

NMSWD
07/20/11



New Mexico Energy, Minerals and Natural Resources Department

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Oil Conservation Division



JULY 20, 2011

HOBBS OCD

Mr. James Read
New Mexico Salt Water Disposal Company
P.O. Box 1518
Roswell, New Mexico 88202-1973

JUL 20 2011

RECEIVED

RE: Remediation and Site Restoration Protocol

Dear Mr. Read:

The Oil Conservation Division (OCD) has reviewed the *Remediation and Site Restoration Protocol* for the New Mexico Salt Water Disposal Company (NMSWDCo) produced water spill site located in Section 15, Township 10 South, Range 34 East, NMPM, on State Trust Land in Lea County, New Mexico submitted by Whole Earth Environmental, Inc. The C-141 for this release was submitted to OCD's Hobbs District Office on October 4, 2010. Whole Earth Environmental, Inc. conducted a site investigation and submitted a report to OCD dated February 5, 2011.

On May 20, 2011 OCD met with NMSWDCo, the State Land Office, the New Mexico Department of Game and Fish, the leasees, and legal representatives. NMSWDCo submitted a version of its remediation plan dated May 17, 2011 at this time. After the technical meeting, OCD reviewed NMSWDCo's proposed remediation plan and provided comments on May 26, 2011. Among other issues, OCD required NMSWDCo to concurrently address the chloride and hydrocarbon contamination. On June 1, 2011, NMSWDCo submitted a revised remediation plan (PR-146A) which OCD reviewed and provided comments on June 10, 2011. NMSWDCo responded with a reviewed remediation plan (PR-146C) on June 13, 2011. OCD held a teleconference call with NMSWDCo, OCD Hobbs staff, and others on June 14, 2011, to discuss the revised remediation plan. OCD determined that NMSWDCo must cleanup the site to Part 36 small landfarm standards. On June 27, 2011, OCD provided NMSWDCo with additional comments. NMSWDCo responded on June 30, 2011, with a revised remediation plan (PR-146D) and an amended well design on July 5, 2011. On July 11, 2011, OCD provided final comments on PR-146D and in response NMSWDCo submitted a final revised remediation plan (PR-146E) on July 17, 2011.

After review, OCD has conditionally approved NMSWDCo July 17, 2011 remediation plan (PR-146E), with certain stipulations. NMSWDCo must comply with the following conditions:

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>

1. NMSWDCo must revise PR-146E to specify the additional analytes that it will use to demonstrate that the ground water is 100% perched produced water and not protectable ground water that has been contaminated by a produced water release, as OCD previously required in its July 11, 2011 review. OCD is deferring a decision on ground water remediation until we see the analytical results of the new monitor well and a determination on whether the ground water at this site is protectable. Also, be aware that NMSWDCo will not be allowed to pump and dispose of contaminated protectable ground water unless it has a water right at this location. OCD will require remediation of any Cretaceous ground water if the unimpacted background TDS concentration is less than 10,000 mg/l.

2. NMSWDCo must revise the maps by adding labels (refer to each figure in the text), a legend, a north arrow, and a bar scale as was previously noted in OCD's July 11, 2011 review.

3. NMSWDCo's final report must discuss in detail all monitor wells and both water bearing intervals as was previously noted in OCD's July 11, 2011 review.

4. NMSWDCo must submit a clean, revised copy of the July 17, 2011 remediation plan that includes the analytes of condition #1 above; all maps and all attachments; *i.e.*, no redline, blue font, *etc.*; and a commitment for a final report as noted in condition #3 above by **July 27, 2011**. This must be a stand alone submittal and must include all information that any interested person may wish to review.

OCD understands that NMSWDCo expects the implementation of its remediation plan will take eight weeks. Please mobilize as soon as possible and update all interested persons via email of your progress at least weekly. We will expect the first update to report activities occurring during the week ending **August 5, 2011**. Thank you for your cooperation during this review process. If you have any questions, please contact Glenn von Gonten at 505-476-3488 or by email at glenn.vongonten@state.nm.us.

Sincerely,



Jami Bailey
Director

JB/gvg