



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.

Director
Oil Conservation Division

HANSON OPERATING COMPANY, INC.

P.O. Box 1515
Roswell, NM 88202-1515

March 14, 2006

REMEDIATION WORK PLAN CONDITIONS OF APPROVAL - HANSON FEDERAL NO. 11 SWD

A review of the remediation work plan submitted on 1/19/06 for the Hanson Federal No. 11 SWD (30-015-05877) has been completed by this office. Your proposed method of remediation, excavating and hauling saturated materials and enhanced bioremediation (tilling and adding fertilizer to stimulate micro-organism growth to metabolize the organic compounds in the soil) of unsaturated materials, is approved for this remediation under the following conditions:

- **This approval covers two separate locations:** The tank battery on this location and the tank battery on the plugged Hanson Federal #7 well location which appears to be in use as a truck unloading point for the Hanson Federal #11 SWD.
- Because in-situ bioremediation is considered a long term remediation process, a quarterly report of activity associated with this project shall be submitted to the NMOCD District 2 Office until the remediation is completed. This report must contain:
 - 1. All work since last report including date of work, who performed the work, what work was performed, amount(s) of any additive(s) added to the soil including nutrients and water.
 - 2. Results of samples showing the level(s) of contaminants present and change since last report.
 - 3. First report must be submitted on July 1, 2006 and then every three months afterwards until site closure is approved.
- Aerobic conditions (sufficient oxygen in the soil to allow microorganism development) must be maintained throughout the contaminant impacted area. Tilling must be conducted to a depth that ensures contaminant and micro-organism contact and at a regular interval to ensure aerobic conditions are maintained.
- This methodology does not apply to chlorinated organics and inorganic salts because they are likely to be toxic to microorganisms. If high concentrations of chlorides (above background levels of the surrounding area) are found during remediation or if chlorides become present during the bioremediation process then an alternative remediation proposal must be submitted to the NMOCD District 2 Office.
- Highly Contaminated/Saturated Soils must be remediated by excavating to the maximum depth and horizontal extent practicable until a representative sample from the walls and bottom of the excavation is below the contaminant specific remediation level. Upon reaching this limit samples should be taken from the walls and bottom of the excavation to determine the remaining levels of soil contaminants. All soils removed from the location must be documented as to disposition of the soils (OCD approved landfarm, centralized site, etc.).
 - Highly contaminated/saturated soils are defined as those soils that contain a free liquid phase or exhibit gross staining.
- Unsaturated Contaminated Soils may be excavated or may be remediated by treatment of soil in place, until a representative sample is below the contaminant specific remediation level.

- Unsaturated contaminated soils are defined as soils which are not highly contaminated/saturated but contain benzene, toluene, ethylbenzene and xylenes (BTEX) and total petroleum hydrocarbons (TPH) or other potential fresh water contaminants unique to the leak, spill or release (e.g. chlorides).
- Contaminated soils requiring remediation should be remediated so that residual contaminant concentrations are below the recommended soil remediation action level. If soil action levels cannot practicably be attained, a detailed evaluation of risk may be performed and provided in writing to OCD for approval showing that the remaining contaminants will not pose a threat to present or foreseeable beneficial use of fresh water, public health and the environment.
- If alternate methods of remediation are to be used, prior approval from the OCD District 2 Office is required prior to beginning any work using these alternate methods. A specific proposal outlining the alternate methods must be submitted in writing.
- If ground water is encountered during the soil/waste characterization, excavation or remediation of the impacted soils, a sample should be obtained to assess the incidents potential impact on ground water quality and the OCD District 2 Office should be notified immediately.
- Notify OCD District 2 Office 24 hours prior to conducting work by Hanson Operating Company, Inc., contractors or sub-contractors that is intended to excavate, wash, move or disturb (such as in tilling, blading, etc.) soils or contaminated materials for the purpose of remediation, or hauling any soils or contaminated materials into or out of the location covered under this remediation work plan. This notification is to ensure NMOCD personnel are able to monitor compliance with approved remediation work plans as required by the New Mexico Administrative Code. Therefore, if a reasonable schedule of work cannot be provided then a separate notification that work is to resume is required if work ceases at the location for more than 5 days.
- Notify OCD District 2 Office 24 hours prior to obtaining samples where analysis of samples will be submitted to OCD. ALL final delineation sample results must be submitted to the OCD whether or not the OCD actually witnesses those samples being taken.
- Upon termination of any required remedial actions, the area of a leak, spill or release may be closed, **after obtaining approval for the closure from the OCD District 2 office**, by backfilling any excavated areas, contouring to provide drainage, revegetating the area or other OCD approved methods. Upon completion of remedial activities a final report summarizing all actions taken to mitigate environmental damage related to the leak, spill or release will be provided to OCD for approval.
- For all Federal Lease wells, a "Like Approval" by the United States Bureau of Land Management may be required. It is the operators responsibility to obtain this approval and the approval of any other surface owner that may be required by law, regulation or contractual obligation of the operator and surface owner.

Acceptance of the remediation work plan does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of reports and work plans does not relieve the operator of responsibility for compliance with any other federal, state or local laws and/or regulations.

Thank you for your prompt attention to this matter and your efforts in helping to protect our environment and the infrastructure of the oil and gas industry.



Artesia OCD District Office

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-141
Revised October 10, 2003

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company	Hanson Operating Company, Inc.	Contact	Bobby Wood	
Address	P. O. Box 1515, Roswell, NM 88202-1515	Telephone No.	505-622-7330, 505-420-0127	
Facility Name	Hanson Federal #11 SWD	Facility Type	Salt Water Disposal	
Surface Owner	Mineral Owner	USA	Lease No.	NMLC068282B

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
C	25	26S	31E	1650	South	2310	East	Eddy

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release	Produced Water	Volume of Release	4.5 BW	Volume Recovered	0
Source of Release	Truck unloading produced water at storage battery	Date and Hour of Occurrence	12/2005	Date and Hour of Discovery	12/2005
Was Immediate Notice Given?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required	If YES, To Whom?			
By Whom?		Date and Hour			
Was a Watercourse Reached?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.			

RECEIVED

JAN 20 2006

UUL-ARTECOM

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*

Due to a power outage at the time a disposal truck was unloading, lost 4.5 BW before operations could be shut down. The saturated soil in the northeast corner of the battery will be excavated and removed to an OCD approved facility. The area around the tank battery, berm, and location will be tilled, cow manure added and tilled in. Remediation operations will begin upon approval of plan.

Describe Area Affected and Cleanup Action Taken.*

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

Signature: <i>Carol J. Smith</i>	OIL CONSERVATION DIVISION		
Printed Name: Carol J. Smith	Approved by District Supervisor:		
Title: Production Analyst	Approval Date:	Expiration Date:	
E-mail Address: hanson@dfn.com	Conditions of Approval:		Attached <input type="checkbox"/>
Date: 1/19/2006	Phone: 505-622-7330		

* Attach Additional Sheets If Necessary