

Bonham, Sherry, EMNRD

From: Bonham, Sherry, EMNRD
Sent: Tuesday, September 09, 2008 3:02 PM
To: Curt Stanley
Cc: Kenneth Pearce
Subject: RE: South Red Lake II Unit Central Battery 30 015 00658 2RP-125

Dear Mr. Stanley,

Based on evidence presented and site specific review, the proposal to a risk-based closure as outlined in the September 4, 2008 email for the South Red Lake II Unit Central Battery and the procedures for backfilling are approved. Please provide notification of commencement of activities.

Please be advised that NMOCD acceptance 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 do not relieve the operator of responsibility for compliance with any other federal, state, local laws and/or regulations.

Respectfully,
Sherry Bonham
NMOCD District II
1301 West Grand Avenue
Artesia, NM 88210
575.748.1283

From: Curt Stanley [mailto:cstanley@basinenv.com]
Sent: Thursday, September 04, 2008 9:27 AM
To: Bonham, Sherry, EMNRD
Cc: kpearce@fairwayresources.com
Subject: South Red Lake II Unit Central Battery

Re: Fairway Resources
South Red Lake II Unit Central Battery
Eddy County, New Mexico
API # 30-015-00658
NMOCD Ref # 2 RP-125
Unit "I" (NE/SE) Sec. 35, T17S, R27E

Dear Ms. Bonham,

As we discussed last week (week beginning August 25, 2008), the remediation of the Fairway Resources (Fairway), South Red Lake II Unit Central Battery release as referenced above, has not yielded the expected outcome.

The excavation of impacted soil from the sidewalls of excavation has ceased due to numerous potential on-site safety hazards.

On the west side of the excavation a high voltage power line and numerous surface poly lines pose a significant health and environmental hazard. On the north and east sides of the excavation, high-pressure injection pipelines have been identified, as well as a City of Carlsbad municipal water line. The Fairway Resources South

Red Lake II Central Battery Water Flood Station and four (4) 500 barrel produced water storage tanks are located on the south side of the excavation.

In May 2008, seven (7) soil borings were advanced to provide vertical and horizontal delineation of the impacted soil. Due to the above stated on-site hazards, horizontal delineation was not possible. The soil borings did indicate benzene, toluene, ethyl-benzene, and xylene (BTEX), total petroleum hydrocarbon (TPH) and chloride concentrations were below the New Mexico Oil Conservation Division (NMOCD) regulatory clean-up levels at fifteen (15) feet below ground surface (bgs).

Based on the observed health and environmental hazards and data collected to date, Fairway Resources proposes a risk-based closure of the South Red Lake II Unit Central Battery Release Site. Fairway proposes to partially backfill the existing excavation with gypsum rock separated from the excavation stockpile. The soil separated from the excavation stockpile will be transported to a NMOCD approved landfill for disposal. Following the partial backfilling of the excavation, non-impacted sand or sandy caliche will be placed in the excavation and an appropriate volume of water will be used to wash the sand or sandy caliche into the voids created by the rock. Following the application of water, heavy equipment will be utilized to compact the excavation backfill. Following compaction of the backfill additional non-impacted caliche will be placed in the excavation and compacted in eighteen (18) inch lifts to approximately six (6) feet below ground surface (bgs). Sand will be mounded in the center of the excavation and a twenty (20) mil polyethylene liner will be placed on top of the sand. Following the placement of the liner an approximately one (1) foot layer of cushioning sand will be placed on top of the liner. Following the installation of the liner, locally purchased caliche will be used to complete the backfilling of the excavation. An appropriately sized secondary containment berm will be rebuilt around the South Red Lake II Unit water flood station storage tanks as required.

Following the completion of the above activities, a Remediation Summary and Risk-Based Closure Request will be prepared and submitted to the NMOCD-Artesia District Office for approval.

Thank you for your consideration in this matter.

On behalf of Fairway Resources,

Curt D. Stanley
Senior Project Manager
Basin Environmental Service Technologies
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cc Mr. Kenneth Pearce, Fairway Resources

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