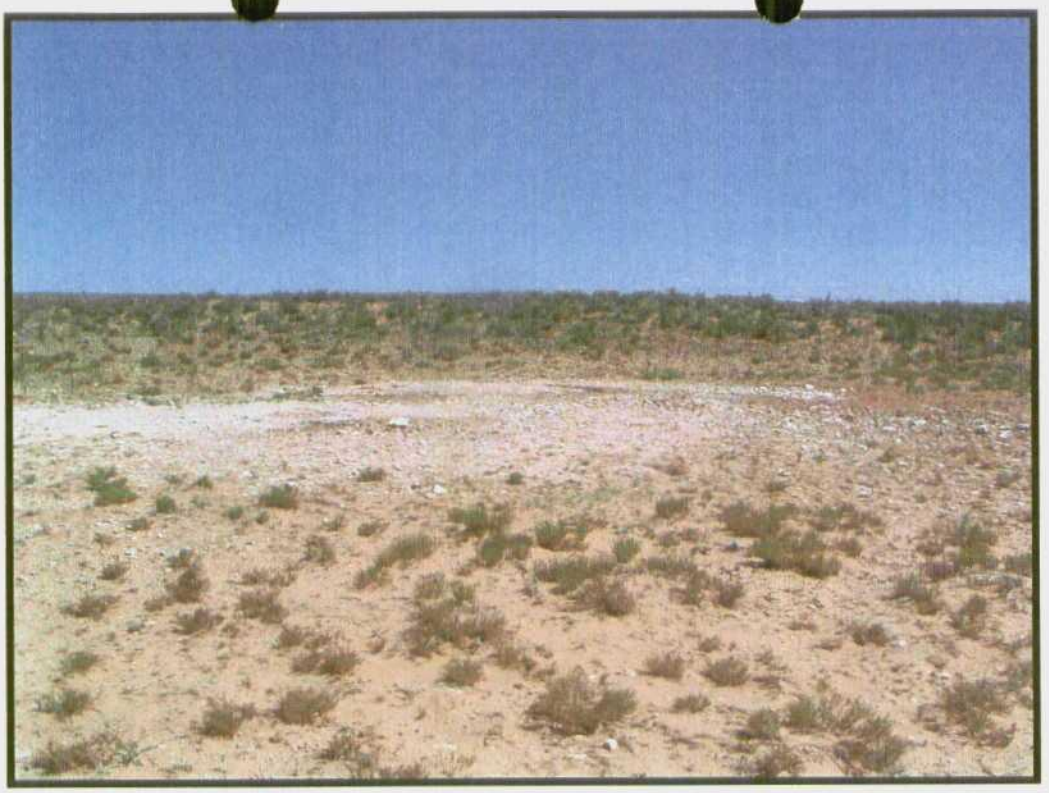
Run Area 5/16/03

Run Area 5/16/03

Process Area Final 5/16/03

Overview of Project Final 5/16/03

Overview of Project Final 5/16/03



Above Ground Tank Area Final 5/16/03