3R - 405

GENERAL CORRESPONDENCE

YEAR(S): 2007-2006

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

January 24, 2007

Mr. Kevin Hansford
Mr. Don Brooks
BP America Production Company
BP San Juan Operations Center
200 Energy Court
Farmington, NM 87401

RE: REMEDIATION PLANS FOR THREE BP GROUND WATER IMPACT SITES
BP AMERICA PRODUCTION COMPANY - JAQUEZ GC C1 (3R0404)
BP AMERICA PRODUCTION COMPANY - CHAVEZ GC A1 (3R0405)
BP AMERICA PRODUCTION COMPANY - MUDGE LS 9A (3R0406)
SAN JUAN COUNTY, NEW MEXICO

Dear Mr. Hansford and Mr. Brooks:

The New Mexico Oil Conservation Division (OCD) has reviewed its the three "Notice of Potential Groundwater Impact" letters submitted on January 11, 2006 (Jaquez GC C1 release), on February 14, 2006 (Chavez GC A1 release), and on February 21, 2006 (Mudge LS 9A release) by Blagg Engineering Inc. on behalf of BP America Production Company (BP). On May 8, 2006, I sent an email to Mr. Blagg requiring BP to submit Remediation Plans for each of these three sites. Mr. Blagg responded with three separate "Abatement Plans" on June 2, 2006.

OCD staff were involved in the Surface Waste Management Facility rulemaking process and were not able to review these submittals until now. Based on all available information, these sites should be investigated and remediated in accordance with a remediation plan, pursuant to Rule 116D, rather than a stage 1 abatement plan, pursuant to Rule 19. The most significant difference between these two options is that BP will need to continue its proactive investigation and remediation, but will not be required to provide public notice at this time. Rule 19D(1)(g) provides that responsible persons may proceed without submitting a formal stage 1 abatement plan if it is proceeding "in a manner that will likely result in compliance with the standards and requirements ...." Based on the scope of the releases and the proactive stance that BP has demonstrated, OCD has determined that it is appropriate for BP to address these releases in

accordance with three separate remediation plans, submitted pursuant to Rule 116. However, based on its review, OCD has determined that the submitted workplans must be revised before OCD can approve them. BP must make the following revisions and resubmit the three separate workplans by March 14, 2007. BP should revise the workplans to address the following in detail:

1. BP must submit a form C-141 for each release.

2. BP must submit a detailed description of each release site (including site maps), release site histories (including the nature of the releases), and a summary of previous investigations. BP should include volumes of excavated soil, concentrations of TPH and/or BTEX, *etc.* in the excavated soil, and the disposition of the excavated soil.

3. BP should submit three detailed site investigation workplans. The workplans should specify as much of the site geology and hydrogeology, the vertical and horizontal extent and magnitude of vadose zone and ground water contamination, subsurface hydraulic conductivity, transmissivity, storativity, and the estimated rate and direction of ground water contaminant migration, as practicable.

4. BP must submit an inventory of water wells within one (1) mile of each release site.

5. BP should specify as much of the surface-water hydrology, seasonal stream flow characteristics, ground water/surface water relationships, the vertical and horizontal extent and magnitude of contamination and impacts to surface water and stream sediments as practicable.

6. BP must propose a ground water monitoring program for the duration of the investigation and remediation, including sampling stations and frequencies.

7. BP must propose a sampling and analysis plan, including a quality assurance plan.

8) BP must specify that it will submit quarterly progress reports and will submit a detailed final site investigation report containing the results of all site investigation activities to the OCD Santa Fe office by no later than 45 days after the implementation of the Stage 1 work plan with a copy provided to the OCD Aztec District Office. The final site investigation report must contain:

a. A comprehensive description and summary of the results of all past and present soil and ground water investigation and monitoring activities.
b. An inventory and map of water wells within one mile of the site.
c. Geologic/lithologic logs and well construction diagrams for all site monitor wells.
d. Geologic cross-sections of the site created using the geologic/lithologic logs from all site monitor wells and soil borings.
e. Water table contour maps showing the location of pipelines, excavations, spills, monitoring wells, recovery wells, and any other pertinent site features, as well as, the direction and magnitude of the hydraulic gradient.

f. Isopleth maps for contaminants of concern.
g. Summary tables of all past and present ground water quality monitoring results including copies of newly generated laboratory analytical data and associated QA/QC data.
h. The disposition of all wastes generated.
i. A discussion of recommended remediation options that will enable BP to clean up any remaining contamination.

BP must submit two paper copies and an electronic copy of its revised workplans to OCD's Santa Fe office by March 22, 2006, with a copy provided to the OCD Aztec District Office.

If you have any questions, please contact me at 505-476-3488.

Sincerely,

Glenn von Gonten
Senior Hydrologist

cc: Mr. Charlie Perrin, OCD Aztec District Office

BLAGG ENGINEERING INC.
P.O. Box 87, Bloomfield, New Mexico 87413
Phone: (505)632-1199 Fax: (505)632-3903

2006 JUN 6 PM 12 25

June 2, 2006

Mr. Glenn von Gonten, Hydrologist
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: BP America Production Company
Transmittal of Abatement Plan
Chavez GC A1: (G) Sec. 3 - T29N - R9W, San Juan County, NM

Dear Mr. VonGonten:

On behalf of BP America Production Company, Blagg Engineering, Inc. (BEI) is submitting the attached Abatement Plan for the Chavez GC A1, (G) Sec. 3 – T29N – R9W, San Juan County, New Mexico pursuant to your e-mail request dated May 8, 2006. The plan has been prepared to meet the requirements stipulated in NMAC 19.15.1.19 (NMOCD Rule 19).

If you have questions or need additional information, please contact either myself at (505)632-1199 or Mr. Kevin Hansford of BP at (505)326-9200.

Respectfully:
Blagg Engineering, Inc.

Jeffrey C. Blagg, P.E.
President

cc: Denny Foust - NMOCD Aztec
Don Brooks - BP SJ Op. Ctr.
Kevin Hansford – BP SJ Op. Ctr.

File: jaquez.gwplan.xmt

BP America Production Company

ABATEMENT PLAN

Chavez GC A1
(G) Sec. 3 - T29N – R9W
San Juan County, New Mexico

I. Introduction

A release of hydrocarbons to the environment was discovered at the Chavez GC A1 on February 13, 2006 during equipment modifications to a steel sub-grade pit tank. The release appeared to be from historical well operations and not from a recent overflow or failure of the sub-grade tank. Since shallow groundwater at a depth of less than 10 feet was known to exist at the site, BP elected to report a potential of groundwater impact and directly proceed with abatement.

Following discovery of impacts, an immediate response began by excavation of soils with obvious impacts using a trackhoe. This work has been extensive and is ongoing. Surface ownership is Fee and the landowner has been kept appraised of the remedial process.

Outlined below is an abatement plan designed to meet the requirements of the New Mexico Oil Conservation Division (NMOCD) Rule 19 (19.15.1.19 NMAC). The abatement proposal is intended to meet the requirements of 19.15.1.19 B (3) Stage 1 (investigation plan) and 19.15.1.19 B (4) Stage 2 (abatement plan).

II. Site Investigation/Abatement

Site investigation and abatement is proposed to be conducted concurrently using excavation equipment to remove all identified impacted soils known to exceed NMOCD standards, beginning from the ground surface and extending to below the water table found at approximately 9 feet below grade. During this work, soil type, groundwater depth and the extent of impacts will be investigated.

Water wells in the immediate area and down-gradient from the source area will be identified. Any wells that may be impacted by the release will be sampled and tested for impacts, pending well owner authorization.

Following remedial actions, a minimum of three (3) groundwater monitoring wells will be installed for testing water quality and identifying gradient. Additional wells may be installed to insure that adequate monitoring points are placed up-gradient, in the original source

area and down-gradient from the source area.

Initial well testing will be for volatile organics (BTEX) by an appropriate laboratory analytical procedure (U.S. EPA 8021 or 8260) and for cation/anion analysis. If a product sheen is identified during the initial sample event, polynuclear aromatic hydrocarbons (PAH's) will be included in the laboratory testing.

If initial testing indicates an absence of contaminates in all wells, site closure with no further sampling will be requested. However, if contaminates are detected in any well, additional testing will be conducted until 4 consecutive tests indicate residual contaminates are below standards for any given monitoring point.

Quality assurance/quality control (QA/QC) will include following standard SW 846 procedures for well development, sample collection, storage and delivery to the laboratory. Chain-of-custody documentation will be included with each sample. Only qualified laboratories with adequate QA/QC processes that follow U.S. EPA protocol will be selected for sample analysis.

Since site remediation by excavation is ongoing there is not a fixed date for monitor well installation. A current schedule for monitoring activities is as follows:

By July 31, 2006:	Monitor well installation
By August 31, 2006:	Initial well development and sampling
By September 30, 2006	First Quarterly Report

If this schedule cannot be followed, an extension of time will be requested.

Included with the first quarterly report will be the results of the Stage 1 Investigation. Subsequent groundwater sampling will be scheduled on a quarterly basis following the initial event, and subsequent groundwater reports will be on an annual basis following the initial report. Included with each report will be well logs for any new wells installed in the monitoring program, maps indicating the estimated groundwater gradient with each sample event and tables summarizing the historical results of pertinent groundwater analyses.

III. Summary

Primary remedial actions at the Chavez GC A1 have been initiated by BP on a proactive basis to minimize potential impacts to the environment. If subsequent monitoring and testing indicates that these actions will not adequately address remediation of groundwater impacts, a revised abatement plan pursuant to 19.15.1.19 NMAC will be submitted for NMOCD approval.

CLIENT: AMOCO

BLAGG ENGINEERING, INC.
P.O. BOX 87, BLOOMFIELD, NM 87413
(505) 632-1199

DATE : _____

FIELD REPORT: PIT INVENTORY & SITE MAP

PAGE No: 1 of 1

LOCATION NAME: CHAVEZ GAS COM A 1

DATE DRILLED: 6-18-65

UNIT: G SEC. 3 TWP. 29N RNG. 9W CTY. SJ P.M. NM

ENVIRONMENTAL SPECIALIST: EP

PREVIOUS OPERATOR(S): PAN AM PET

	DEHYDRATOR	SEPARATOR	_____	_____	_____
Type of containment	E / F / ST	E / F / ST	E / F / ST	E / F / ST	E / F / ST
Pit fenced	Y / N	Y / N	Y / N	Y / N	Y / N
Pit netted	Y / N	Y / N	Y / N	Y / N	Y / N
Bermed adequately	Y / N	Y / N	Y / N	Y / N	Y / N
Weeds in pit area	Y / N	Y / N	Y / N	Y / N	Y / N
Lined	Y / N	Y / N	Y / N	Y / N	Y / N
Type of liner					
Spills or leaks	Y / N	Y / N	Y / N	Y / N	Y / N
Piping leaks	Y / N	Y / N	Y / N	Y / N	Y / N
Fluid present in pit	Y / N	Y / N	Y / N	Y / N	Y / N
Daily volume (< 5 bbl/day)	Y / N	Y / N	Y / N	Y / N	Y / N
Leak detection present	Y / N	Y / N	Y / N	Y / N	Y / N
Waste Non-exempt	Y / N	Y / N	Y / N	Y / N	Y / N
Utilized by one operator	Y / N	Y / N	Y / N	Y / N	Y / N
...er operator(s) name					
...mension (L x W x D) ft.	4'x6'	12x6'			
Distance (ft) – Bearing from well head.	170' 346°	185' 12°	← FROM D#1 Wellhead		

INSPECTION CHECKLIST

Storage tank(s) on-site	Y / N
1) # of tanks	2
2) bermed adequately	Y / N
3) tank overflow observed	Y / N
4) piping leaks observed	Y / N
Automation observed	Y / N
cathodic protection leaking	Y / N
Well head leaking	Y / N
Surface equipment leaking	Y / N
1) Unit type	
Well pad level	Y / N
Chemical drums	Y / N
1) labeled	Y / N
2) leaking	Y / N

NOTE: Type of containment symbols :
E = Earthen Pit
F = Fiberglass tank Pit
ST = Steel tank Pit

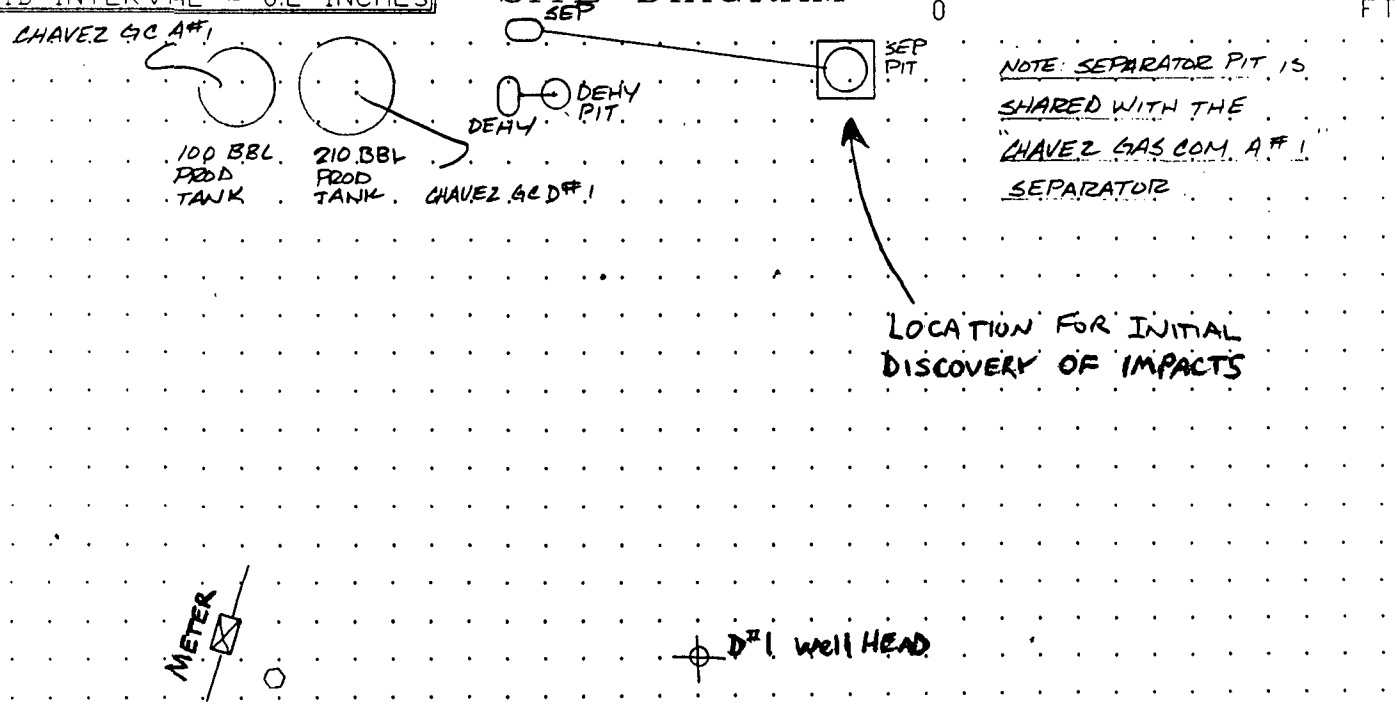
COMMENTS: DEHY PIT NOT FENCED OR BERMED

GRID INTERVAL = 0.2 INCHES

SITE DIAGRAM

1 INCH = FT.

0 FT.



WEATHER/SITE CONDITIONS: SUNNY / PARTLY SUNNY / CLOUDY / FOG / COLD / WARM / HOT / RAINING / SNOWING / DRY / WET / MUDDY / VERY MUDDY / SNOW PACKED / ROUGH / SMOOTH.

VonGonten, Glenn, EMNRD

From: VonGonten, Glenn, EMNRD
Sent: Monday, May 08, 2006 3:37 PM
To: 'Jeffcblagg@aol.com'
Cc: Price, Wayne, EMNRD
Subject: RE: BP Jaquez GC C1; Chavez GC A1; Mudge LS 9A

Jeff,

I'm sorry that I haven't been able to discuss these sites with you sooner. I, and several other OCD staff have been tied up with the new Rule 53.

BP needs to submit remediation plans for all three of these sites within 30 days. The RPs are required pursuant to OCD Rule 19 (19.15.1.19 NMAC). If BP is unable to remediate these sites within one year, OCD may require it to submit an Abatement Plan pursuant to Rule 19.

If you have any questions, please call me at 505-476-3488. I will be out of the office from May 15 through 31. If you have any questions during that time, please call Wayne Price at 505-476-3490.

Glenn von Gonten

From: Jeffcblagg@aol.com [mailto:Jeffcblagg@aol.com]
Sent: Wednesday, January 11, 2006 9:25 AM
To: VonGonten, Glenn, EMNRD
Cc: Foust, Denny, EMNRD; brooksd2@bp.com
Subject: BP Jaquez GC C1

Mr. von Gonten:

Please see attached correspondence concerning the BP - America Production Co. Jaquez GC C1.

Jeff Blagg,
Blagg Engineering

jeffcblagg@aol.com

Office: (505)632-1199

3R0405

BLAGG ENGINEERING INC.
P.O. Box 87, Bloomfield, New Mexico 87413
Phone: (505)632-1199 Fax: (505)632-3903

2006 FEB 15 PM 1 06

February 14, 2006

Mr. Glenn von Gonten, Hydrologist
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: BP America Production Company
Notice of Potential Groundwater Impact
Chavez GC A1
(G)Sec. 3 - T29N - R9W, San Juan County, NM
30-045-08760

Dear Mr. von Gonten:

On behalf of BP America Production Company, Blagg Engineering, Inc. (BEI) has identified potential groundwater impacts at the subject location. During equipment modifications on February13, 2006 soils impacted with produced hydrocarbon were identified around a sub-grade tank. During removal of this tank, groundwater was found at a depth of approximately 10 feet below ground surface. Visual inspection indicated that potentially impacted soils were in contact with groundwater in the area of this sub-grade tank.

The Chavez GC A1 is located on private property near Turley, New Mexico. BP intends to address the impact by excavating contaminated soils and transporting them to the BP Crouch Mesa landfarm/compost facility. Following this remedial effort, the site will be placed on BP's groundwater monitoring program to quantify residual water quality.

Mr. Denny Foust of the NMOCD Aztec District office was notified via voice mail of this potential impact on February 14, 2006.

If you have questions or need additional information, please contact either myself at (505)632-1199 or Mr. Don Brooks of BP at (505)326-9200.

Respectfully:
Blagg Engineering, Inc.

Jeffrey C. Blagg

Jeffrey C. Blagg, P.E.
President

cc: Denny Foust - NMOCD Aztec
Don Brooks - BP SJ Op. Ctr.

File: GWrelease.wpd