

NM2 - 6

**CLOSURE
PLAN**

Jones, Brad A., EMNRD

From: Jones, Brad A., EMNRD
Sent: Wednesday, September 13, 2017 2:16 PM
To: 'Grubbs, Richard T'
Cc: Smith, Cory, EMNRD
Subject: RE: Hallwood Evaporation Pond

Richard,

Based upon information provided in the unsigned draft closure report, dated August 1, 2017, that was emailed to Cory Smith (OCD District III) on August 14, 2017, OCD has determined that the revised closure/post-closure care plan, dated May 23, 2008, which OCD granted approval on May 28, 2008 was implemented but not completed as proposed and approved. OCD hereby grants an conditional approval of the proposed revised closure activities provided in the August 22, 2017 email below, with the following conditions:

1. Chevron shall excavate and remove any visual surface contamination within and surrounding the unlined earthen evaporation pond footprint. The contaminated soils shall be disposed at an OCD approved facility;
2. Chevron shall compare all sample results to the facility background results to determine if a release has occurred. If there has been a release, Chevron shall comply with the applicable requirements of 19.15.29 NMAC and/or 19.15.30 NMAC;
3. Pursuant to 19.15.36.18.D NMAC, Chevron analyze each sample for “TPH, BTEX, metals and other inorganics listed in Subsections A and B of 20.6.2.3103 NMAC...”;
4. Due to Chevron not being able to confirm if the leak detection sump was removed during the 2008 closure activities performed, Chevron shall demonstrate by photo documentation, during the proposed excavation activities, the removal of the sump and associated piping or remove if discovered;
5. Chevron shall ensure that any backfilling and contouring at the facility shall be completed in a manner to prevent erosion and ponding of water;
6. Chevron shall demonstrate compliance to 19.15.35.9 NMAC and the exemptions specified in 20.3.14.1403 NMAC, regarding the disposal of regulated NORM, for any additional PVC piping that may be generated from the removal of the leak detection sump;
7. Chevron shall submit request for approval pursuant to 19.15.35.8.B.(2) and (3) NMAC and obtain OCD approval for any waste generated that will require off-site disposal into a solid waste landfill permitted by the NMED Solid Waste Bureau;
8. Chevron shall demonstrate that all flowlines/pipelines within the facility boundary that have been utilized to transport oilfield waste have been removed. If all flowlines/pipelines within the facility boundary that have been utilized to transport oilfield waste have not been removed, Chevron shall demonstrate compliance to the applicable requirements of 19.15.35.10 NMAC, regarding non-retrieved flowlines and pipelines;
9. Chevron shall demonstrate compliance to the re-vegetation requirements of 19.15.36.18.A.(6) NMAC, upon completion of closure;
10. Chevron shall submit a closure report at the completion of the closure activities that summarizes the closure activities, including but not limited to, a final closure facility contour map; identification of material disposal facilities; sampling results; backfilling and contouring activities; re-vegetation seeding mixture and application rates; and photo documentation; and
11. Pursuant to 19.15.36.18.E NMAC, the post-closure care period for a landfarm or pond or pit shall be three years if the Chevron has achieved clean closure. During that period Chevron or another responsible entity shall regularly inspect and maintain required re-vegetation. If there has been a release

to the vadose zone or to ground water, then the Chevron shall comply with the applicable requirements of 19.15.30 NMAC and 19.15.29 NMAC.

If you have any questions regarding this matter, please contact me.

Sincerely,

Brad A. Jones

Brad A. Jones

Environmental Engineer

EMNRD Oil Conservation Division

1220 S. Saint Francis Drive

Santa Fe, New Mexico 87505

E-mail: brad.a.jones@state.nm.us

Office: (505) 476-3487

Fax: (505) 476-3462

From: Grubbs, Richard T [mailto:rtgrubbs@chevron.com]

Sent: Tuesday, August 22, 2017 1:27 PM

To: Jones, Brad A., EMNRD <brad.a.jones@state.nm.us>

Cc: Smith, Cory, EMNRD <Cory.Smith@state.nm.us>

Subject: Hallwood Evaporation Pond

Brad

As directed in your phone call of August 17, 2017 regarding sampling activities proposed by Envirotech required to meet the remaining Hallwood Evaporation Pond closure plan, we are providing the attached Sampling Plan as requested to address the specific locations that sampling will be conducted per the proposed sampling plan. Chevron submitted the proposed plan to NMOCD (Cory Smith) for review and concurrence prior to proceeding.

- Envirotech proposed five additional sampling locations in alignment with the original closure plan where equipment and routine activities had been located (excluding the area below the liner which had already been sampled). Based on your phone call, we understand NMOCD needs each general location sample to be based on five composited samples laid out on a grid. I have attached a grid depicting the location where Envirotech will sample 5 areas within each grid and composite the samples for each location on the 1) North West, 2) North, 3) North-East, 4) East, and 5) South sides of the boundary of the pond parameter. Please see the attached sampling plan as requested as reference and clarification for sampling. Samples will be taken at a depth of 6" and composited for each grid location.
- In your phone call you indicated that the closure report and previous sampling did not document the removal of the leak detection sump, and NMOCD would like to verify that the soil below the sump bottom meets the closure criteria. The bottom of the pond was El. 5873.2 and the ground elevation where the sump was located was most nearly El. 5880. Drain pipe was laid at 1% slope, therefore the bottom of the sump would be most nearly El. 5871.2. I am proposing a back-hoe trench be dug (approximately 4-ft x 18-inch trench 10-foot deep) at the sump location to take a grab soil sample. If discoloration is encountered during the dig additional delineation would be completed at the time.
- Lastly you indicated that not all the analytical parameters of Subsections A and B of NMAC 20.6.3103 would be required, but that you would specify what NMOCD needed analytical results for in a response to Chevron once you receive and review the sampling plan.

Hopefully this address your request. Once you provide your guidance, we will notify Cory Smith with our schedule and mobilize equipment to complete the remaining sampling requirements of the closure plan.

Regards,

Richard T. Grubbs, P.E.

Senior Process Engineer
Water and Waste Advisor

Chevron NA Exploration & Production Company

MCBU

760 Horizon Drive
Grand Junction, CO 81506
Office: 970-257-6021
Cell: 913-748-9815
rtgrubbs@chevron.com

Jones, Brad A., EMNRD

From: Grubbs, Richard T <rtgrubbs@chevron.com>
Sent: Tuesday, August 22, 2017 1:27 PM
To: Jones, Brad A., EMNRD
Cc: Smith, Cory, EMNRD
Subject: Hallwood Evaporation Pond
Attachments: Sampling Plan.jpg

Brad

As directed in your phone call of August 17, 2017 regarding sampling activities proposed by Envirotech required to meet the remaining Hallwood Evaporation Pond closure plan, we are providing the attached Sampling Plan as requested to address the specific locations that sampling will be conducted per the proposed sampling plan. Chevron submitted the proposed plan to NMOCD (Cory Smith) for review and concurrence prior to proceeding.

- Envirotech proposed five additional sampling locations in alignment with the original closure plan where equipment and routine activities had been located (excluding the area below the liner which had already been sampled). Based on your phone call, we understand NMOCD needs each general location sample to be based on five composited samples laid out on a grid. I have attached a grid depicting the location where Envirotech will sample 5 areas within each grid and composite the samples for each location on the 1) North West, 2) North, 3) North-East, 4) East, and 5) South sides of the boundary of the pond parameter. Please see the attached sampling plan as requested as reference and clarification for sampling. Samples will be taken at a depth of 6" and composited for each grid location.
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- Lastly you indicated that not all the analytical parameters of Subsections A and B of NMAC 20.6.3103 would be required, but that you would specify what NMOCD needed analytical results for in a response to Chevron once you receive and review the sampling plan.

Hopefully this address your request. Once you provide your guidance, we will notify Cory Smith with our schedule and mobilize equipment to complete the remaining sampling requirements of the closure plan.

Regards,

Richard T. Grubbs, P.E.
Senior Process Engineer
Water and Waste Advisor

Chevron NA Exploration & Production Company
MCBU
760 Horizon Drive
Grand Junction, CO 81506
Office: 970-257-6021
Cell: 913-748-9815
rtgrubbs@chevron.com

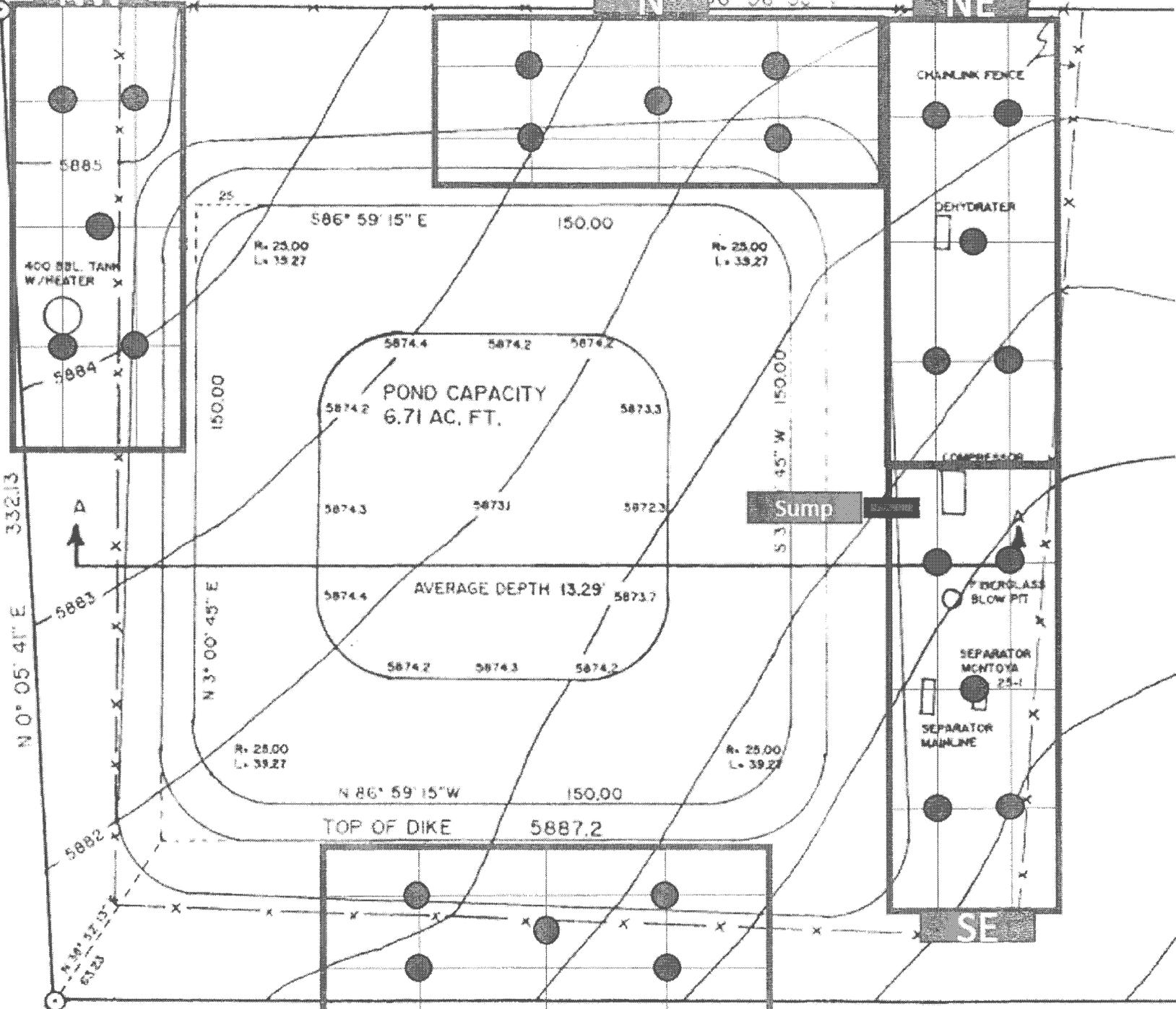
SET #4 REB

NW

N

N 86° 56' 33" E

NE



332.13
N 0° 05' 41" E

A

Sump

SE

S

S 86° 59' 15" W 653.22

SET #4

REBAR W/CAP

DATE: 000 1987 11 11 11 11 11 11



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



May 28, 2008

Mr. Michael Archer
Chevron Mid-Continent LP
332 County Road 3100
Aztec, New Mexico 87410

RE: Facility Closure Plan Review
Chevron Mid-Continent LP - Centralized Surface Waste Management Facility
Centralized Evaporation Pond: Permit NM-2-006
Location: NW/4 SE/4 Section 25, Township 32 North, Range 13 West, NMPM
San Juan County, New Mexico

Dear Mr. Young:

The New Mexico Oil Conservation Division (OCD) has reviewed Chevron Mid-Continent LP's (Chevron) revised closure plan for the centralized surface waste management facility, Hallwood Evaporation Pond Permit NM-2-006, submitted by Envirotech, Inc. (Envirotech) via email on May 23, 2008, on the Chevron's behalf. Based on the information provided, the facility closure plan is **hereby approved** with the following understandings and conditions:

1. Chevron shall ensure that that the closure activities identified in the revised submittal are completed as proposed in the closure plan.
2. Chevron shall ensure that any backfilling and contouring at the facility shall be completed in a manner to prevent erosion and ponding of water.
3. Chevron shall remove all above and below grade equipment and materials from the permitted footprint of the facility. This shall include any items not associated with the permitted activities.
4. Chevron shall excavate and removal any visual contamination within the permitted facility footprint. The contaminated soils shall be disposed at an OCD approved facility.
5. Chevron shall ensure that any contaminated soils delivered to Envirotech's Landfarm No. 2 (Permit NM-1-0011) for remediation satisfy the waste acceptance criteria of 19.15.36 NMAC. Chevron shall ensure that only petroleum hydrocarbon-contaminated soils are delivered to Envirotech's Landfarm No. 2.



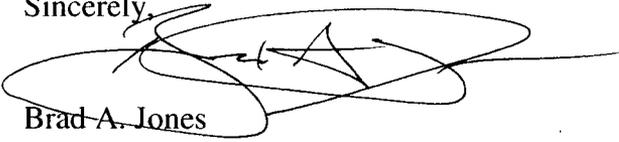
Mr. Archer
Chevron Mid-Continent LP
Permit NM-2-006 Hallwood Evaporation Pond
May 28, 2008
Page 2 of 2

6. Chevron shall submit a closure report at the completion of the closure activities that summarized the closure activities, including but not limited to, a final closure facility contour map; identification of material disposal facilities; sampling results; backfilling and contouring activities; re-vegetation seeding mixture and application rates; and photo documentation.

Please be advised that approval of this request does not relieve the Chevron of liability if its operations result in pollution of surface water, ground water, or the environment. Nor does approval relieve Chevron of its responsibility to comply with any other applicable governmental authority's rules and regulations.

If there are any questions regarding this matter, please do not hesitate to contact me at (505) 476-3487 or brad.a.jones@state.nm.us.

Sincerely,



Brad A. Jones
Environmental Engineer

BAJ/baj

cc: OCD District III Office, Aztec
Kyle Kerr, Envirotech, Inc., 5796 US Highway 64, Farmington NM 87401

ENVIROTECH INC.

PRAGMATIC SOLUTIONS FOR A BETTER TOMORROW

EVAPORATION POND CLOSURE PLAN

AT:

HALLWOOD EVAPORATION POND
NW ¼ SE ¼ SECTION 25, TOWNSHIP 32, RANGE 13W
SAN JUAN COUNTY, NEW MEXICO
PERMIT No. NM-02-0006

FOR:

MR. MICHAEL ARCHER
CHEVRON MID-CONTINENT LP
332 COUNTY ROAD 3100
AZTEC, NEW MEXICO 87410
(505) 326-2657

PROJECT No. 92270-204

MAY 2008

ENVIROTECH INC.

PRactical SOLUTIONS FOR A BETTER TOMORROW

May 20, 2008

Project No. 92270-204

Mr. Brad Jones
NMOCD
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Phone (505) 476-3487

**RE: EVAPORATION POND CLOSURE PLAN
HALLWOOD EVAPORATION POND
NW ¼ SE ¼ SECTION 25, TOWNSHIP 32, RANGE 13W
SAN JUAN COUNTY, NEW MEXICO**

Dear Mr. Jones,

Enclosed please find the *Evaporation Pond Closure Plan* for the Hallwood Evaporation Pond located in San Juan County, New Mexico.

We appreciate the opportunity to be of service. If you have any questions or require additional information, please contact our office at (505) 632-0615.

Respectfully Submitted,
ENVIROTECH, INC.



Kyle P. Kerr
Chief Environmental Scientist/Manager
kpkerr@envirotech-inc.com

Enclosure: Closure Plan

Cc: Mr. Michael Archer, Chevron
Mr. Brandon Powell, NMOCD, Aztec Office
Client File No. 92270

EVAPORATION POND CLOSURE PLAN

SITE NAME:

**HALLWOOD EVAPORATION POND
NW ¼ SE ¼ SECTION 25, TOWNSHIP 32, RANGE 13W
SAN JUAN COUNTY, NEW MEXICO
PERMIT NO. NM-02-0006**

SUBMITTED TO:

**MR. BRAD JONES
NEW MEXICO OIL CONSERVATION DIVISION
1220 SOUTH SAINT FRANCIS DRIVE
SANTA FE, NEW MEXICO 87505
(505) 476-3487**

SUBMITTED FOR:

**MR. MICHAEL ARCHER
CHEVRON MID-CONTINENT LP
332 COUNTY ROAD 3100
AZTEC, NEW MEXICO 87410
(505) 326-2657**

SUBMITTED BY:

**ENVIROTECH, INC.
5796 U.S. HIGHWAY 64
FARMINGTON, NEW MEXICO
(505) 632-0615**

PROJECT NO. 92270-204

MAY 2008

**EVAPORATION POND CLOSURE PLAN
CHEVRON MID-CONTINENT LP
HALLWOOD EVAPORATION POND
SAN JUAN COUNTY, NEW MEXICO**

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**APPENDIX: SITE PHOTOGRAPHY
712 APPROVAL DOCUMENTATION**

INTRODUCTION

Envirotech, Inc. has been retained by Chevron Mid-Continent LP to formulate and submit a closure plan for the Hallwood Evaporation Pond located in the NW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 25, Township 32, Range 13W, San Juan County, New Mexico. This closure plan has been prepared in conformance with New Mexico Oil Conservation Division (NMOCD) procedures.

SCOPE OF CLOSURE ACTIVITIES

The purpose of this closure plan is to provide the details of activities involved in the closure of the Hallwood Evaporation Pond. The following scope of closure activities has been designed to meet this objective:

- 1) Chevron Mid-Continent LP shall notify the division's environmental bureau at least 60 days prior to cessation of operations at the surface waste management facility and provide a proposed schedule for closure. Upon receipt of such notice and proposed schedule, the division shall review the current closure plan for adequacy and inspect the surface waste management facility in accordance with Paragraph 1 of Subsection A of NMAC 19.15.36.18.
- 2) The division shall notify Chevron Mid-Continent LP within 60 days after the date of cessation of operations specified in the operator's closure notice of modifications of the closure plan and proposed schedule or additional requirements that it determines are necessary for the protection fresh water, public health, safety or the environment in accordance with Paragraph 2 of Subsection A of NMAC 19.15.36.18. If the division does not notify Chevron Mid-Continent LP of additional closure requirements within 60 days as provided, the operator may proceed with closure in accordance with the approved closure plan; provided that the director, for good cause, extend the time for the division's response for an additional period not to exceed 60 days by written notice to Chevron in accordance with Paragraph 3 of Subsection A of NMAC 19.15.36.18.
- 3) Chevron Mid-Continent LP shall be entitled to a hearing concerning a modification or additional requirement the division seeks to impose if it files an application for a hearing within 10 days after receipt of written notice of the proposed modifications or additional requirements in accordance with Paragraph 4 of Subsection A of NMAC 19.15.36.18.
- 4) Closure shall proceed in accordance with the approved closure plan and schedule and modifications or additional requirements the division imposes. During closure operations Chevron Mid-Continent LP shall maintain the surface waste management facility to protect fresh water, public health, safety and the environment in accordance with Paragraph 5 of Subsection A of NMAC 19.15.36.18.
- 5) All water, sludge, liner, and leak detection equipment will be removed from the evaporation pond and disposed of in a division-approved surface waste management facility in accordance with Paragraphs 1-4 of Subsection E of NMAC 19.15.36.18. All material disposal will be conducted in accordance with Paragraphs 1-3 of Subsection C of 19.15.9.712 NMAC and the attached 712 Approval Documentation.

Geomembrane Liners and Geotextile Material

- A large squeegee will be used to push sludge to a central location to be removed.
- Once the majority of the sludge is removed an additional sweep with the squeegee and a pressure washer will be made to ensure that this material is cleaned above and beyond the requirements listed in Paragraph (1) Subsection C of 19.15.9.712 NMAC.

PVC piping (Junk Pipe)

- A Geiger Counter will be used to analyze the piping for NORM parameters, and documentation will be provided to accompany the piping.
- A pressure washer will be used to clean the piping, again ensuring the requirement of Paragraph (2) Subsection C of 19.15.9.712 NMAC have been met and exceeded.

Sludge

- A sample has previously been collected and analyzed for TPH via USEPA Method 8015 and BTEX via USEPA Method 8021 and show TPH below detection limits and total BTEX at 32.8 ppb (see attachment).
- A Pug Mill will be used to blend the sludge with clean virgin soil to reduce the liquid level for transport.
- Prior to leaving the site a Paint Filter Test via USEPA Method 9095A will be conducted on every loading and documentation will be provided to accompany the load as per the requirement listed in Paragraph (3) Subsection C of 19.15.9.712 NMAC.

Produced water will be disposed of by Basin Disposal. Virgin soil will be transported from Envirotech's NMOCD Permitted Landfarm No. 2 for blending. The blended material will then be disposed of at Waste Management. The liner and PVC piping will also be disposed of at Waste Management.

- 6) All above and below grade equipment associated with permitted activities onsite will be removed from the footprint of the facility. Any equipment which is able to be reused or recycled will be. This equipment could include tanks, separators, and aerators.
- 7) The soil beneath the evaporation pond liner, liquids receiving area, and treatment area will be sampled and analyzed for total petroleum hydrocarbons (TPH) via USEPA Method 418.1, benzene, toluene, ethylbenzene, and xylenes (BTEX) via USEPA Method 8021, total chlorides, and 3103 Subsection A and Subsection B constituents in accordance with NMAC 20.6.2.3103AB.

Any visually obvious areas of staining or moist soil will be sampled. If the liner is obviously damaged, or there is any indication of a release, a hydrologic investigation will be conducted.

- 8) Samples will be collected in accordance with the USEPA SW-846 protocols. The area to be sampled measures 200' x 200' and will be gridded into four 50' x 50' sections for sample collection. One 5-point composite sample, consisting of a sample from each corner and the center, will be collected from each section and submitted for the above listed analyses. One background sample of virgin, undisturbed soil will be

analyzed for comparative purposes. The sample results will be submitted to the NMOCD environmental bureau located in the Santa Fe office in accordance with Paragraphs 4-5 of Subsection E of NMAC 19.15.36.18.

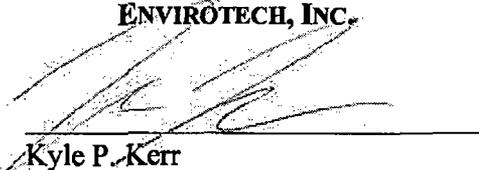
- 9) Any contaminated soil exceeding NMOCD Guidelines for Remediation of Leaks, Spills, and Releases closure standards will be removed and remediated at Envirotech's NMOCD Permitted Landfarm No. 2 located near Hilltop, New Mexico.
- 10) Upon the completion of closure activities the site will be contoured and seeded with native grasses and allowed to return to its native state. Backfill will consist of virgin soil with no vegetation which will be transported from Envirotech's NMOCD Permitted Landfarm No. 2. Re-vegetation shall consist of the establishment of a vegetative cover equal to 70 percent of the native perennial vegetative cover (unimpacted by overgrazing, fire, or other intrusion damaging to native vegetation) or scientifically documented ecological description consisting of at least three native plant species, including at least one grass, but not including noxious weeds, and maintenance of the vegetative cover through two successive growing seasons in accordance with Paragraph 6 of Subsection A of NMAC 19.15.36.18.
- 11) The post-closure care period for the evaporation pond closure shall be three years if Chevron has achieved clean closure. During that period Chevron or another responsible entity shall regularly inspect and maintain the required re-vegetation. If there has been a release to the vadose zone or to groundwater, then Chevron shall comply with applicable requirements of 19.15.1.19 and 19.15.3.116 NMAC in accordance with Subsection F of NMAC 19.15.36.18.
- 12) The proposed schedule for closure activities is outlined below:
 - Tuesday May 27, 2008 through Thursday, May 29, 2008 and Monday, June 2, 2008 through Friday June 6, 2008 – Remove water and sludge from the evaporation pond.
 - Monday, June 9, 2008 through Tuesday, June 10, 2008 – Remove liner and leak detection equipment.
 - Wednesday, June 11, 2008 – Collect soil samples beneath the evaporation pond liner, liquids receiving area, and treatment area for analysis.
 - Thursday, June 12, 2008 through Wednesday, June 18, 2008 – Lab turnaround time for soil sample analysis.
 - Thursday, June 19, 2008 through Monday, June 23, 2008 – Backfill and site restoration activities.
 - Tuesday, June 24, 2008 – Reseeding
- 13) Closure will be pursuant to all NMOCD requirements in effect at the time of closure, and any other applicable local, state and/or federal regulations.

REPORTING

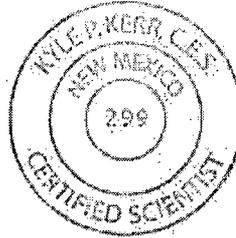
A report detailing the closure activities will be submitted to Chevron Mid-Continent LP for distribution to regulation bodies. The report will address the methods, procedures, analytical results, and other information related to the onsite activities.

We appreciate the opportunity to be of service. If you have any questions or require further information, please do not hesitate to contact our office at (505) 632-0615.

Respectfully Submitted:
ENVIROTECH, INC.



Kyle P. Kerr
Chief Environmental Scientist/Manager
NMCES #299
kpker@envirotech-inc.com



Appendix

**Site Photography
712 Approval Documentation**

**Chevron Mid-Continent LP
Hallwood Evaporation Pond
Project No. 92270-204**

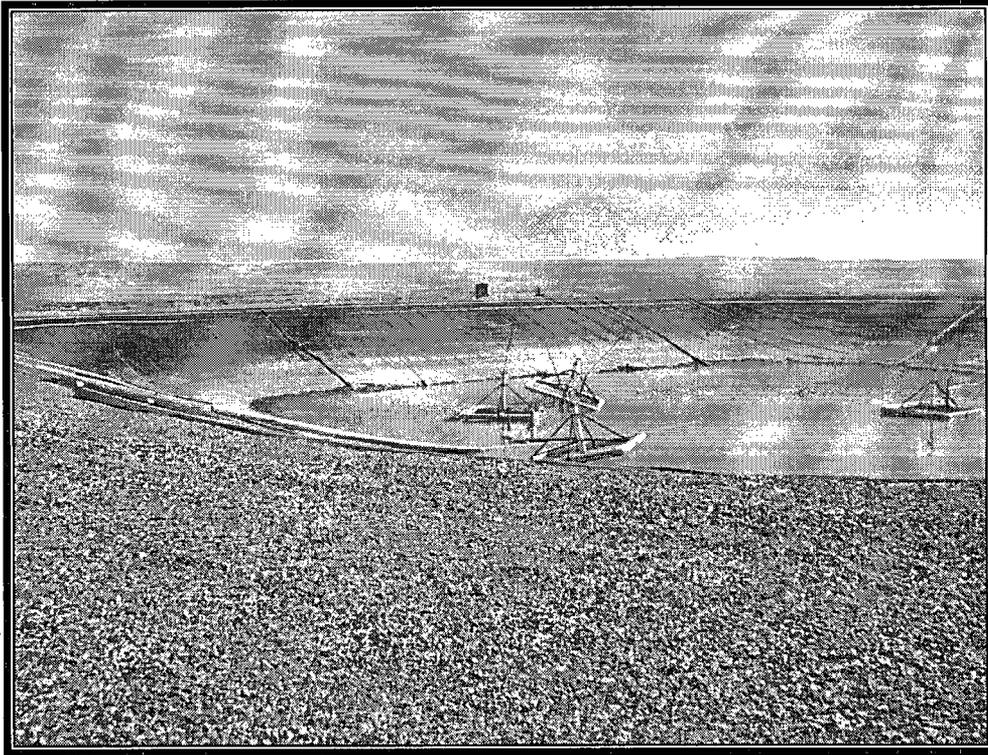


Photo 1



Photo 2

**Chevron Mid-Continent LP
Hallwood Evaporation Pond
Project No. 92270-204**

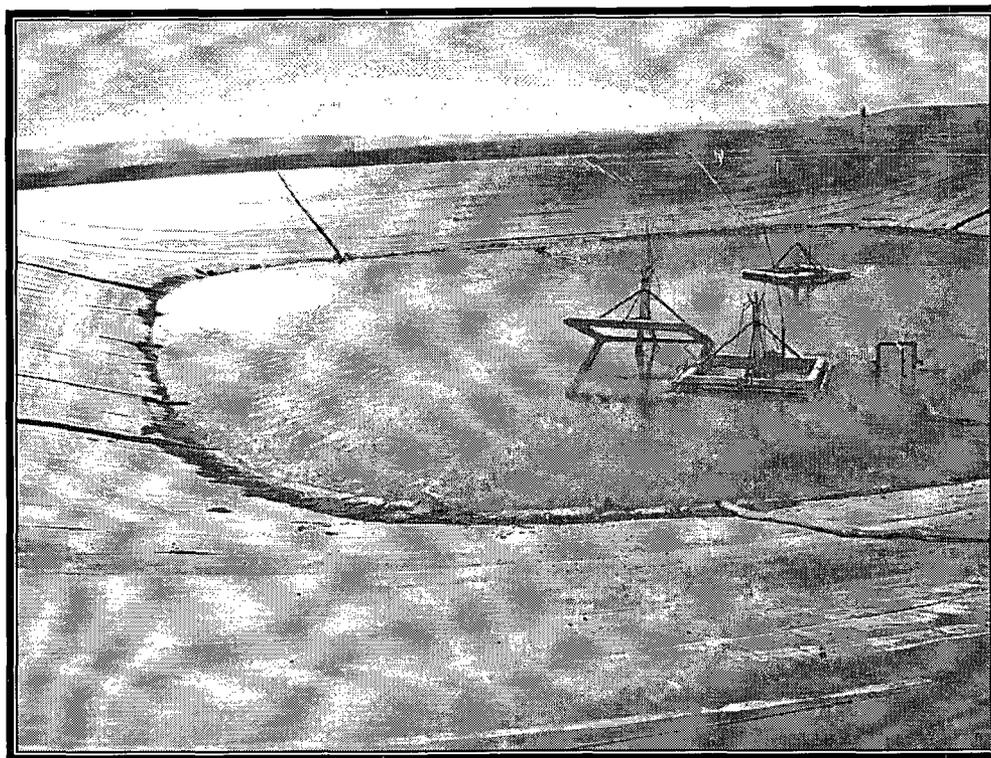


Photo 3

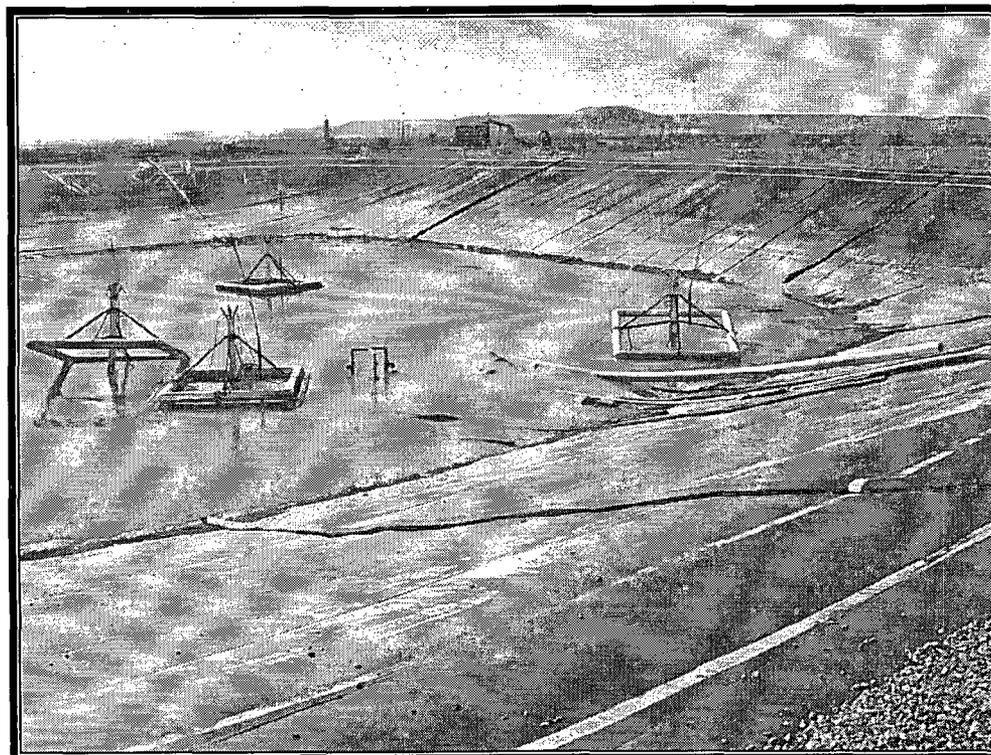


Photo 4

**Chevron Mid-Continent LP
Hallwood Evaporation Pond
Project No. 92270-204**



Photo 5

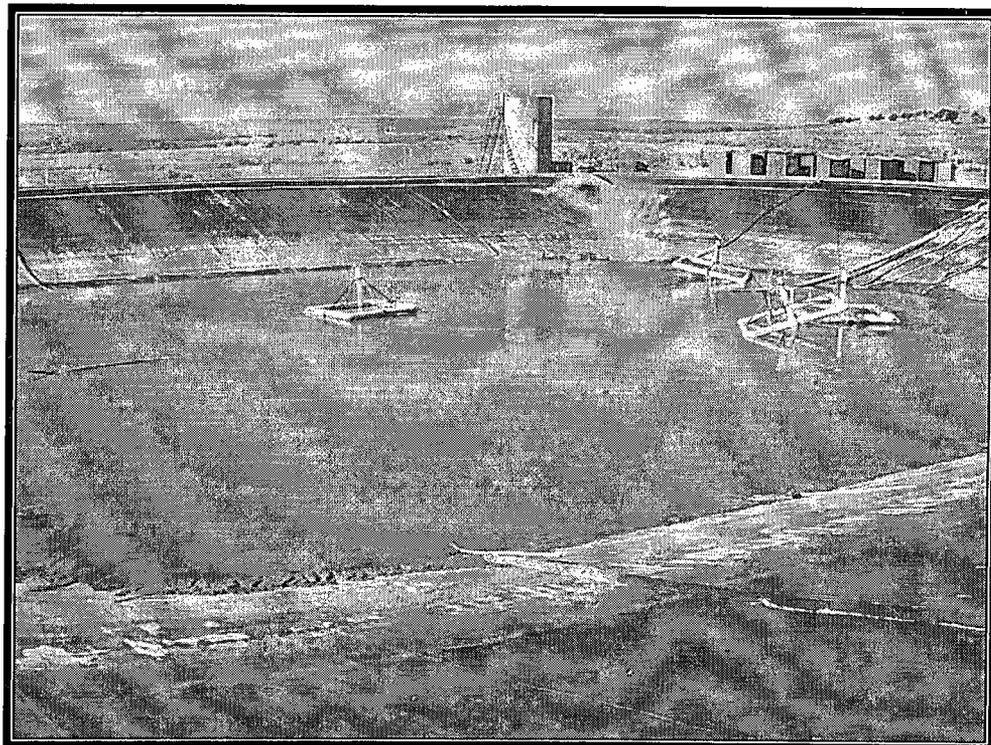


Photo 6

**Chevron Mid-Continent LP
Hallwood Evaporation Pond
Project No. 92270-204**



Photo 7

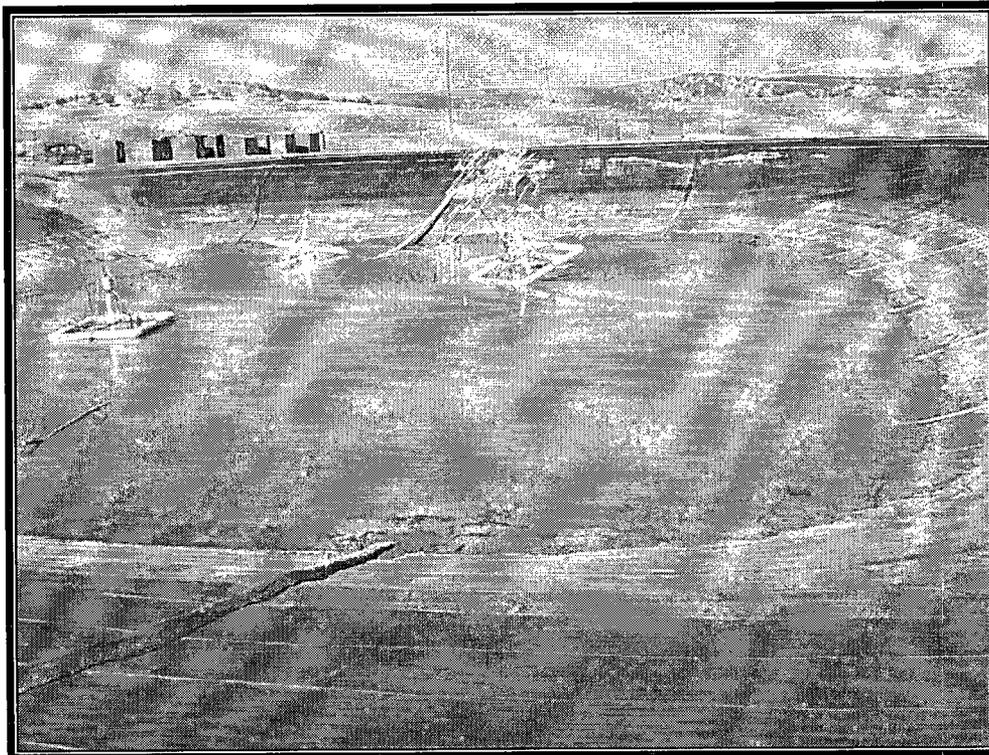


Photo 8

**Chevron Mid-Continent LP
Hallwood Evaporation Pond
Project No. 92270-204**

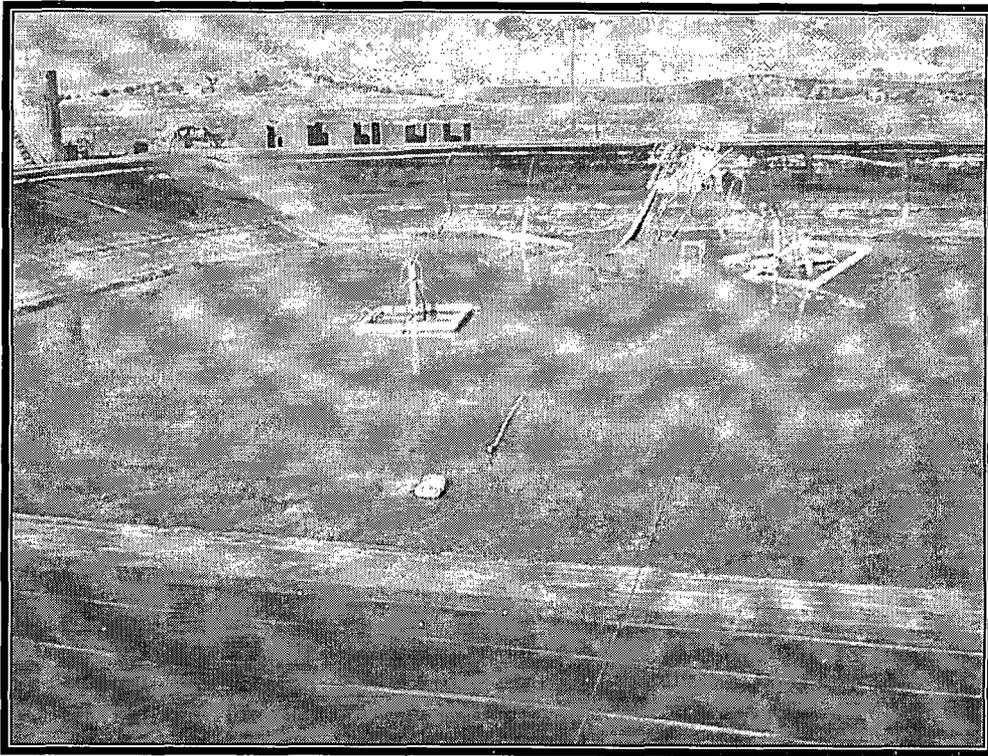


Photo 9

Cc: Kyle Kerr
Subject: 712 Approval

Mr. Jones,

Envirotech would like to request 712 Approval on behalf of Chevron North America regarding material that will be generated during the closure of the Chevron Hallwood Evaporation Pond, Permit No. NM-02-0006, located in San Juan County, New Mexico. Material generated will be treated as follows:

Geomembrane Liners and Geotextile Material

- A large squeegee will be used to push sludge to a central location to be removed.
- Once the majority of the sludge is removed an additional sweep with the squeegee and a pressure washer will be made to ensure that this material is cleaned above and beyond the requirements listed in Paragraph (1) Subsection C of 19.15.9.712 NMAC.

PVC piping (Junk Pipe)

- A Geiger Counter will be used to analyze the piping for NORM parameters, and documentation will be provided to accompany the piping.
- A pressure washer will be used to clean the piping, again ensuring the requirement of Paragraph (2) Subsection C of 19.15.9.712 NMAC have been met and exceeded.

Sludge

- A sample has previously been collected and analyzed for TPH via USEPA Method 8015 and BTEX via USEPA Method 8021 and shows TPH below detection limits and total BTEX at 32.8 ppb (see attachment).
- A Pug Mill will be used to blend the sludge with clean virgin soil to reduce the liquid level for transport.
- Prior to leaving the site, a Paint Filter Test via USEPA Method 9095A will be conducted on every load and documentation will be provided to accompany the load as per the requirement listed in Paragraph (3) Subsection C of 19.15.9.712 NMAC.

All activities will be completed onsite prior to the material being removed.

Thank you for your time,
E. Nicole Hayworth
Environmental Scientist
nhayworth@envirotech-inc.com
Office (505) 632-0615
Fax (505) 632-1865
Cell (505)320-7948

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Nicole Hayworth

From: Jones, Brad A., EMNRD [brad.a.jones@state.nm.us]
Sent: Monday, May 19, 2008 8:16 AM
To: Nicole Hayworth
Cc: Kyle Kerr; Powell, Brandon, EMNRD
Subject: RE: 712 Approval

Based upon the laboratory analytical results provided and the proposed protocols to comply with the conditions for approval, OCD hereby approves of your request pursuant to Rule 712 (19.15.9.712 NMAC) for disposal of the proposed non- domestic waste at a solid waste facility. The following wastes generated from the closure of Chevron Hallwood Evaporation Pond, Permit No. NM-02-0006, are approved:

Geomembrane Liners and Geotextile Material - (based upon the condition that it is cleaned well)
PVC piping (Junk Pipe) - (based upon the condition that it will be tested for NORM)
Sludge - (based upon the review of the TPH analytical results and the condition that it will be stabilized and pass the paint filter test)

Waste Management is responsible for the review of any additional testing that they request beyond the testing parameters specified under the provisions of Subsection D of Section 712 of 19.15.9 NMAC. Please confirm with the San Juan Regional County Landfill (SJRCL) of any additional testing they might require and their willingness to accept such waste prior to delivery.

Please be advised that approval of this request does not relieve Chevron/Envirotech of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve Chevron/Envirotech of its responsibility to comply with any other applicable governmental authority's rules and regulations.

If you have any questions regarding this matter, please do not hesitate to contact me.

Brad

Brad A. Jones
Environmental Engineer
Environmental Bureau
NM Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, New Mexico 87505
E-mail: brad.a.jones@state.nm.us
Office: (505) 476-3487
Fax: (505) 476-3462

From: Nicole Hayworth [mailto:nhayworth@envirotech-inc.com]
Sent: Thursday, May 15, 2008 6:47 PM
To: Jones, Brad A., EMNRD

Jones, Brad A., EMNRD

From: Torie Thompson [tthompson@envirotech-inc.com]
Sent: Friday, May 23, 2008 2:27 PM
To: Jones, Brad A., EMNRD
Cc: marcher@chevron.com; bailerg@chevron.com
Subject: Revised Evaporation Pond Closure Plan
Attachments: Revised Evaporation Pond Closure Plan.pdf; Leak Detection Lab Analyses.pdf

Dear Mr. Jones,

Per your phone conversation with Kyle Kerr, please find attached the newly revised evaporation pond closure plan for Chevron's Hallwood Evaporation Pond Facility. Preliminary staging activities will begin on Tuesday, May 27, 2008. Also attached are the leak detection system laboratory analyses for your review. If you have any questions or require additional information, please do not hesitate to give us a call. Thank you.

Sincerely,

Torie Thompson
Senior Field Technician
Envirotech, Inc.
5796 U.S. Highway 64
Farmington, NM 87401
Phone (505) 632-0615
Fax (505) 632-1865

This inbound email has been scanned by the MessageLabs Email Security System.

5/28/2008

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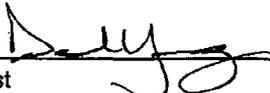
CATION / ANION ANALYSIS

Client:	Chevron	Project #:	92270-0204
Sample ID:	Leak Detection	Date Reported:	05-08-08
Laboratory Number:	45316	Date Sampled:	05-06-08
Chain of Custody:	4335	Date Received:	05-06-08
Sample Matrix:	Liquid	Date Extracted:	N/A
Preservative:	Cool	Date Analyzed:	05-07 / 5-08-08
Condition:	Intact		

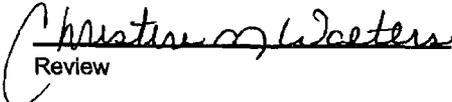
Parameter	Analytical Result	Units		
pH	8.30	s.u.		
Conductivity @ 25° C	16,600	umhos/cm		
Total Dissolved Solids @ 180C	11,600	mg/L		
Total Dissolved Solids (Calc)	11,472	mg/L		
SAR	290	ratio		
Total Alkalinity as CaCO3	6,960	mg/L		
Total Hardness as CaCO3	41.8	mg/L		
Bicarbonate as HCO3	6,960	mg/L	114.07	meq/L
Carbonate as CO3	<0.1	mg/L	0.00	meq/L
Hydroxide as OH	<0.1	mg/L	0.00	meq/L
Nitrate Nitrogen	1.7	mg/L	0.03	meq/L
Nitrite Nitrogen	0.010	mg/L	0.00	meq/L
Chloride	2,760	mg/L	77.86	meq/L
Fluoride	3.7	mg/L	0.19	meq/L
Phosphate	5.3	mg/L	0.17	meq/L
Sulfate	<0.1	mg/L	0.00	meq/L
Iron	0.100	mg/L	0.00	meq/L
Calcium	7.18	mg/L	0.36	meq/L
Magnesium	5.83	mg/L	0.48	meq/L
Potassium	143	mg/L	3.66	meq/L
Sodium	4,320	mg/L	187.92	meq/L
Cations			192.42	meq/L
Anions			192.32	meq/L
Cation/Anion Difference			0.05%	

Reference: U.S.E.P.A., 600/4-79-020, "Methods for Chemical Analysis of Water and Wastes", 1983.
Standard Methods For The Examination of Water And Waste Water", 18th ed., 1992.

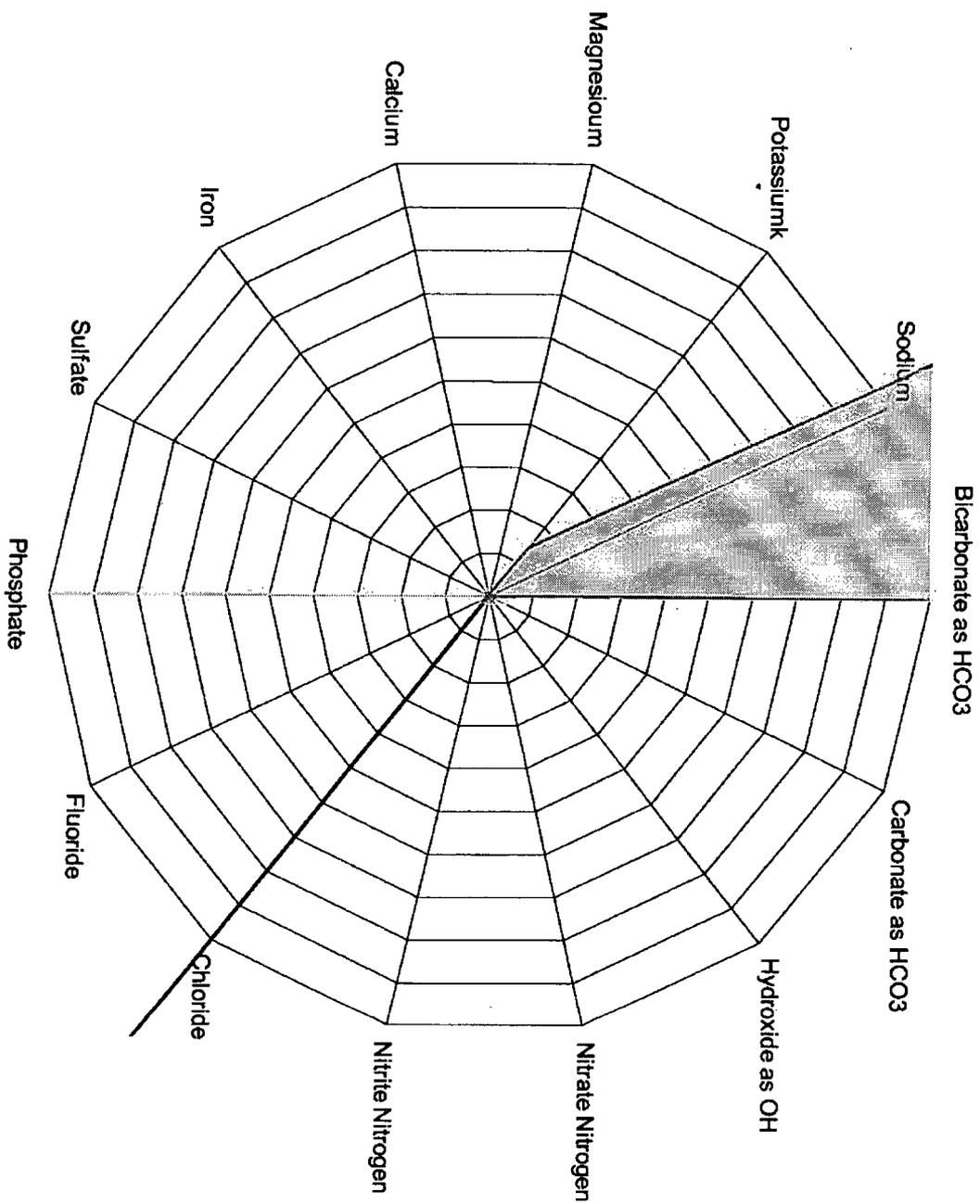
Comments: **La Plata Pond.**



Analyst



Review



▣ Leak Detection

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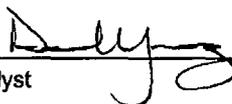
CATION / ANION ANALYSIS

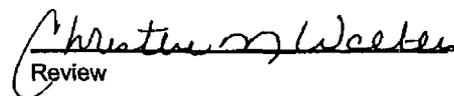
Client:	Chevron	Project #:	92270-0204
Sample ID:	Pond	Date Reported:	05-08-08
Laboratory Number:	45317	Date Sampled:	05-06-08
Chain of Custody:	4335	Date Received:	05-06-08
Sample Matrix:	Liquid	Date Extracted:	N/A
Preservative:	Cool	Date Analyzed:	05-07 / 5-08-08
Condition:	Intact		

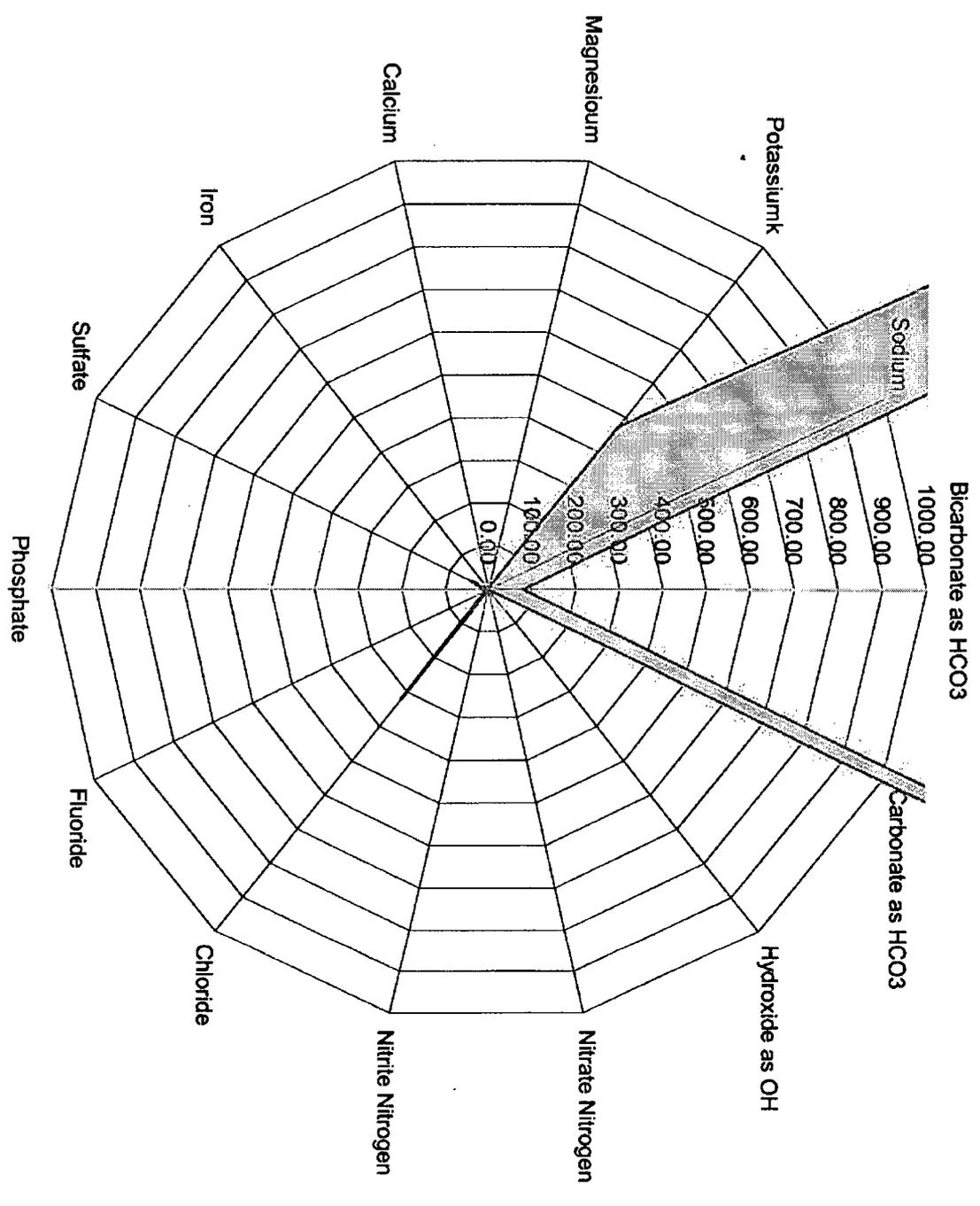
Parameter	Analytical Result	Units		
pH	9.67	s.u.		
Conductivity @ 25° C	45,700	umhos/cm		
Total Dissolved Solids @ 180C	28,700	mg/L		
Total Dissolved Solids (Calc)	24,961	mg/L		
SAR	966	ratio		
Total Alkalinity as CaCO3	17,600	mg/L		
Total Hardness as CaCO3	36.3	mg/L		
Bicarbonate as HCO3	80.0	mg/L	1.31	meq/L
Carbonate as CO3	17,500	mg/L	583.28	meq/L
Hydroxide as OH	<0.1	mg/L	0.00	meq/L
Nitrate Nitrogen	10.0	mg/L	0.16	meq/L
Nitrite Nitrogen	0.010	mg/L	0.00	meq/L
Chloride	320	mg/L	9.03	meq/L
Fluoride	8.3	mg/L	0.44	meq/L
Phosphate	10.0	mg/L	0.32	meq/L
Sulfate	45.0	mg/L	0.94	meq/L
Iron	0.703	mg/L	0.03	meq/L
Calcium	4.20	mg/L	0.21	meq/L
Magnesium	6.30	mg/L	0.52	meq/L
Potassium	473	mg/L	12.10	meq/L
Sodium	13,400	mg/L	582.90	meq/L
Cations			595.73	meq/L
Anions			595.46	meq/L
Cation/Anion Difference			0.04%	

Reference: U.S.E.P.A., 600/4-79-020, "Methods for Chemical Analysis of Water and Wastes", 1983.
Standard Methods For The Examination of Water And Waste Water", 18th ed., 1992.

Comments: **La Plata Pond.**


Analyst


Review



□ Pond



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

September 18, 2000

CERTIFIED MAIL
RETURN RECEIPT NO. 7099-3220-0000-5051-1026

Mr. Chris Williams
Hallwood Petroleum, Inc.
P.O. Box 378111
Denver, CO 80237

RE: OCD Rule 711 Permit Approval NM-02-0006
Hallwood Petroleum, Inc.
Centralized Surface Waste Management Facility
NW/4 SE/4 of Section 25, Township 32 North, Range 13 West, NMPM,
San Juan County, New Mexico.

Dear Mr. Williams:

The permit application for the Hallwood Petroleum, Inc (Hallwood) centralized surface waste management facility located in NW/4 SE/4 of Section 25, Township 32 North, Range 13 West, NMPM, San Juan County, New Mexico **is hereby approved** in accordance with New Mexico Oil Conservation Division (OCD) Rule 711 under the conditions contained in the enclosed attachment. A \$25,000 blanket bond, No. B2772099, has been submitted by Hallwood and approved by the Director. The application consists of the permit application Form C-137 dated April 3, 1998, inspection report response letter dated April 3, 1998, supplemental materials dated May 4, 1998, original permit application dated August 27, 1990, and original permit approval letter dated October 17, 1990.

The operation, monitoring and reporting shall be as specified in the enclosed attachment. All modifications and alternatives to the approved evaporation methods must receive prior OCD approval. Hallwood is required to notify the Director of any facility expansion or process modification and to file the appropriate materials with the Division.

Please be advised approval of this facility permit does not relieve Hallwood of liability should your operation result in actual pollution of surface water, ground water, or the environment. In addition, OCD approval does not relieve Hallwood of responsibility for compliance with other federal, state or local laws and/or regulations.

Mr. Chris Willaims
September 18, 2000
Page 2

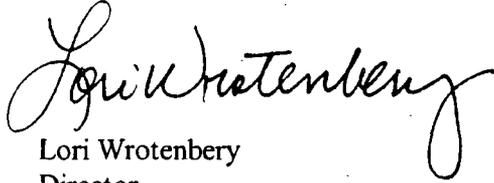
Please be advised that all tanks exceeding 16 feet in diameter and exposed pits, ponds or lagoons must be screened, netted or otherwise rendered non-hazardous to migratory birds. In addition, OCD Rule 310 prohibits oil from being stored or retained in earthen reservoirs or open receptacles.

The facility is subject to periodic inspections by the OCD. The conditions of this permit will be reviewed by the OCD no later than five (5) years from the date of this approval and the facility will be inspected at least once a year.

Enclosed are two copies of the conditions of approval. **Please sign and return one copy to the OCD Santa Fe Office within five working days of receipt of this letter.**

If you have any questions please do not hesitate to contact Martyne J. Kieling at (505) 827-7153.

Sincerely,



Lori Wrotenbery
Director

LW/mjk

xc with attachments:

Aztec OCD Office
Jim Bonaventura, Hallwood Petroleum, Inc.

**ATTACHMENT TO OCD 711 PERMIT APPROVAL
PERMIT NM-02-0006
HALLWOOD PETROLEUM, INC.
CENTRALIZED WASTE MANAGEMENT FACILITY
NW/4 SE/4 of Section 25, Township 32 North, Range 13 West, NMPM,
San Juan County, New Mexico.
(September 18, 2000)**

EVAPORATION POND OPERATION

1. The facility must be fenced and have a sign at the entrance. The sign must be legible from at least fifty (50) feet and contain the following information: a) name of the facility; b) location by section, township and range; and c) emergency phone number.
2. The pond must have a minimum freeboard of one and a half feet (1.5'). A device must be installed in the pond to accurately measure freeboard.
3. Pond inspection and maintenance must be conducted on a weekly basis or immediately following a consequential rainstorm or windstorm. If any defect is noted repairs must be made as soon as possible. If the defect will jeopardize the integrity of the pond additional wastes may not be placed into the pond until repairs have been completed. Records of such inspections must be made available to the OCD upon request.
4. The leak detection system must be inspected monthly and if fluid is present samples of the fluid must be compared with the fluids in the pond. Results must be recorded and maintained for OCD review. If analyses of pond and leak detection fluids are similar the OCD Santa Fe office must be notified within 48 hours. Within 72 hours of discovery Hallwood must submit a plan to the OCD Santa Fe and Aztec offices that describes what procedures will be taken to investigate and repair the leak.
5. Sludge thickness in the base of the pond must be measured annually. Any sludge build-up in the bottom of the pond in excess of twelve inches (12") must be removed and disposed of at an OCD-approved waste management facility.
6. All new or replacement above ground tanks located at the facility and containing materials other than fresh water must be placed on an impermeable pad and be bermed so that the containment area will hold one and one-third the volume of the largest tank or all interconnected tanks whichever is greater. All existing tanks must be labeled as to contents and hazards and must be bermed to contain one and one-third the volume of the largest tank or all interconnected tanks whichever is greater.

7. Below grade sumps must be cleaned and visually inspected annually. Results must be recorded and maintained for OCD review. If sump integrity has failed the OCD must be notified within 48 hours of discovery and the sump and contaminated soils must be removed and disposed of at an OCD-approved waste management facility. Soil remediation must follow OCD surface impoundment closure guidelines. Hallwood must submit a report to the OCD Santa Fe and Aztec offices that describes the investigation and remedial actions taken.
8. The produced water receiving and treatment area must be inspected weekly for tank, piping and berm integrity.
9. To protect migratory birds, all tanks exceeding 16 feet in diameter and exposed pits, ponds or lagoons must be screened, netted, covered or otherwise rendered nonhazardous to migratory birds.
10. Liquid reduction technologies that may be used to eliminate pond waters include evaporation and injection.
11. Tests of ambient H₂S levels must be conducted on a weekly basis. Test results must be recorded and retained. The tests must be conducted at four (4) locations around the pond at the top of the berm. The wind speed and direction must be recorded in conjunction with each test.
 - a. If an H₂S reading of 1.0 ppm or greater is obtained:
 - i. a second reading must be taken on the downwind berm within one hour;
 - ii. the dissolved oxygen and dissolved sulfide levels of the pond must be tested immediately and the need for immediate treatment determined; and
 - iii. tests for H₂S levels must be made at the fence line down wind from the problem pond.
 - b. If two (2) consecutive H₂S readings of 1.0 ppm or greater are obtained:
 - i. the operator must notify the Aztec office of the OCD immediately;
 - ii. the operator must commence hourly monitoring on a 24-hour basis; and
 - iii. the operator must obtain a daily analysis of dissolved sulfides in the pond.
 - c. If an H₂S reading of 10.0 ppm or greater at the facility fence line is obtained:

- i. the operator must immediately notify the Aztec office of the OCD and the following public safety agencies:

New Mexico State Police
San Juan County Sheriff
San Juan County Fire Marshall; and
- ii. the operator must initiate notification of all persons residing within one-half (1/2) mile of the fence line and assist public safety officials with evacuation as requested.

WASTE ACCEPTANCE CRITERIA

1. The facility is authorized to accept only produced waters that are generated in the State of New Mexico by Hallwood Petroleum, Inc.
2. The facility is authorized to accept only produced waters that are exempt from RCRA Subtitle C regulations and that do not contain Naturally Occurring Radioactive Material (NORM) regulated pursuant to 20 NMAC 3.1 Subpart 1403.
3. At no time may any OCD-permitted surface waste management facility accept wastes that are determined to be RCRA Subtitle C hazardous wastes by either listing or characteristic testing.
4. The transporter of any wastes to the facility must supply a certification that wastes delivered are those wastes received from the generator and that no additional materials have been added.
5. No produced water may be received at the facility from motor vehicles unless the transporter has a valid Form C-133, "Authorization to Move Produced Water," on file with the Division.
6. Comprehensive records of all material disposed of at the surface waste management facility must be maintained by the permit holder.

REPORTING AND RECORD KEEPING

1. Results of the weekly inspections of the pond and the produce water receiving and treatment area and monthly testing of the leak detection system must be recorded and maintained for OCD review.

2. Results of weekly testing of the evaporation pond for H₂S and additional testing for dissolved sulfides and dissolved oxygen must be recorded and maintained for OCD review.
3. Results of annual maintenance on below grade sumps and annual measurements of sludge thickness in the pond must be recorded and maintained for OCD review.
4. The applicant must notify the **OCD Aztec office within 24 hours** of any fire, break, leak, spill, blow out, or any other circumstance that could constitute a hazard or contamination in accordance with OCD Rule 116.
5. All records of testing and monitoring must be retained for a period of five (5) years.
6. The OCD must be notified prior to the installation of any pipelines or wells or other structures within the boundaries of the facility.

FINANCIAL ASSURANCE

1. Pursuant to OCD Rule 711.B.3.a., financial assurance in a form approved by the Director is required from Hallwood Petroleum, Inc. in the amount of **\$25,000** for this facility
2. Financial assurance must be submitted within thirty (30) days of this permit approval or on **October 18, 2000**.
3. The facility is subject to periodic inspections by the OCD. The conditions of this permit and the facility may be reviewed by the OCD no later than five (5) years from the date of this approval.

CLOSURE

1. The OCD Santa Fe and Aztec offices must be notified when operation of the facility is to be discontinued for a period in excess of six (6) months or when the facility is to be dismantled. Within six (6) months after discontinuing use or within 30 days of deciding to dismantle the facility, a closure plan must be submitted to the OCD Santa Fe office for approval. The operator must complete cleanup of constructed facilities and restoration of the facility site within six (6) months of receiving the closure plan approval, unless an extension of time is granted by the Director.

2. The closure plan to be submitted must include the following procedures:
 - a. When the facility is to be closed no new material will be accepted.
 - b. The soils beneath the evaporation pond and liquids receiving and treatment area will be characterized as to total petroleum hydrocarbons (TPH) and volatile aromatic organics (BTEX) content to determine potential migration of contamination.
 - c. Contaminated soils exceeding OCD closure standards for the site will be removed or remediated.
 - d. The area will be contoured, seeded with native grasses and allowed to return to its natural state. If the landowner desires to keep existing structures, berms, and fences for future alternative uses the structures may be left in place.
 - e. Closure will be pursuant to all OCD requirements in effect at the time of closure, and any other applicable local, state and/or federal regulations.

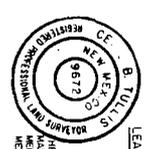
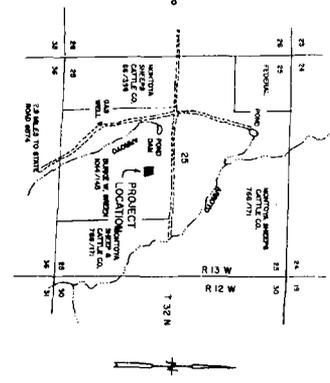
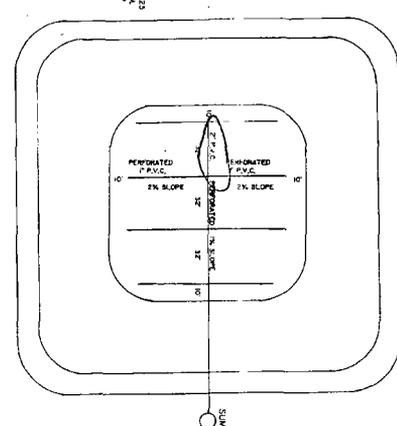
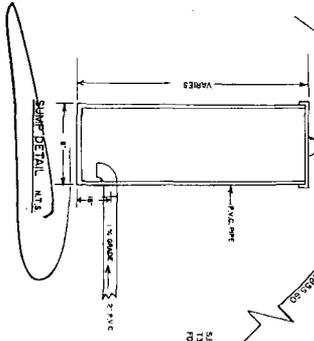
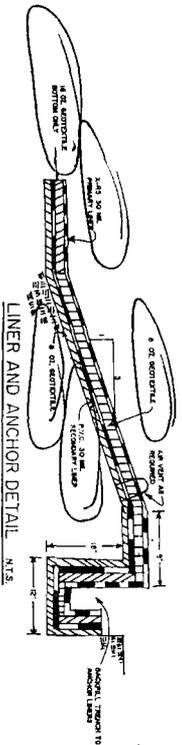
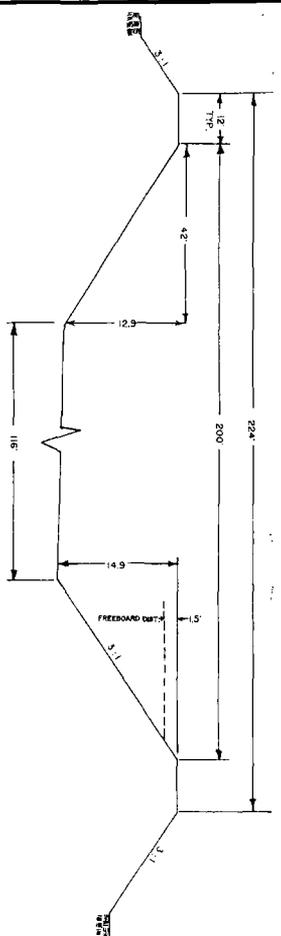
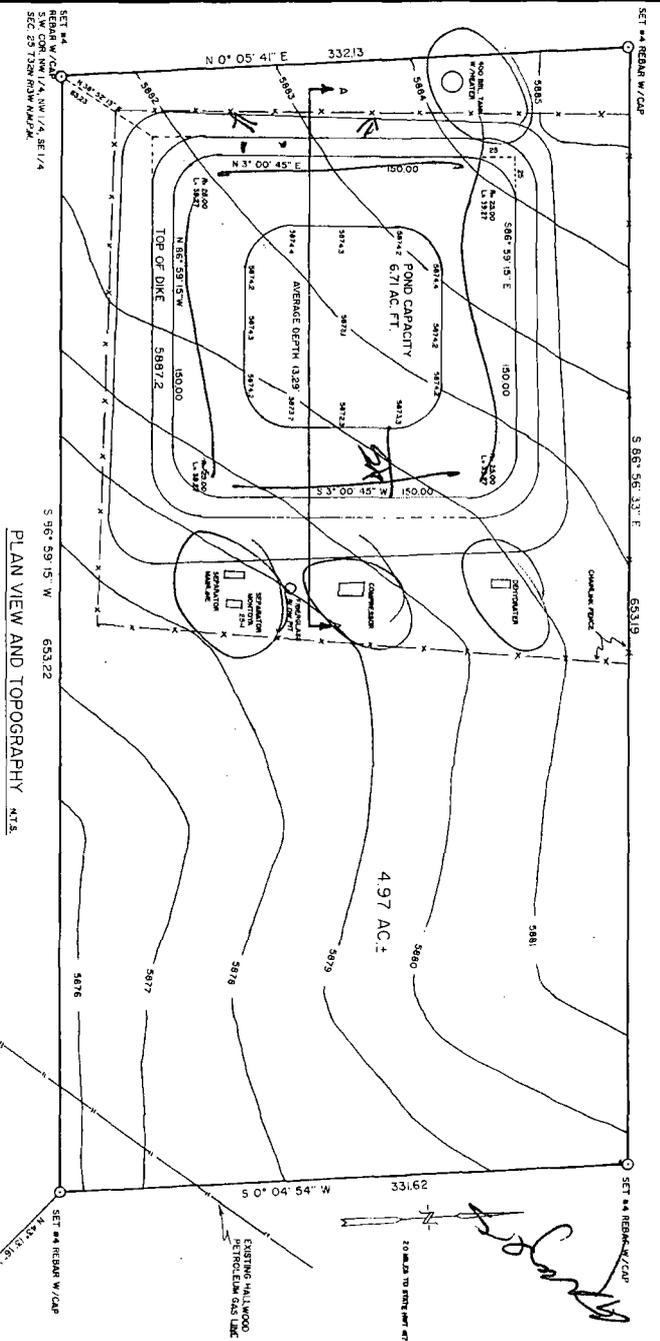
CERTIFICATION

Hallwood Petroleum, Inc., by the officer whose signature appears below, accepts this permit and agrees to comply with all terms and conditions contained herein. Hallwood Petroleum, Inc. further acknowledges that these conditions and requirements of this permit may be changed administratively by the Division for good cause shown as necessary to protect ground water, surface water, human health and the environment.

Accepted:

HALLWOOD PETROLEUM, INC.

Signature _____ Title _____ Date _____



MEMBER CERTIFY THAT THIS PLAN CORRECTLY REPRESENTS A SURVEY MADE BY ME OR UNDER MY DIRECT SUPERVISION AND THAT THIS SURVEY MEETS THE ADOPTED MINIMUM STANDARDS FOR LAND SURVEYS IN NEW MEXICO.

Cecil B. Tullis
 CECIL B. TULLIS N.M. REG. NO. 9672

**ASBUILT SURVEY FOR
 HALLWOOD PETROLEUM INC.
 EVAPORATION POND**

LOCATED IN THE SOUTH 1/2 OF THE NW 1/4,
 NW 1/4, SE 1/4 SECTION 25 T32N R3W N.M.P.M.,
 SAN JUAN COUNTY, NEW MEXICO

DRAWN BY: L.R.A. JOB #245-51 JANUARY 17, 1991

HIGH COUNTRY SURVEYS FARMINGTON, NEW MEXICO

AKM 2-022
 Ben Anwar 09/20/7

EW = 8'

ENVIROTECH INC.

Practical Solutions for a Better Tomorrow

May 7, 2008

Project No. 92270-204

Mr. Brad Jones
NMOCD
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Phone (505) 476-3487

**RE: EVAPORATION POND CLOSURE PLAN
HALLWOOD EVAPORATION POND
NW ¼ SE ¼ SECTION 25, TOWNSHIP 32, RANGE 13W
SAN JUAN COUNTY, NEW MEXICO**

Dear Mr. Jones,

Enclosed please find the *Evaporation Pond Closure Plan* for the Hallwood Evaporation Pond located in San Juan County, New Mexico.

We appreciate the opportunity to be of service. If you have any questions or require additional information, please contact our office at (505) 632-0615.

Respectfully Submitted,
ENVIROTECH, INC.


Kyle P. Kerr
Chief Environmental Scientist/Manager
kpkerr@envirotech-inc.com

Enclosure: Closure Plan

Cc: Mr. Michael Archer, Chevron
Mr. Brandon Powell, NMOCD, Aztec Office
Client File No. 92270

ENVIROTECH INC.

PROTECTING SOLUTIONS FOR A BETTER TOMORROW

EVAPORATION POND CLOSURE PLAN

AT:

HALLWOOD EVAPORATION POND
NW ¼ SE ¼ SECTION 25, TOWNSHIP 32, RANGE 13W
SAN JUAN COUNTY, NEW MEXICO
PERMIT No. NM-02-0006

FOR:

MR. MICHAEL ARCHER
CHEVRON MID-CONTINENT LP
332 COUNTY ROAD 3100
AZTEC, NEW MEXICO 87410
(505) 326-2657

PROJECT No. 92270-204

MAY 2008

EVAPORATION POND CLOSURE PLAN

SITE NAME:

**HALLWOOD EVAPORATION POND
NW ¼ SE ¼ SECTION 25, TOWNSHIP 32, RANGE 13W
SAN JUAN COUNTY, NEW MEXICO
PERMIT NO. NM-02-0006**

SUBMITTED TO:

**MR. BRAD JONES
NEW MEXICO OIL CONSERVATION DIVISION
1220 SOUTH SAINT FRANCIS DRIVE
SANTA FE, NEW MEXICO 87505
(505) 476-3487**

SUBMITTED FOR:

**MR. MICHAEL ARCHER
CHEVRON MID-CONTINENT LP
332 COUNTY ROAD 3100
AZTEC, NEW MEXICO 87410
(505) 326-2657**

SUBMITTED BY:

**ENVIROTECH, INC.
5796 U.S. HIGHWAY 64
FARMINGTON, NEW MEXICO
(505) 632-0615**

PROJECT NO. 92270-204

MAY 2008

**EVAPORATION POND CLOSURE PLAN
CHEVRON MID-CONTINENT LP
HALLWOOD EVAPORATION POND
SAN JUAN COUNTY, NEW MEXICO**

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INTRODUCTION

Envirotech, Inc. has been retained by Chevron Mid-Continent LP to formulate and submit a closure plan for the Hallwood Evaporation Pond located in the NW ¼ SE ¼ of Section 25, Township 32, Range 13W, San Juan County, New Mexico. This closure plan has been prepared in conformance with New Mexico Oil Conservation Division (NMOCD) procedures.

SCOPE OF CLOSURE ACTIVITIES

The purpose of this closure plan is to provide the details of activities involved in the closure of the Hallwood Evaporation Pond. The following scope of closure activities has been designed to meet this objective:

- 1) Chevron Mid-Continent LP will notify the NMOCD environmental bureau at least 60 days prior to the decommissioning of the Hallwood Evaporation Pond Facility and will provide a proposed schedule for closure.
- 2) The NMOCD environmental bureau will notify Chevron Mid-Continent LP within 60 days after the date of cessation of operations specified in the closure notice of modifications of the closure plan and proposed schedule or additional requirements that it determines are necessary for the protection of public health and the environment. If the NMOCD does not notify Chevron Mid-Continent LP of additional closure requirements within 60 days the operator may proceed with the closure in accordance with the approved closure plan unless the division director extends the time for the division's response for an additional period not to exceed 60 days by written notice to Chevron.
- 3) Chevron Mid-Continent LP will be entitled to a hearing concerning any modifications or additional requirements the division might seek to impose if it files an application for a hearing within 10 days after the receipt of the written notice of the proposed modifications or additional requirements.
- 4) The closure will proceed in accordance with the approved closure plan and schedule and any modifications or additional requirements that the division might impose. Chevron Mid-Continent LP will maintain the Hallwood Evaporation Pond Facility to protect public safety and the environment during closure operations.

*what @ all the
other equipment in
site?*

- 5) All water, sludge, ~~liner,~~ and ~~leak detection equipment~~ will be removed from the evaporation pond and disposed of in a division-approved surface waste management facility. Produced water will be disposed of by Basin Disposal and any sludges will be disposed of at Envirotech's NMOCD-Permitted-Landfarm-No. 2.
- 6) The soil beneath the evaporation pond liner, liquids receiving area, and treatment area will be sampled and analyzed for total petroleum hydrocarbons (TPH) via USEPA Method 418.1, benzene, toluene, ethylbenzene, and xylenes (BTEX) via USEPA Method 8021, and total chlorides. Samples will be collected in accordance with the USEPA SW-846 protocols. One composite sample will be collected every 50 square feet in accordance with a gridded plat of the site and submitted for the above listed analyses. The sample results will be submitted to the NMOCD environmental bureau located in the Santa Fe office.

Landfill?

Water treatment plant

*A+B of 3/03 A.15.36.18.E (4)
4 equals sections - division approves*

7) Any contaminated soil exceeding NMOCD closure standards will be removed and disposed of at Envirotech's NMOCD Permitted Landfarm No. 2 located near Hilltop, New Mexico. *- del Norte state*

8) Upon the completion of any needed cleanup activities the site will be contoured and seeded with native grasses and allowed to return to its native state. Re-vegetation will consist of the establishment of a vegetative cover equal to 70 percent of the native perennial vegetative cover or scientifically documented ecological description consisting of at least three native plant species, including at least one grass and the maintenance of the vegetative cover through two successive growing seasons. *not require well & +*

*un-impacted
by grazing fire
or re-vegetation*

9) The post-closure care period for the evaporation pond closure will be three years if clean closure has been achieved. During the three year period Chevron or another responsible entity will regularly inspect and maintain the required re-vegetation. *Responsible for maintenance*

10) The proposed schedule for closure activities is outlined below:

- Monday, May 12, 2008 through Wednesday, May 14, 2008 – Remove water and sludge from the evaporation pond.
- Thursday, May 15, 2008 through Friday, May 16, 2008 – Remove liner and leak detection equipment.
- Monday, May 19, 2008 – Collect soil samples beneath the evaporation pond liner, liquids receiving area, and treatment area for analysis.
- Tuesday, May 20, 2008 through Monday, June 2, 2008 – Lab turnaround time for soil sample analysis.
- Tuesday, June 3, 2008 through Thursday, June 5, 2008 – Backfill and site restoration activities.
- Friday, June 6, 2008 – Reseeding

11) Closure will be pursuant to all NMOCD requirements in effect at the time of closure, and any other applicable local, state and/or federal regulations.

REPORTING

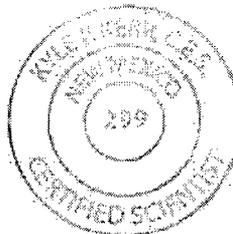
A report detailing the closure activities will be submitted to Chevron Mid-Continent LP for distribution to regulation bodies. The report will address the methods, procedures, analytical results, and other information related to the onsite activities.

We appreciate the opportunity to be of service. If you have any questions or require further information, please do not hesitate to contact our office at (505) 632-0615.

Respectfully Submitted:
ENVIROTECH, INC.

[Signature]

Kyle P. Kerr
Chief Environmental Scientist/Manager
NMCES #299
kp Kerr@envirotech-inc.com



ENVIROTECH INC.

PRACTICAL SOLUTIONS FOR A BETTER TOMORROW

RECEIVED

2008 MAY 9 PM 2 23

EVAPORATION POND CLOSURE PLAN

AT:

HALLWOOD EVAPORATION POND
NW ¼ SE ¼ SECTION 25, TOWNSHIP 32, RANGE 13W
SAN JUAN COUNTY, NEW MEXICO
PERMIT NO. NM-02-0006

FOR:

MR. MICHAEL ARCHER
CHEVRON MID-CONTINENT LP
332 COUNTY ROAD 3100
AZTEC, NEW MEXICO 87410
(505) 326-2657

PROJECT No. 92270-204

MAY 2008

ENVIROTECH INC.

PRACTICAL SOLUTIONS FOR A BETTER TOMORROW

May 7, 2008

Project No. 92270-204

Mr. Brad Jones
NMOCD
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Phone (505) 476-3487

**RE: EVAPORATION POND CLOSURE PLAN
HALLWOOD EVAPORATION POND
NW ¼ SE ¼ SECTION 25, TOWNSHIP 32, RANGE 13W
SAN JUAN COUNTY, NEW MEXICO**

Dear Mr. Jones,

Enclosed please find the *Evaporation Pond Closure Plan* for the Hallwood Evaporation Pond located in San Juan County, New Mexico.

We appreciate the opportunity to be of service. If you have any questions or require additional information, please contact our office at (505) 632-0615.

Respectfully Submitted,
ENVIROTECH, INC.


Kyle P. Kerr
Chief Environmental Scientist/Manager
kpkerr@envirotech-inc.com

Enclosure: Closure Plan

Cc: Mr. Michael Archer, Chevron
Mr. Brandon Powell, NMOCD, Aztec Office
Client File No. 92270

EVAPORATION POND CLOSURE PLAN

SITE NAME:

**HALLWOOD EVAPORATION POND
NW ¼ SE ¼ SECTION 25, TOWNSHIP 32, RANGE 13W
SAN JUAN COUNTY, NEW MEXICO
PERMIT NO. NM-02-0006**

SUBMITTED TO:

**MR. BRAD JONES
NEW MEXICO OIL CONSERVATION DIVISION
1220 SOUTH SAINT FRANCIS DRIVE
SANTA FE, NEW MEXICO 87505
(505) 476-3487**

SUBMITTED FOR:

**MR. MICHAEL ARCHER
CHEVRON MID-CONTINENT LP
332 COUNTY ROAD 3100
AZTEC, NEW MEXICO 87410
(505) 326-2657**

SUBMITTED BY:

**ENVIROTECH, INC.
5796 U.S. HIGHWAY 64
FARMINGTON, NEW MEXICO
(505) 632-0615**

PROJECT NO. 92270-204

MAY 2008

**EVAPORATION POND CLOSURE PLAN
CHEVRON MID-CONTINENT LP
HALLWOOD EVAPORATION POND
SAN JUAN COUNTY, NEW MEXICO**

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INTRODUCTION

Envirotech, Inc. has been retained by Chevron Mid-Continent LP to formulate and submit a closure plan for the Hallwood Evaporation Pond located in the NW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 25, Township 32, Range 13W, San Juan County, New Mexico. This closure plan has been prepared in conformance with New Mexico Oil Conservation Division (NMOCD) procedures.

SCOPE OF CLOSURE ACTIVITIES

The purpose of this closure plan is to provide the details of activities involved in the closure of the Hallwood Evaporation Pond. The following scope of closure activities has been designed to meet this objective:

- 1) Chevron Mid-Continent LP will notify the NMOCD environmental bureau at least 60 days prior to the decommissioning of the Hallwood Evaporation Pond Facility and will provide a proposed schedule for closure.
- 2) The NMOCD environmental bureau will notify Chevron Mid-Continent LP within 60 days after the date of cessation of operations specified in the closure notice of modifications of the closure plan and proposed schedule or additional requirements that it determines are necessary for the protection of public health and the environment. If the NMOCD does not notify Chevron Mid-Continent LP of additional closure requirements within 60 days the operator may proceed with the closure in accordance with the approved closure plan unless the division director extends the time for the division's response for an additional period not to exceed 60 days by written notice to Chevron.
- 3) Chevron Mid-Continent LP will be entitled to a hearing concerning any modifications or additional requirements the division might seek to impose if it files an application for a hearing within 10 days after the receipt of the written notice of the proposed modifications or additional requirements.
- 4) The closure will proceed in accordance with the approved closure plan and schedule and any modifications or additional requirements that the division might impose. Chevron Mid-Continent LP will maintain the Hallwood Evaporation Pond Facility to protect public safety and the environment during closure operations.
- 5) All water, sludge, liner, and leak detection equipment will be removed from the evaporation pond and disposed of in a division-approved surface waste management facility. Produced water will be disposed of by Basin Disposal and any sludges will be disposed of at Envirotech's NMOCD Permitted Landfarm No. 2.
- 6) The soil beneath the evaporation pond liner, liquids receiving area, and treatment area will be sampled and analyzed for total petroleum hydrocarbons (TPH) via USEPA Method 418.1, benzene, toluene, ethylbenzene, and xylenes (BTEX) via USEPA Method 8021, and total chlorides. Samples will be collected in accordance with the USEPA SW-846 protocols. One composite sample will be collected every 50 square feet in accordance with a gridded plat of the site and submitted for the above listed analyses. The sample results will be submitted to the NMOCD environmental bureau located in the Santa Fe office.

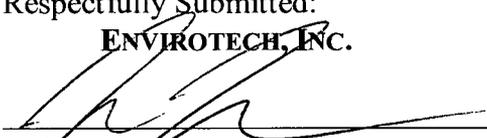
- 7) Any contaminated soil exceeding NMOCD closure standards will be removed and disposed of at Envirotech's NMOCD Permitted Landfarm No. 2 located near Hilltop, New Mexico.
- 8) Upon the completion of any needed cleanup activities the site will be contoured and seeded with native grasses and allowed to return to its native state. Re-vegetation will consist of the establishment of a vegetative cover equal to 70 percent of the native perennial vegetative cover or scientifically documented ecological description consisting of at least three native plant species, including at least one grass and the maintenance of the vegetative cover through two successive growing seasons.
- 9) The post-closure care period for the evaporation pond closure will be three years if clean closure has been achieved. During the three year period Chevron or another responsible entity will regularly inspect and maintain the required re-vegetation.
- 10) The proposed schedule for closure activities is outlined below:
 - Monday, May 12, 2008 through Wednesday, May 14, 2008 – Remove water and sludge from the evaporation pond.
 - Thursday, May 15, 2008 through Friday, May 16, 2008 – Remove liner and leak detection equipment.
 - Monday, May 19, 2008 – Collect soil samples beneath the evaporation pond liner, liquids receiving area, and treatment area for analysis.
 - Tuesday, May 20, 2008 through Monday, June 2, 2008 – Lab turnaround time for soil sample analysis.
 - Tuesday, June 3, 2008 through Thursday, June 5, 2008 – Backfill and site restoration activities.
 - Friday, June 6, 2008 – Reseeding
- 11) Closure will be pursuant to all NMOCD requirements in effect at the time of closure, and any other applicable local, state and/or federal regulations.

REPORTING

A report detailing the closure activities will be submitted to Chevron Mid-Continent LP for distribution to regulation bodies. The report will address the methods, procedures, analytical results, and other information related to the onsite activities.

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