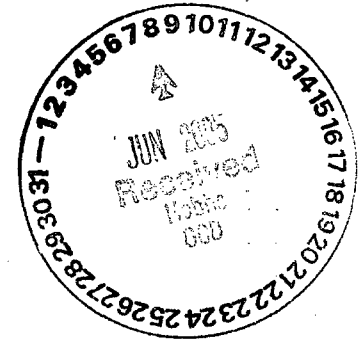




# Highlander Environmental Corp.

Midland, Texas

June 2, 2005



Mr. Wayne Price  
New Mexico Energy, Minerals, & Natural Resources  
Oil Conservation Division, Environmental Bureau  
1220 S. St. Francis Drive  
Santa Fe, New Mexico 87504

**RE: Work Plan for the Spill at the Former Texaco South Eunice Gas Plant Remediation System Tank Battery, Located in the NW/4, SW/4, Section 27, Township 22 South, Range 37 East, Lea County, New Mexico, Operated by Chevron Environmental Management Company.**

Dear Mr. Price:

Highlander Environmental Corp. (Highlander) was contacted by Chevron Environmental Management Company to assess and to remediate the soil impact from a spill that occurred at the former Texaco Eunice #1 (South) Gas Plant (Site), located approximately 4.5 miles south of Eunice, New Mexico. The Site is situated in the northwest quarter (NW/4) of the southwest quarter (SW/4), Section 27, Township 22 South, Range 37 East, Lea County, New Mexico. Figure 1 presents a site location and topographic map.

The spill occurred on May 26, 2005, when lighting struck an above ground storage tank, and the tanks caught fire. This tank battery is for storage of product and produced water recovered by a groundwater remediation system in operation at the site. Approximately 350 barrels of fluid were spilled and 330 barrels were recovered. The majority of the oil in the tanks was consumed in the fire, but an estimated 1 barrel of oil was contained inside the facility firewall. The produced water was primarily contained inside the facility firewall, however, the firewall was breached on the southwest and northwest corners. The fire was extinguished by the Eunice Volunteer Fire Department. The initial Form C-141 is included in Appendix A.

## Site Inspection

On May 26, 2005, Highlander personnel inspected the spill area. The oil had been contained inside the facility firewall and the areas where produced water had breached the firewall measured approximately 50' x 150' and 30' x 50'. The impacted areas are shown on Figure 2.

*Facility - APACOG 15653712*  
*Incident - nPACOG 15653800*

*application -*

### Groundwater and Regulatory

Based upon the monitor wells located at the facility, the depth to groundwater at this site is 52'-56' below ground surface.

A risk-based evaluation was performed for the Site in accordance with the NMOCD Guidelines for Remediation of Leaks, Spills and Releases, dated August 13, 1993. The guidelines require a risk-based evaluation of the site to determine recommended remedial action levels (RRAL) for benzene, toluene, ethylbenzene and xylene (collectively referred to as BTEX) and total petroleum hydrocarbons (TPH) in soil. The proposed RRAL for benzene was determined to be 10 parts per million (ppm) or milligrams per kilogram (mg/kg) and 50 ppm for total BTEX (sum of benzene, toluene, ethylbenzene and xylene). Based upon the depth to groundwater, the proposed RRAL for TPH is 1000 mg/kg.

### Work Plan

Any residual oil staining will be excavated, raked or tilled. Once the damaged tanks have been removed and the location has had ample time to dry, Highlander will sample the spill areas using a stainless steel, bucket-type hand auger. Soil samples will be taken at 1.0' increments for evaluation of TPH by EPA method 8015 DRO/GRO (modified), benzene, toluene, ethylbenzene, and xylene (BTEX) by EPA method 8021B and chloride by EPA method 300.0. All samples will be collected and preserved in laboratory prepared sample containers, shipped under proper chain-of-custody control and analyzed within the standard holding times. The site will then be evaluated for either further investigation or closure. If the RRAL are achieved, the excavation will be backfilled with clean fill material. Once the remedial activities are performed, a closure report will be submitted for your review.

If you require any additional information or have any questions or comments, please contact us at (432) 682-4559.

**Highlander Environmental Corp.**

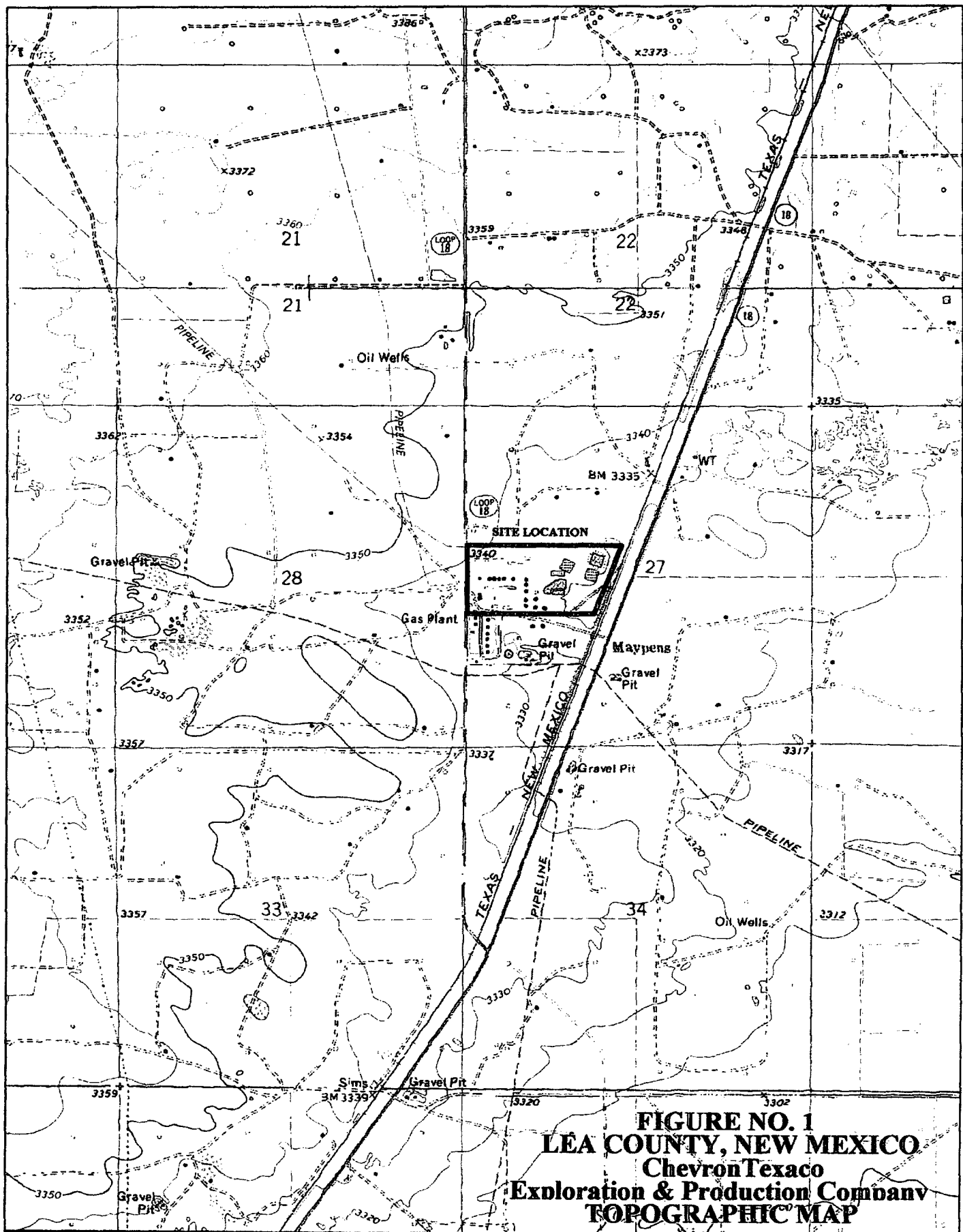


Timothy M. Reed, P.G.  
Vice President

cc: Chevron EMC – Scott Toner  
Secor – Ronnie J. Kallus, Jr.  
NMOCD, Hobbs – Chris Williams



## FIGURES



**FIGURE NO. 1**  
**LEA COUNTY, NEW MEXICO**  
**ChevronTexaco**  
**Exploration & Production Company**  
**TOPOGRAPHIC MAP**



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[www.delorme.com](http://www.delorme.com)

Scale 1 : 24,000  
 1" = 2000 ft



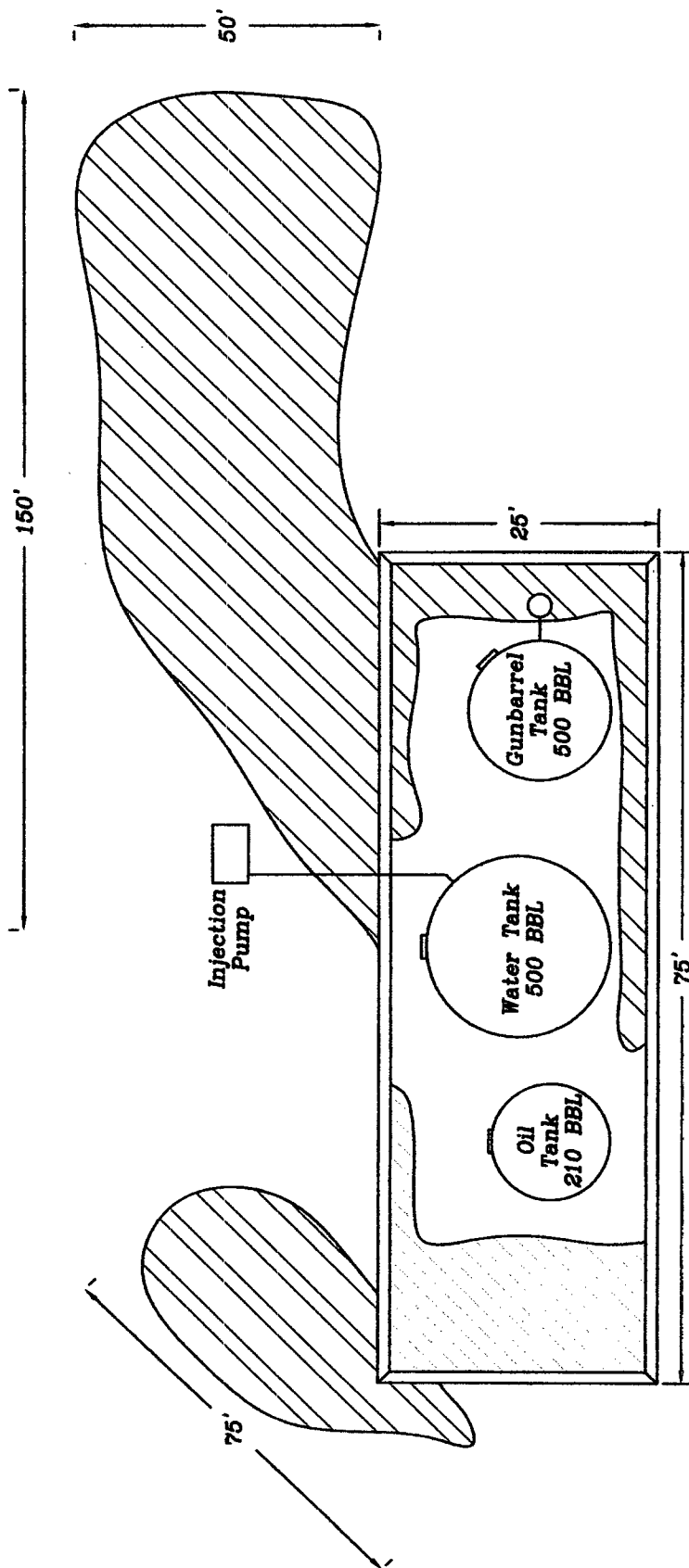


FIGURE NO. 2

LEA COUNTY, NEW MEXICO

ChevronTexaco  
EUNICE SOUTH PLANT

HIGHLANDER ENVIRONMENTAL CORP.  
MIDLAND, TEXAS

DATE  
6/2/05

TIME  
8:11

FILE  
JUN 2005

PROJECT  
SOUTHWESTERN

Oil Spill

Salt Water Spill

NOT TO SCALE

**APPENDIX A**

**State of New Mexico  
Form C-141**

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

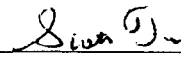
Name of Company <b>Chevron Environmental Mgmt. Co.</b>	Contact <b>Scott Toner</b>
Address <b>15 Smith Road, Midland, TX 79705</b>	Telephone No. <b>432-687-7318</b>
Facility Name <b>Eunice South Gas Plant</b>	Facility Type <b>Ground Water Remediation</b>
Surface Owner <b>Versado LLP</b>	Mineral Owner <b>Unknown</b>
Lease No. <b>Unknown</b>	

#### LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
	27	22 S	37 E					Lea

Latitude N/A Longitude N/A

#### NATURE OF RELEASE

Type of Release <b>Oil / Produced Water</b>	Volume of Release <b>1 bbl / 350 bbls</b>	Volume Recovered <b>1 bbl / 330 bbls</b>
Source of Release <b>Rupture of above ground storage tanks</b>	Date and Hour of Occurrence <b>5/26/05, 5:00 AM</b>	Date and Hour of Discovery <b>5/26/05, 5:30 AM</b>
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? <b>Gary Wink</b>	
By Whom? <b>Scott Toner</b>	Date and Hour <b>5/26/05, 1:26 PM</b>	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse. <b>N/A</b>	
If a Watercourse was Impacted, Describe Fully. * <b>Watercourse not impacted.</b>		
Describe Cause of Problem and Remedial Action Taken.* <b>Lightening struck above ground storage tanks and the tanks caught fire. Most of the oil in the tanks burned in the fire, but 1 barrel was released inside the secondary containment. Approximately 350 barrels of produced water was released inside the secondary containment, but damage to the berm allowed some produced water to get outside the secondary containment. The fire was extinguished by the Eunice Volunteer Fire Dept. Highlander Environmental responded and locked out and tagged all equipment that was part of the remediation system to isolate the tanks.</b>		
Describe Area Affected and Cleanup Action Taken.* <b>The area inside the secondary containment held the oil and most of the produced water. The berm was slightly damaged, and some of the produced water got outside of the berm. Tank trucks were called to the site, and they removed the oil and produced water from inside of the berm. The berm was repaired with a backhoe. Tank trucks are currently working to recover produced water outside of the berm. Oil stained soil will be excavated and disposed.</b>		
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: 		<b>OIL CONSERVATION DIVISION</b>
Printed Name: <b>Scott Toner</b>		Approved by District Supervisor:
Title: <b>Remediation Project Manager</b>	Approval Date:	Expiration Date:
E-mail Address: <b>stoner@chevrontexaco.com</b>	Conditions of Approval:	Attached <input type="checkbox"/>
Date: <b>5/26/05</b> Phone: <b>432-687-7318</b>		

\* Attach Additional Sheets If Necessary

116 RELEASE NOTIFICATION AND CORRECTIVE ACTION [1-1-50...2-1-96; A, 3-15-97]

116.A. NOTIFICATION

(1) The Division shall be notified of any unauthorized release occurring during the drilling, producing, storing, disposing, injecting, transporting, servicing or processing of crude oil, natural gases, produced water, condensate or oil field waste including Regulated NORM, or other oil field related chemicals, contaminants or mixture thereof, in the State of New Mexico in accordance with the requirements of this Rule. [1-1-50...2-1-96; A, 3-15-97]

(2) The Division shall be notified in accordance with this Rule with respect to any release from any facility of oil or other water contaminant, in such quantity as may with reasonable probability be detrimental to water or cause an exceedance of the standards in 19 NMAC 15.A.19. B(1), B(2) or B(3). [3-15-97]

116.B. REPORTING REQUIREMENTS: Notification of the above releases shall be made by the person operating or controlling either the release or the location of the release in accordance with the following requirements: [5-22-73...2-1-96; A, 3-15-97]

(1) A Major Release shall be reported by giving both immediate verbal notice and timely written notice pursuant to Paragraphs C(1) and C(2) of this Rule. A Major Release is:

- (a) an unauthorized release of a volume, excluding natural gases, in excess of 25 barrels;
- (b) an unauthorized release of any volume which:
  - (i) results in a fire;
  - (ii) will reach a water course;
  - (iii) may with reasonable probability endanger public health; or
  - (iv) results in substantial damage to property or the environment;
- (c) an unauthorized release of natural gases in excess of 500 mcf; or
- (d) a release of any volume which may with reasonable probability be detrimental to water or cause an exceedance of the standards in 19 NMAC 15.A.19. B(1), B(2) or B(3). [3/15/97]

(2) A Minor Release shall be reported by giving timely written notice pursuant to Paragraph C(2) of this Rule. A Minor Release is an unauthorized release of a volume, greater than 5 barrels but not more than 25 barrels; or greater than 50 mcf but less than 500 mcf of natural gases. [3-15-97]

116.C. CONTENTS OF NOTIFICATION

(1) Immediate verbal notification required pursuant to Paragraph B shall be reported within twenty-four (24) hours of discovery to the Division District Office for the area within which the release takes place. In addition, immediate verbal notification pursuant to Subparagraph B.(1).(d). shall be reported to the Division's Environmental Bureau Chief. This notification shall provide the information required on Division Form C-141. [5-22-73 . 2-1-96; A, 3-15-97]

(2) Timely written notification is required to be reported pursuant to Paragraph B within fifteen (15) days to the Division District Office for the area within which the release takes place by completing and filing Division Form C-141. In addition, timely written notification required pursuant to Subparagraph B.(1).(d). shall also be reported to the Division's Environmental Bureau Chief within fifteen (15) days after the release is discovered. The written notification shall verify the prior verbal notification and provide any appropriate additions or corrections to the information contained in the prior verbal notification. [5-22-73...2-1-96; A, 3-15-97]

116.D. CORRECTIVE ACTION: The responsible person must complete Division approved corrective action for releases which endanger public health or the environment. Releases will be addressed in accordance with a remediation plan submitted to and approved by the Division or with an abatement plan submitted in accordance with Rule 19 (19 NMAC 15.A. 19). [3-15-97]