

RECR - 8

**GENERAL
CORRESPONDENCE**

2008 - 2009

WEEKLY REPORT- TOBAC UNIT "A", Chaves County, New Mexico

To: Jim Griswold
Hydrologist
Oil Conservation Division

From: Charles Barber
Geologist
RESPEC

Week- 3/09/09 to 3/013/09

Crew- 3- man roustabout
2- operators
1- safety manager

Equipment – 1- rubber tired backhoe
1- road grader
1- trackhoe
1- Deere 850L dozer
1- 16 yd end dump truck
1- gang truck w/ tools
1- 3000 gallon capacity water truck
1- Welding trailer

Removed T-1 and T-2 above ground storage tanks (ASTs). Phoenix Environmental removed all panels hardware with a lowboy trailer. See attached picture.

Removed poly and steel piping. Phoenix Environmental removed all piping and trash on site with a bobtail end dump.

Began potholing site with a rubber tired back hoe and a tracked excavator to delineate X,Y,Z axis of site contamination. Initial excavation shows heavy petroleum hydrocarbon contamination in the old pit located to the north of the heater treater and in the immediate area south of the pit.

Freezing/ windy weather slowed down activities on during the week. Panels became unsafe to load.

Camera failure prevented detailed photos of the worst of the contamination.

Tailgate Safety Meetings- Daily tailgate safety meetings are held, topics discussed are trips and falls, freezing/wet weather hazards, slips, falling objects, insect bites, fire hazard, safety is the responsibility of everyone on site. Daily safety meeting minutes are kept on site. Telephone communications at the site are intermittent at best.

If you have any questions please call Charles Barber at 505-353-1292.

Thanks

Charles Barber
Geologist
RESPEC



Miscellaneous pipe prior to removal



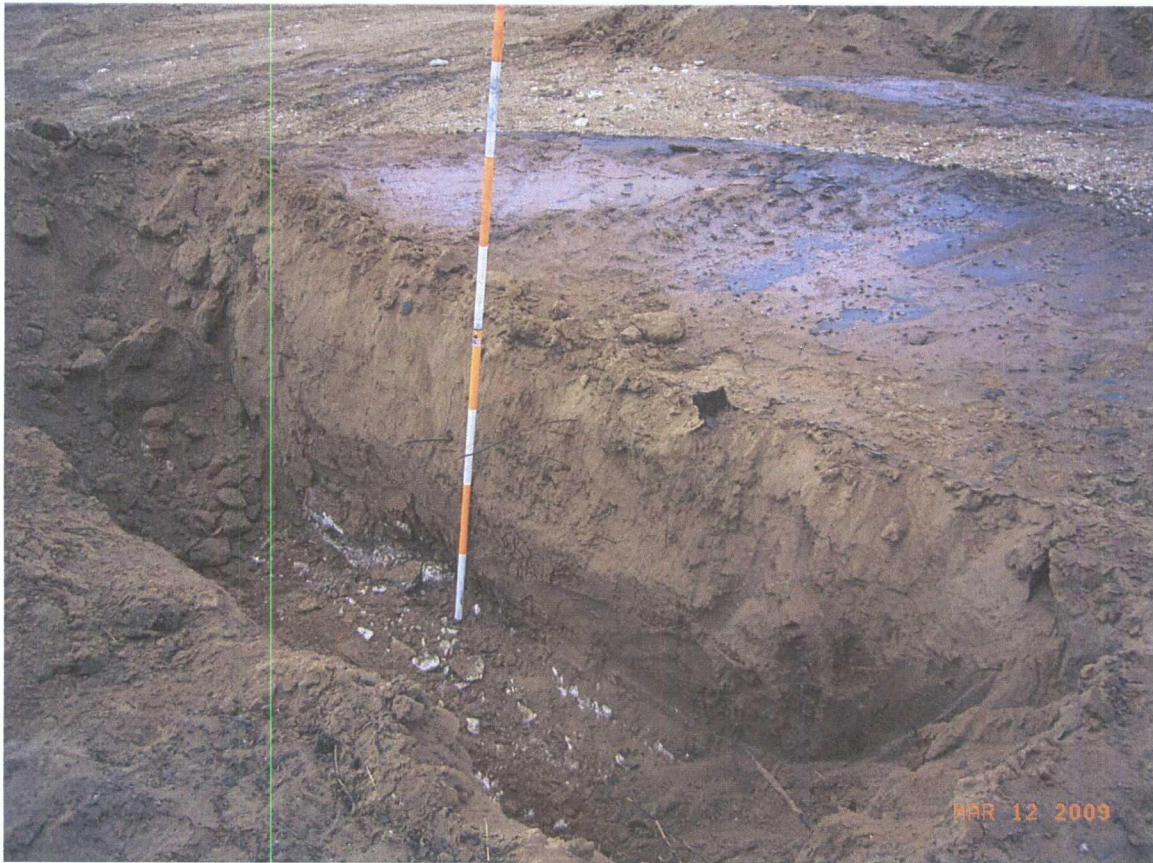
T-1 and T-2 panels and catwalk along with the skidded engine being removed from the site.



Tobac Unit –A site cleared of surface debris, looking toward the north.



Beginning potholing of suspected contamination areas, T-1 tank battery location.



T-1 trench, calache at the site is approximately 3-5 feet below ground surface. Sandy light brown soil appears darker with dept due to moisture.



Exploration trench located near T-3. Soil staining (upper right on photo) has permeated the caliche. Yellow and grey zones of contamination (aromatics) were observed. Pit is aprox. 14 feet deep, sight rod is 8 feet high. 14 feet is the current dept the tracked excavator can dig.

WEEKLY REPORT- TOBAC UNIT "A", Chaves County, New Mexico

To: Jim Griswold
Hydrologist
Oil Conservation Division

From: Dave Henard
Project Manager
RESPEC

Week- 3/02/09 to 3/06/09

Crew- 3- man roustabout
2- operators
1- safety manager

Equipment – 1- rubber tired backhoe
1- road grader
1- trackhoe
1- Deere 850L dozer
1- manlift
1- 185 air compressor
1- 16 yd end dump truck
1- gang truck w/ tools
1- 3000 gallon capacity water truck

Removed 210 barrel capacity steel welded tank designated T-3 from site for disposal. Pate Trucking Company removed tank using genpole truck and float trailers.

Removed 6' by 26' heater treater from site. Pate Trucking Company removed heater treater from site using genpole truck and float trailers. See pictures below.

Complete unbolting 1000 barrel capacity tank T-1 and lay down panels.

Continue cutting up piping and staging to haul off site.

Tailgate Safety Meetings- Daily tailgate safety meetings are held, topics discussed are trips and falls, falling objects, insect bites, fire hazard, safety is the responsibility of everyone on site. Daily safety meeting minutes are kept on site. Telephone communications at the site are intermittent at best.

A field office and sanitation facilities has been established at the site.

If you have any questions please call Dave Henard at 505-660-4853.

Thanks

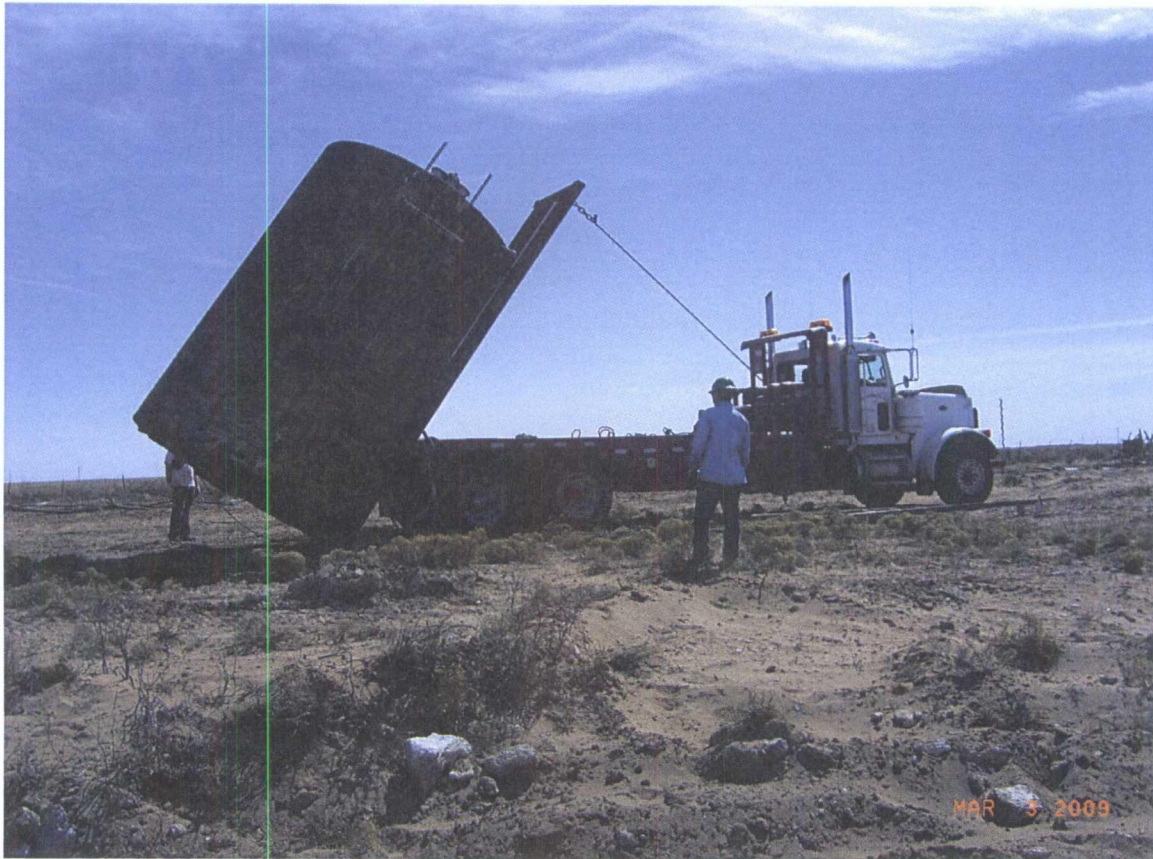
Dave Henard
Project Manager
RESPEC



Exposed tank bottom at 1000 barrel tank T-2



Unbolting panels at 1000 barrel tank T-1



Removing 210 barrel tank T-3 from location for disposal.



Decommissioning heater
treater.



Rigging heater treater for
removal.



Loading heater treater for transport.



Securing heater treater for removal

WEEKLY REPORT- TOBAC UNIT "A", Chaves County, New Mexico

To: Jim Griswold
Hydrologist
Oil Conservation Division

From: Dave Henard
Project Manager
RESPEC

Week- 2/23/09 to 2/27/09

Crew— 3- man roustabout
2- operators
1- safety manager

Equipment — 1- rubber tired backhoe
1- road grader
1- trackhoe
1- Deere 850L dozer
1- manlift
1- 185 air compressor
1- 16 yd end dump truck
1- gang truck w/ tools

Completed repairs to road to location. Road is 0.9 miles (~4800 feet) west from Tobac Rd. to location. Repairs will continue throughout work at location to maintain access.

Break down piping manifold and remove all surface and subsurface piping in work area. All piping has been stockpiled to be cut into 8 foot lengths for transport.

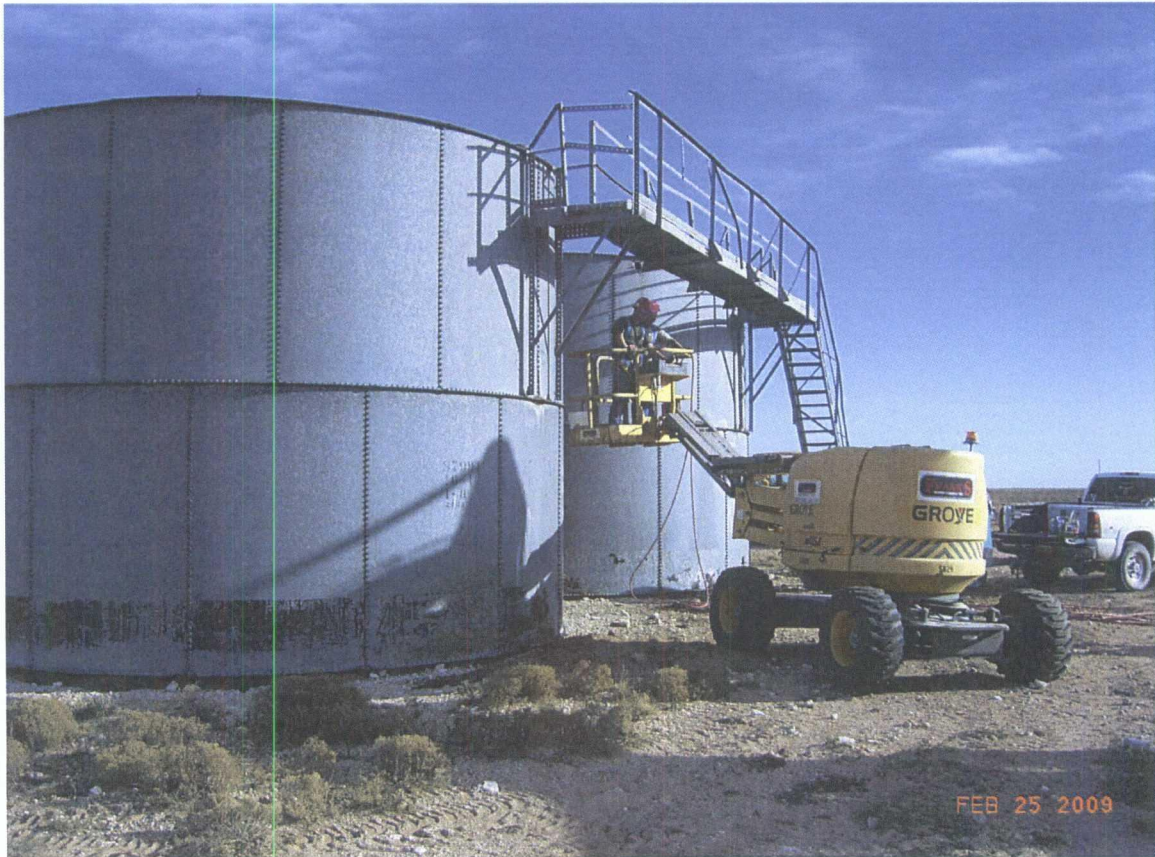


Pull inspection panels on 1000 barrel capacity, steel bolted tanks, inspect tank contents and found 0.5 to 1 foot thick tank bottoms of solidified crude oil, paraffin and minor fluids as salt water (BS&W).

Remove bolts from tops of bolted tanks and remove tops with trackhoe.



Remove bolts holding north half of catwalk and remove.



Excavate top soil in pit area. Pit was dry during the week. Excavation found oil saturated soils at 3 to 6 inches below surface.



Tailgate Safety Meetings- Daily tailgate safety meetings are held, topics discussed are trips and falls, falling objects, insect bites, fire hazard, safety is the responsibility of everyone on site. Daily safety meeting minutes are kept on site. Telephone communications at the site are intermittent at best.

A field office and sanitation facilities has been established at the site.

If you have any questions please call Dave Henard at 505-660-4853.

Thanks

Dave Henard
Project Manager
RESPEC

Griswold, Jim, EMNRD

From: Dave A. Henard [Dave.Henard@respec.com]
Sent: Monday, February 23, 2009 12:02 PM
To: Griswold, Jim, EMNRD
Cc: Charles A. Barber; Angus Robb
Subject: Weekly Report- TOBAC Unit A

Jim,

Events from last week for the site decommission at TOBAC:

2-18-09 - Mobilized to site, 1 road grader, 1 bull dozer, 1 rubber tired backhoe

2-19-09 - Prepare location road subgrade, place caliche road material as needed to stiffen road, backfill road cuts and smooth.

2-20-09 - Continue repairs on road to location, mobilize to site three man crew and start pulling up all old fencing and corner posts at location and other miscellaneous debris and pile on site for removal and disposal.

As reported earlier, all landowners both for the site and adjacent have been contacted and informed as to the project.

Daily tailgate safety meetings have been held- Discussed are PPE, trips and falls, fire hazards as area natural vegetation is extremely dry.

Work will proceed continuously for week ending 2-27-09.

Thanks

Dave Henard
Project Manager
RESPEC

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

Griswold, Jim, EMNRD

From: Dave A. Henard [Dave.Henard@respec.com]
Sent: Thursday, February 12, 2009 11:33 AM
To: Griswold, Jim, EMNRD; Angus Robb
Subject: Prairie Chicken-TOBAC Unit A

Jim,

Talked with Mr. Lynn Medlin and informed him as to the operations that will be on-going at TOBAC. We confirmed that his land surface will not be impacted directly by our operations as he does not have any interest on lands located in Section 30, T8S-R33E. He confirmed that Jesko operates surface lease in Section 30. His property lies west of our location generally the west half of T8S-R33E. I explained that the potential exists that we may have to use existing roads for access to our location that cross his lands. I left my information with him and if any problems occur associated with his lands to contact me and we can make corrections as necessary. He said he would do so but does not expect any problems. Lynn and I will keep in touch.

Still have not heard back from Phoenix to confirm start up on Monday, I think he is behind schedule but will confirm with him tomorrow and let you know. Start up operation is obviously to build a road.

Thanks
Dave

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

Griswold, Jim, EMNRD

From: Dave A. Henard [Dave.Henard@respec.com]
Sent: Wednesday, February 11, 2009 1:42 PM
To: Griswold, Jim, EMNRD; Angus Robb
Subject: Prairie Chicken, TOBAC Unit A

Jim,

Talked with Mrs. Jesko and everything is good. She will contact the ranch hand that works this land for them and make him aware that we will be around doing construction/deconstruction. I explained that sometimes we have to make a bigger mess while working on these sites but that we will leave everything in better shape than when we started and will restore the surface, She explained, "Sounds a lot like housework then doesn't it." I confirmed that was a good example. Daniel Jesko was not available so I will call back and see if I can get access to the windmill to take a depth to water measurement there or if I can catch the ranch hand I will get it done then.

Thanks

Dave

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

Griswold, Jim, EMNRD

From: Griswold, Jim, EMNRD
Sent: Friday, February 06, 2009 1:03 PM
To: Thaddeus Kostrubala (tkostrubala@slo.state.nm.us)
Subject: Restoration of prairie chicken site

Thaddeus,

My contractor and their subcontractors are tentatively scheduled to begin work on the access road late next week or the week of Feb 16th depending on weather conditions. We are planning to gain access off the road running east into Milnesand, then south on the flipped and reseeded road for about 1000 ft, and finally heading west on the restored road into the tank battery. These roads will be restored when we are done. The cattle guard located immediately east of the tank battery is in need of repair, so it may be removed for the duration of operations. A decision will need to be made by the SLO/grazing permittee about replacing the cattleguard, if necessary. The other option was to come in from the east on the existing 2-track road, but it lies below grade over a significant stretch and will more than likely become a huge mess if it gets wet.

I know I asked you for this information before, but I seem to have misplaced it...can I get contact information from you for the permittee and any other ranchers in the area? It would also be helpful to know who owns the windmill situated to the northwest so we can gain access for determining the water level. That well is not listed in the State Engineer's online database.

Jim Griswold
Hydrologist
Environmental Bureau
ENMRD/Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505
direct: 505.476.3465
email: jim.griswold@state.nm.us

Griswold, Jim, EMNRD

From: Dave A. Henard [Dave.Henard@respec.com]
Sent: Friday, February 06, 2009 11:38 AM
To: Griswold, Jim, EMNRD
Cc: Angus Robb; Allen Hodge
Subject: Prairie Chicken- TOBAC, Unit A Site Decommission

Jim,

Phoenix Environmental is tentatively scheduled to begin work on the access road to location late next week or the week of February 16, 2009. Weather forecasts indicate we may be in for some additional winter next week so schedules may vary.

Just to review, when you and Angus and I met last week it was determined that the access to location would be best coming from the existing good dirt road (what I call the Milnesand Road) on the north then south on the old lease road about 1000 feet or so then west another 1000 feet or so across the cattle guard to TOBAC location. The cattle guard is in need of repair and an option was to remove or fill it in if it gives way, then later repairs if surface lessor needed the thing. The other option was to go west from the existing TOBAC Road several thousand feet to location but this road was in very bad shape and would take greater excavation to rehab and no question would shut us down in any kind of incimate weather condition. Allen has been to location and I will review the access route with him prior to start up.

A HASP is being completed and will be available prior to work start up. As in all our projects, daily tailgate safety meetings will be done and all emergency information will be availabe continuously at the site. Cell phone availability at location is unknown at present.

Finally, you indicated the need to notify all surface owners and/or landowners prior to work beginning, if you have a list of contacts and want me or Angus to help you with that let me know and we will get started. I would like to know who owns the windmill and have access to take a depth to groundwater measurement there if I can. My initial review of the area has revealed that groundwater is around 70 feet bgs. Let me know if you have better info.

I will keep yu posted on events as they occur.

Talk to you next week.

Dave

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



State of New Mexico Purchase Order

PO Number to be on all Invoices and Correspondence

Dispatch via Print

Energy, Minerals & Resources

1220 South St. Francis Drive
Santa Fe NM 87505
United States

Vendor: 0000059915
RESPEC, INC.
5971 JEFFERSON NE STE 101
ALBUQUERQUE NM 87109

Purchase Order 52100-0000017200	Date 01/13/2009	Revision 1	Page 1
Payment Terms Pay Now	Freight Terms FOB Destination	Ship Via Best Way	
Buyer RACHEL D. HERRERA	Phone 505/476-3311		

Ship To: 1220 South St. Francis Drive
Room 184
Santa Fe NM 87501
United States

Bill To: 1220 South St. Francis Drive
Room 346
Santa Fe NM 87501
United States

Origin: CON ExclExcl #:

Line-Sch	Item/Description	Mfg ID	Quantity	UOM	PO Price	Extended Amt	Due Date
1- 1	Cost estimate for assessment and reclamation of abandoned tank battery with associated disposal pit on state lands - northwest of Crossroads, NM.Phase I - TOBAC Unit A Contact person is Rachel Herrera @ 476-3477.		1.00	EA	222,906.28	222,906.28	01/13/2009

52100-31100-0710000000-535300- -0750- - -109-80000

Schedule Total 222,906.28

Contract ID: 80-805-00-03377AF

Contract Line: 0 Release: 6

Item Total 222,906.28

RECR-8
Unit A, Section 30, Township 8 South, Range 33 East, Chavez County
Contract # 80-805-00-03377AF Expires 7/16/2009

Total PO Amount 222,906.28

Agency Approval - I certify that the proposed purchase represented by this document is authorized by and is made in accordance with all State (and if applicable Federal) legislation rules and regulation. I further certify that adequate unencumbered cash and budget expenditure authority exists for this proposed purchase and all other outstanding purchase commitments and accounts payable.

Authorized Signature

STATE OF NEW MEXICO
GENERAL SERVICES DEPARTMENT- PURCHASING DIVISION
TERMS AND CONDITIONS UNLESS OTHERWISE SPECIFIED

SPD-101A (07/92)

1. GENERAL: When the State Purchasing Agent issues a purchase document in response to the Vendors bid, a binding contract is created.
2. VARIATION IN QUANTITY: No variation in the quantity of any item called for by this order will be accepted unless such variation has been caused by conditions of loading, shipping, packing or allowances in manufacturing process, and then only to the extent, if any, specified elsewhere in this order.
3. ASSIGNMENT:
 - A: Neither the order, nor any interest therein, nor claim thereunder, shall be assigned or transferred by the Vendor, except as set forth in subparagraph 3B below or as expressly authorized in writing by the STATE PURCHASING AGENTS OFFICE. No such assignment or transfer shall relieve the Vendor from the obligations and liabilities under this order.
 - B: Vendor agrees that any and all claims for overcharge resulting from antitrust violations which are borne by the State as to goods, services, and materials purchased in connection with this bid are hereby assigned to the State.
4. STATE FURNISHED PROPERTY: State furnished property shall be returned to the state upon request in the same condition as received except for ordinary wear, tear, and modifications ordered hereunder.
5. DISCOUNTS: Prompt payment discounts will not be considered in computing the low bid. Discounts for payment within 20 days will be considered after the award of the contract. Discounted time will be computed from the date of receipt of the merchandise or invoice, whichever is later.
6. INSPECTION: Final inspection and acceptance will be made at the destination. Supplies rejected at the destination for non-conformance with specifications shall be removed, at the Vendors risk and expense, promptly after notice of rejection.
7. INSPECTION OF PLANT: The State Purchasing Agent may inspect, at any reasonable time, the part of the contractors, or any subcontractors plant or place of business, which is related to the performance of this contract.
8. COMMERCIAL WARRANTY: The Vendor agrees that the supplies or services furnished under this order shall be covered by the most favorable commercial warranties the Vendor gives to any customer for such supplies or services, and that the rights and remedies provided herein shall extend to the State and are in addition to and do not limit any rights afforded to the State by any other cause of this order. Vendor agrees not to disclaim warranties of fitness for a particular purpose or merchantability.
9. TAXES: The unit price shall exclude all State taxes.
10. PACKING, SHIPPING AND INVOICING:
 - A: The States purchase document number and the Vendors name, users name and location shall be shown on each packing and delivery ticket, package, bill of lading and other correspondence in connection with the shipment. The users count will be accepted by the Vendor as final and conclusive on all shipments not accompanied by a packing ticket.
 - B: The Vendors invoice shall be submitted in triplicate, duly certified and shall contain the following information: order number, description of supplies or services, quantities, unit prices and extended totals. Separate invoices shall be rendered for each and every complete shipment.
 - C: Invoices must be submitted to the using agency and NOT THE STATE PURCHASING AGENT.
11. DEFAULT: The State reserves the right to cancel all or any part of this order without cost to the State, if the Vendor fails to meet the provisions of this order and, except as otherwise provided herein, to hold the Vendor liable for any excess cost occasioned by the State due to the Vendors default. The Vendor shall not be liable for any excess costs if failure to perform the order arises out of causes beyond the control and without the fault or negligence of the Vendor, such causes include, but are not restricted to, acts of God or of the public enemy, acts of the State or of the Federal Government, fires, floods, epidemics, quarantine restrictions, strikes, freight embargos, unusually severe weather and defaults of subcontractors due to any of the above, unless the State shall determine that the supplies or services to be furnished by the subcontractor where obtainable from other sources in sufficient time to permit the Vendor to meet the required delivery scheduled. The rights and remedies of the State provided in this paragraph shall not be exclusive and are in addition to any other rights now being provided by law or under this order.
12. NON-COLLUSION: In signing this bid, the Vendor certifies he/she has not, either directly or indirectly, entered into action in restraint of free competitive bidding in connection with this proposal submitted to the State Purchasing Agent.
13. NON-DISCRIMINATION: Vendors doing business with the State of New Mexico must be in compliance with the Federal Civil Rights Act of 1964 and Title VII of that Act, Rev., 1979.
14. THE PROCUREMENT CODE: Sections 13-1-28 through 13-1-199 NMSA 1978 imposes civil and criminal penalties for its violation. In addition, the New Mexico criminal statutes impose felony penalties for bribes, gratuities and kickbacks.
15. All bid items are to be NEW and most current production, unless otherwise specified.

Griswold, Jim, EMNRD

From: Kostrubala, Thaddeus [TKostrubala@slo.state.nm.us]
Sent: Tuesday, December 09, 2008 8:08 AM
To: Griswold, Jim, EMNRD
Subject: RE: reclaiming old pits

I would like to chat with you about ingress and egress. If the contractors can create an ingress/egress route off of the roads we reclaimed last year that would be great. Might be best if I could stop by the site with you when you head that way next time and we can flag a route.

-TK

From: Griswold, Jim, EMNRD [mailto:Jim.Griswold@state.nm.us]
Sent: Friday, December 05, 2008 9:04 AM
To: Kostrubala, Thaddeus
Subject: reclaiming old pits

Good morning Thaddeus,

I just got word from Wayne that Jim Amos of the BLM is scheduled to be here in Santa Fe on Tuesday, January 13, 2009. Wayne has scheduled a meeting at 1PM that afternoon, here at the OCD offices, to discuss the reclamation of old pits. We would very much like you to attend. Can you make it? Mark Fesmire may also be in attendance.

Also, I was in SE NM earlier this week and made a visit to the old tank battery site we plan on reclaiming. Beautiful setting. My contractor has also visited the location and prepared a preliminary workplan to proceed. I will be meeting with them sometime next week to forge the particulars. My current order of progress will be to clean out the tank bottoms, remove and recycle the metals and concrete, then undertake a preliminary investigation of near-surface soils to define areas and extents of adsorbed contamination with hydrocarbon, chlorides, etc. as well as water quality sampling from the pond. The scope of work thereafter will be driven by what we find.

There are several issues I would like you to weigh in on... First, is access. The nearby E/W road that has not been reclaimed is several feet below grade in most places. It might not be wide enough to get large equipment thru anyway, but if we have precip, this road will quickly become a mess. Second, the old pit. It would seem the "midnight haulers" most certainly have used the location in the past to dump produced water. So much so they have altered the local drainage such that any rain falling on the broader area makes its way to the pit. Since you reseeded the roadway, there doesn't appear to have been any vehicular movement into the site. Nonetheless, the pit still contains water. There is moss and algae in the pit (perhaps carried in on the feet and feathers of migratory birds) and I noted significant antelope, coyote, and possibly wild cat tracks along with rabbit scat around its edges. So the "locals" are drinking there. I did find a single coyote carcass within about 200 feet but its cause of death wasn't obvious. We will sample the water and possibly soils beneath the pit. Does the SLO perhaps want us to construct a lined trick tank for subsequent use by wildlife? Third, I came across some potholes accessing old pipelines immediately to the east of the site. The pipes were perforated by corrosion, sections have been removed, and there was visible soil contamination. This situation will be addressed by the OCD thru its normal procedures, but were you aware of this activity by O&G lease holders?

Jim Griswold

Hydrologist

Environmental Bureau

ENMRD/Oil Conservation Division

1220 South St. Francis Drive

Santa Fe, New Mexico 87505

direct: 505.476.3465

email: jim.griswold@state.nm.us

This email has been scanned by the MessageLabs Email Security System.
For more information please visit <http://www.messagelabs.com/email>

This email has been scanned by the MessageLabs Email Security System.
For more information please visit <http://www.messagelabs.com/email>

Confidentiality Notice: This e-mail, including all attachments is for the sole use of the intended recipient(s) and may contain confidential and privileged information. Any unauthorized review, use, disclosure or distribution is prohibited unless specifically provided under the New Mexico Inspection of Public Records Act. If you are not the intended recipient, please contact the sender and destroy all copies of this message. -- This email has been scanned by the MessageLabs Email Security System.

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

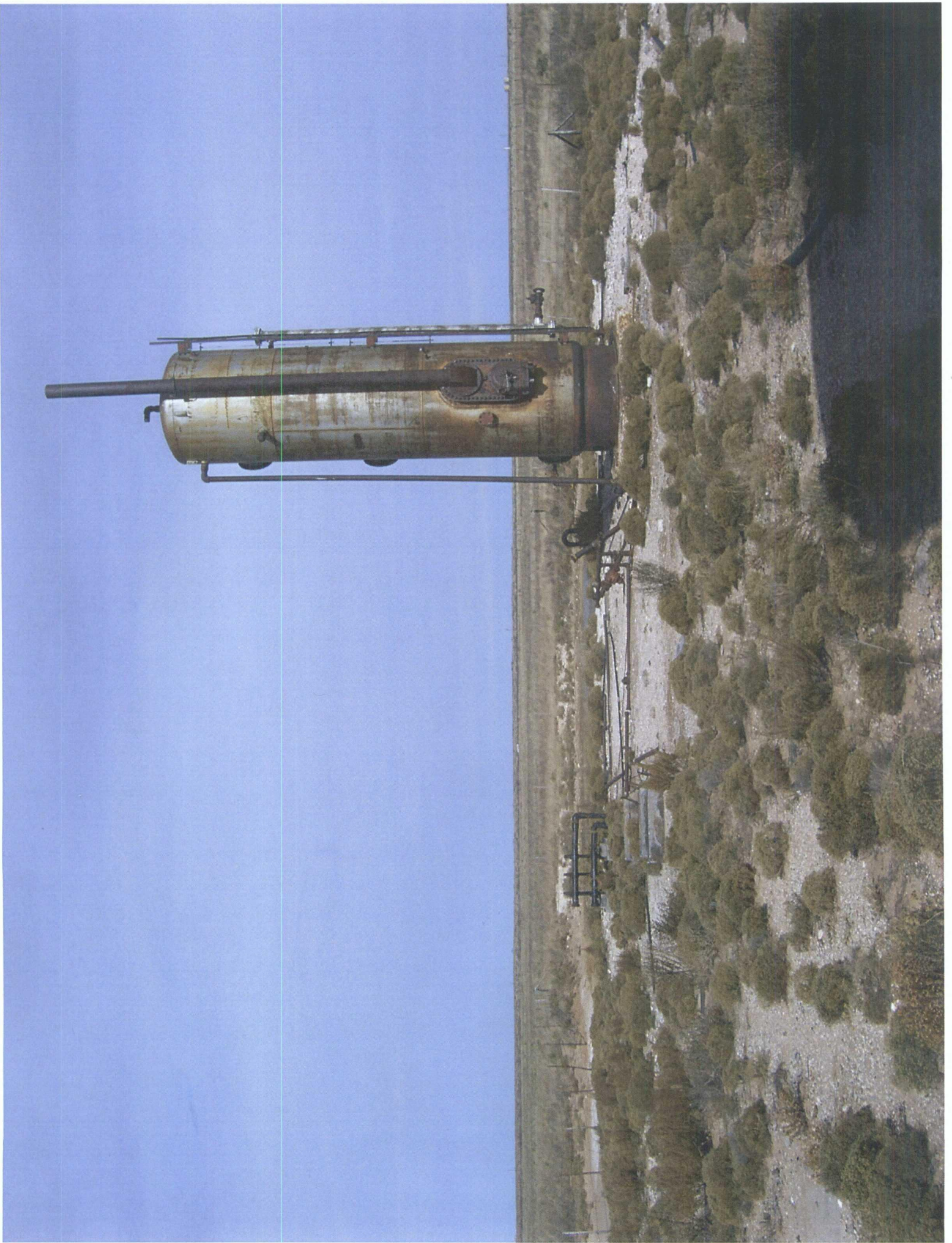








A circular metal stamp, likely a coin or medallion, featuring the number '102528' repeated twice in a circular arrangement. The stamp is dark and shows signs of wear and discoloration.

























RECEIVED

2008 DEC 2 PM 12 41

December 1, 2008

Mr. Jim Griswold
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

**Re: Work plan for Phase 2 Investigation, Site Decommission at the TOBAC, Unit "A" Site,
Former Production Facility located near Crossroads, Chaves County, New Mexico**

Dear Mr. Griswold,

RESPEC is pleased to submit the following work plan and cost estimate for the above referenced site. All work will be conducted in accordance with all pertinent state and federal regulations. A Professional Geologist will have direct supervisory control over the project. A minimum of 96 hours advance notice will be given to the Oil Conservation Division (OCD) Project Manager prior to starting work.

RESPEC personnel visited the site on November 20, 2008 in order to assess site conditions. The site visit included review of job specifications and how work is to be implemented.

The scope of work is organized into the following tasks:

- Task 1 – Work plan preparation, subcontractor teaming agreements, site decommission/construction timeline;
- Task 2 – Perform One-Call and map all buried pipelines and electrical hazards on-site;
- Task 3 – Pre-job conference with OCD and submit final project timeline;
- Task 4 – Health and Safety Plan Preparation, setup weekly tailgate safety meeting requirements;
- Task 5 – Perform sampling analysis and NORM survey for all waste disposals;
- Task 6 – Remove and dispose of tank contents (solids and fluids), inert tanks;
- Task 7 – Demolish and remove three (3) above ground tanks, one (1) 6 foot by 20 foot heater treater, one skid mounted compressor, and miscellaneous trash and drums;

Task 8 – Site survey to evaluate by sample analysis all surface trash and remove all piping, equipment, tanks, and trash for off-site disposal or recycling, use OCD RCRA Class D landfills where required.

Task 9 – Define vertical and horizontal extent of contamination beneath tank footprints and tank bottom piles;

Task 10 --Prepare site for heavy construction activities including ingress and egress access, including construction activities signage;

Task 11 – Excavation, transport and dispose of surface and shallow subsurface contaminated soils surrounding tanks and reserve pit as necessary and backfill;

Task 12 – Excavate other areas for evaluation of chemicals of concern (COC's).

Task 13 – Evaluate surface water and soils in production pit, backfill if no COC's present.

Task 14 – Excavate, transport and properly dispose of reserve pit contents (approximately 300 barrels of fluids);

Task 13 -- Prepare and submit Phase 2/Site Decommission report with conclusions and recommendations;

TASK 1 - WORK PLAN PREPARATION

This task involves the preparation of the work plan, cost estimates, site reconnaissance with initial soil sampling, interaction with all subcontractors and the OCD Project Manager.



Figure 1- Aerial View of TOBAC, Unit A Site, Section 30, T8S-R33E, Chaves County, New Mexico. 2008 Aerial courtesy of Google.

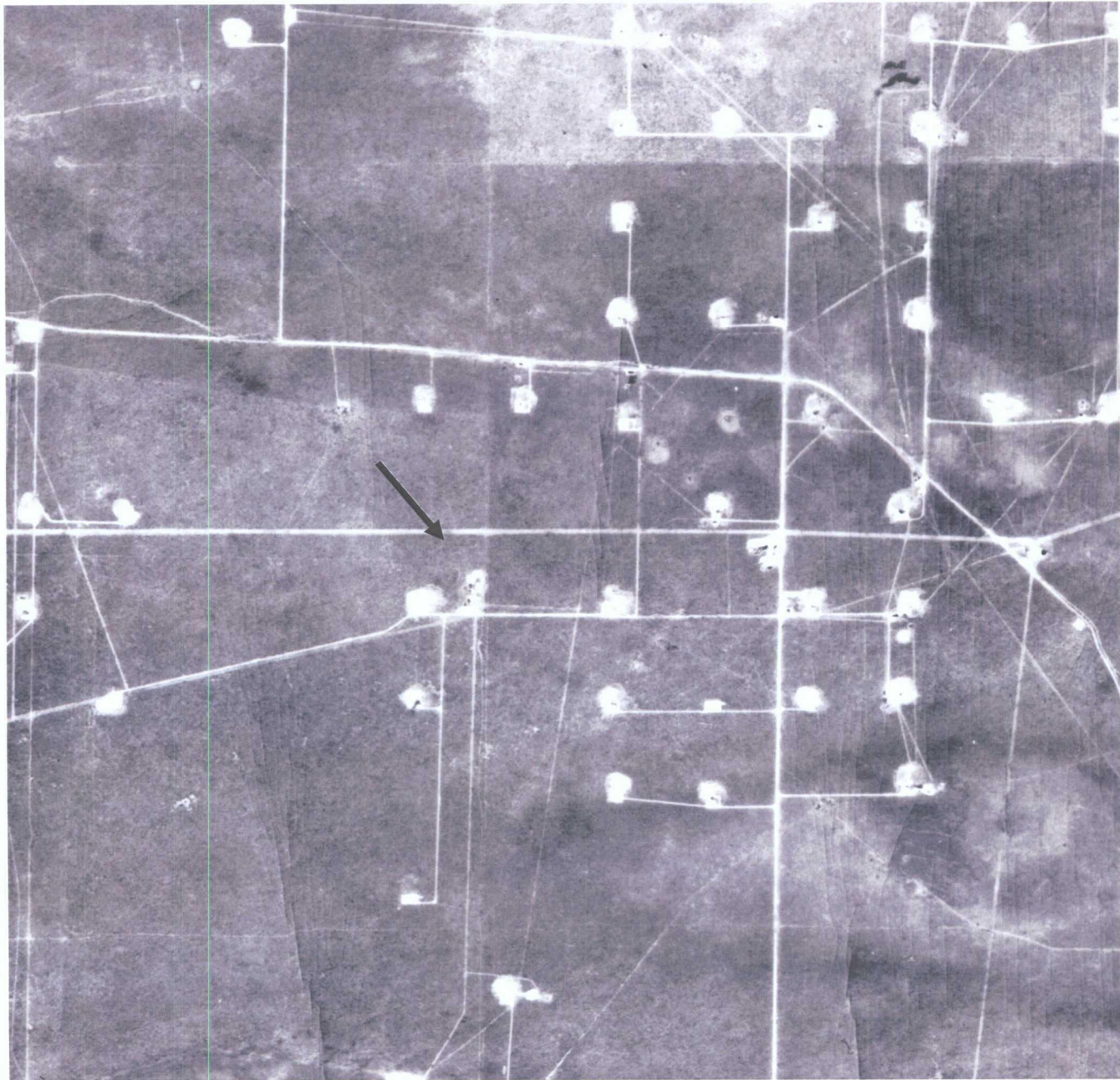


Figure 2- Aerial View of TOBAC, Unit A Site, Section 30, T8S-R33E, Chaves County, New Mexico. 1971 Aerial courtesy of UNM.

TASK 2 – ONE CALL, BURIED UTILITIES LOCATE

The New Mexico One Call System will be contacted in order to locate, mark and map all buried pipelines and utilities at the site. One Call log will be maintained and updated as required throughout project duration.

TASK 3 – PRE-JOB CONFERENCE

This task is scheduled to detail site decommission procedures including, construction activities and timeline, required signage for public information and traffic control, local and county notification as required, project budgeting and cost control, and safety procedure requirements for project.

TASK 4 – HEALTH AND SAFETY PLAN PREPARATION

A site-specific health and safety plan (HASP) will be completed before fieldwork commences. The HASP will include, but not be limited to the following: a site information summary, a list of key personnel on-site and their responsibilities, tailgate meeting schedules and mandatory attendance logs, site hazards, emergency information, job hazard assessment, PPE requirements, air quality monitoring, decontamination and disposal, employee training, and emergency procedures.

TASK 5 – NORM SURVEY

RESPEC will perform a naturally occurring radioactive materials (NORM) survey of all pipes, tanks and miscellaneous equipment prior to disposal/recycling. This task will be on-going throughout the demolition and disposal activities at the site. All empty tanks will be inspected and surveyed internally prior to demolition and externally before disposal/recycling. A registered NORM surveyor will perform the survey in accordance to 19.15.9.714 NMAC and 20.3.14 NMAC.

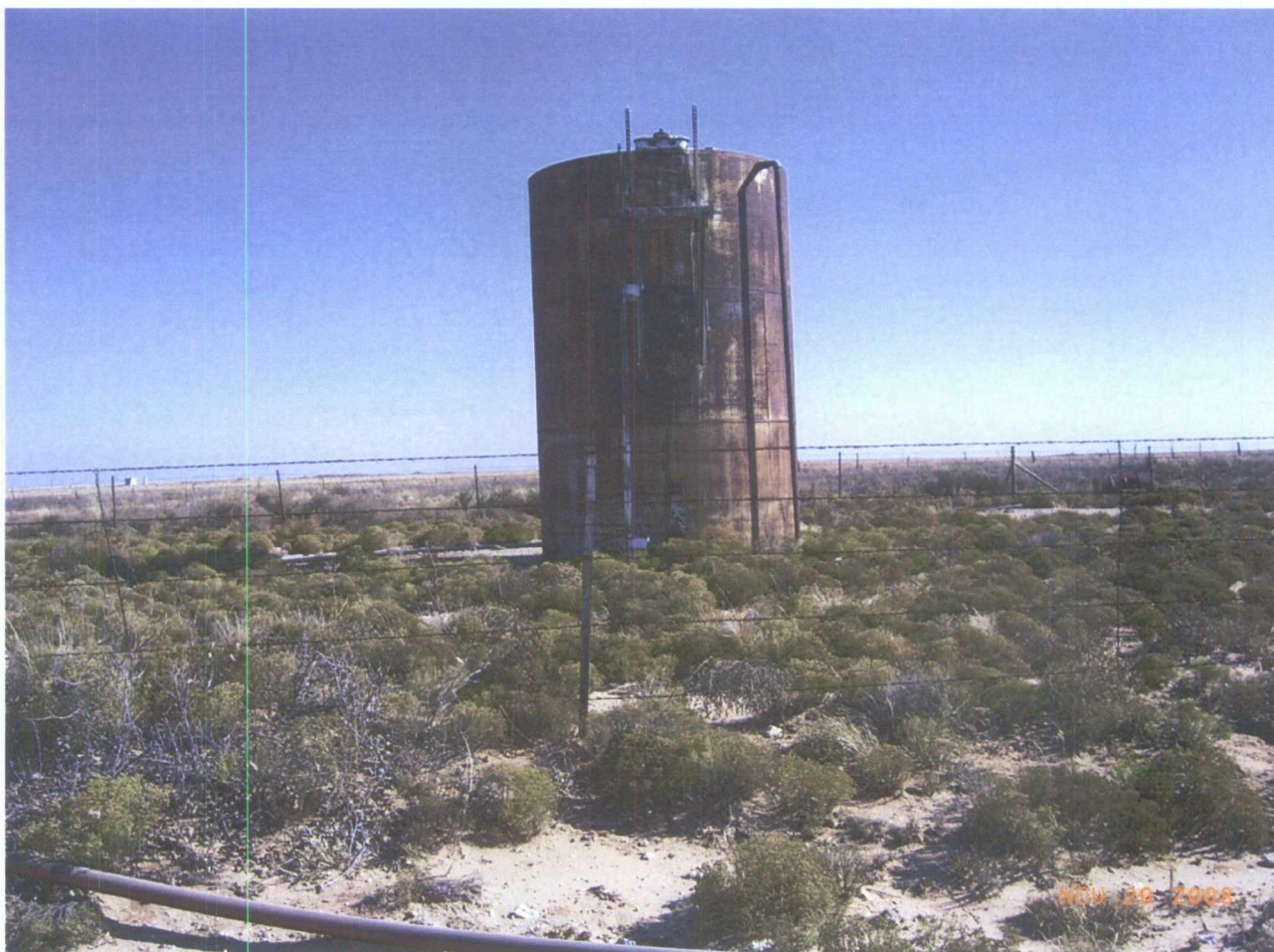


Figure 3- 210 barrel, steel, welded tank.

TASK 6 – REMOVE AND DISPOSE OF TANK CONTENTS

All fluids and solids will be removed from three (3) above ground tanks, one vertical heater treater located across the site. The tanks range in size from 210 barrel to 500 barrel capacity, the heater treater is 6 feet in diameter by 20 feet tall, heavy gauge welded steel construction; all appurtences are of steel construction. Phoenix Environmental Services, Hobbs, New Mexico will provide hot oil unit (if necessary), trans-vac units and all labor for removal and disposal of tank contents. All fluids and solids will be disposed at OCD permitted facilities. Phoenix will then triple rinse all tanks to inert for removal and recycle. All triple rinse fluids will be transported and disposed of at an OCD permitted facility. RESPEC project manager will oversee operations and track all transport disposal manifests and disposal certifications. A final report will include all operational procedures and transport and disposal criteria.

Pursuant to the scope of work, all trash including: barrels, buckets, batteries, pipes, electrical meters, cut up ASTs, etc. will be removed from the site for either disposal or recycling.

Any testing that is required prior to disposal will be performed on a contingency basis, with all laboratory expenses to be included in this purchase agreement. RESPEC will use Hall Laboratories,

Albuquerque, NM for analytical results. It should also be noted that all piping and other miscellaneous items will be staged for the NORM survey prior to removal from the site.



Figure 4- Two 500 barrel, steel, bolted tanks with catwalk.

TASK 7 – TANK REMOVAL AND RECYCLING

All surface equipment will be removed and recycled from the site. Phoenix will provide for on site crushing and all necessary transporting of material to Hobbs Iron Works in Hobbs, New Mexico. In addition, Phoenix will remove and recycle other iron and metal objects from across the site. RESPEC project manager will oversee operations including tank testing to assure tanks are inert and provide tank death certificates. A final report will include all operational procedures and transport and disposal criteria.



Figure 5- One 6' x 20' heater treater unit with manifold and piping.

TASK 8 – SURVEY TRASH AND REMOVAL

All equipment and trash will be evaluated and sample analysis performed as required to determine any environmental impact or special handling that may be needed. Non-hazardous or non-regulated trash and debris will be separated and placed in roll off bins for disposal at Chaves County Landfill. Confirmed hazardous or regulated material will be disposed of or recycled per OCD requirements which may include RCRA Class D landfills. RESPEC project manager will oversee testing and evaluation of trash and debris and proper disposal including manifests and certifications. A final report will include all operational procedures, testing analysis results and recycling and disposal criteria.



Figure 6- Skid Mounted Buda Compressor.

TASK 9 – TANK FOOT PRINT/ TANK BOTTOM PILE INVESTIGATION

The horizontal and vertical extent of soil contamination beneath the tank footprints/tank bottom pile will be determined by trenching with a backhoe. Field personnel will evaluate, describe and record lithology, odor, and all other observations pertinent to the geology of the site and contamination observed under and surrounding the ASTs. Grab samples will be field screened for total ionizable vapor concentrations using a Photo Ionization Detector (PID) unit in a manner consistent with the NMED Soil/Water Sampling and Disposal Guidelines (NMED, 2000). All results will be recorded in a field notebook.

Samples will be collected from each trench (both the sidewall and bottom). The soil samples will be submitted to the laboratory (Hall Laboratories, Inc) for analysis by EPA Method 8015 (Motor Oil, Gas, Diesel), 418.1 (TPH) and 300 (chloride), utilizing extraction techniques consistent with the NMED Soil/Water Sampling and Disposal Guidelines (NMED, 2000). All proper chain-of-custody procedures will be followed.

All open trenches will be backfilled and compacted when the soil sampling has been completed.

RESPEC project geologist will oversee testing and evaluation of trenching operation. A final report will include defining the vertical and horizontal extent of contamination, quantities of contaminated material removed.

TASK 10 – SITE PREPARATION

This task provides for the site to be prepared for heavy construction activities necessary for remedial action. Ingress and egress road will be re-constructed in such a manner to handle heavy truck traffic for the duration of the project. Staging and loading areas will be designated and made stable. Excavation zones will be defined and access preparation will be completed.

All areas disturbed will be leveled to match surface grade, disked and re-seeded with indigenous plant life. Access road to site will be made impassible.

TASK 11 – EXCAVATION OF SOILS (OUTSIDE PRODUCTION PIT)

This task includes removal of all known contaminated soils at surface and shallow subsurface locations as defined by on site investigation and laboratory results. These locations are surrounding and adjacent to the production pit location and have an estimated volume of 1000 cubic yards for removal and 1000 cubic yards for backfill. Vertical and horizontal extent will be defined by soil sample laboratory analysis by EPA Method 300 for chlorides and EPA Method 8015 (MRO, DRO, GRO) for total petroleum hydrocarbons and will be field screened by using portable PID unit by head space field analysis. Excavation zones will be backfilled with engineered fill with proper moisture content and 85% compaction per proctor to existing surface grade elevation. RESPEC project manager will oversee testing and evaluation of soils removed and proper disposal including manifests and certifications.

TASK 12 – EXCAVATE BURIED TRASH PIT

Any known or suspected buried trash pits will be investigated by excavating perpendicular to three sides of the known pit. The size, depth, and suspected contamination will be evaluated during this procedure. Field testing will be confirmed by laboratory analysis of soils encountered. RESPEC project geologist will oversee operation for sampling, trash/debris description, field testing, volume calculations, and defining vertical and horizontal extent of pit and contamination if any. A final report will include procedures implemented, extent of trash and contamination, and remedial action and disposal. Excavation zones will be backfilled with engineered fill with proper moisture content and 85% compaction per proctor to existing surface grade elevation. Volume of impacted soils will be determined and excavation and removal will be performed under separate work plan and cost proposal for pre-approval.

TASK 13 – ON SITE GROUNDWATER WELL SAMPLING

RESPEC has not determined groundwater elevations in this area. OCD Project Manager will be consulted if any vertical extent of soil contaminants cannot be defined and groundwater evaluation is required. Excavation will confirm expected geology for this area as having impermeable caprock lithology at 5 feet to 12 feet below ground surface. Any groundwater investigation will be performed under a separate work plan with associated costs for pre-approval.

TASK 14 – EXCAVATION PRODUCTION PIT

This task involves the excavation, transport and proper disposal of existing reserve pit contents. An estimated 300 barrels of water and sludge will be removed, transported and disposed if necessary. Vertical and horizontal extent will be defined by soil sample laboratory analysis EPA Method 300 for chlorides and EPA Method 8015 (MRO, DRO, GRO) for total petroleum hydrocarbons and will be field screened by using portable PID unit by head space field analysis. The pit will be backfilled with engineered fill with proper moisture content and 85% compaction per proctor to existing surface grade elevation. RESPEC project manager will oversee testing and evaluation of water and sludge removed and proper disposal including manifests and certifications.



Figure 7- Production Pit.

TASK 15 – PREPARE AND SUBMIT PHASE 2 AND SITE DECOMMISSION REPORT

Following completion of fieldwork, a final Phase 2 and Site Decommission Report will be prepared and submitted to the OCD Project Manager. The report will include, but not be limited to the following:

- ☐ A site map showing all buried pipelines, electrical hazards, tank footprint locations;
- ☐ The NORM survey results;
- ☐ Volume of material removed from the tanks, manifests, disposal/reclamation Company;
- ☐ Tank reclamation or scrap iron facility used;
- ☐ Volume/weight of trash removed and the disposal/recycling company used;
- ☐ Tabulation of all analytical data gathered during the investigation;
- ☐ Map, or maps, with cross-sections showing the location, depth and concentrations of all waste material removed and disposed;
- ☐ Conclusions and Recommendations.

ASSUMPTIONS

- ☐ Excavation areas will be free of underground utilities;
- ☐ Excavated areas will be finished with backfill from existing state pit located approximately one mile east of TOBAC location;
- ☐ Access will be during normal working hours;
- ☐ Trenching under tanks or overflow will be limited to one trench across the diameter of each tank/overflow to a depth of 2.5 feet, and will be completed in one working day. Additional trenching will be available on a contingency basis;
- ☐ All waste at the site is considered exempt oil field waste. If, during the course of the investigation, the waste becomes classified as non-exempt then additional testing (TCLP and RCI to acquire a C-138 Oil Commission Permit) and disposal fees will be required;
- ☐ All laboratory fees will be included in the TOBAC, Unit "A" purchase agreement between the OCD and RESPEC.

INSURANCE

RESPEC maintains at its own expense the following insurance plans that meet or exceed the services to be performed under the terms of this work plan:

- ☐ Workers' compensation insurance-statutory.
- ☐ Employer's liability insurance of \$500,000 per occurrence, \$1,000,000 aggregate.
- ☐ Comprehensive general liability insurance of \$1,000,000 per occurrence, \$1,000,000 aggregate.
- ☐ Vehicle liability insurance of \$500,000 per occurrence (property damage and bodily injury combined).
- ☐ RESPEC will provide the owner/operator (O/O), within twenty (20) working days of the contract signing, a certificate of insurance naming the O/O as the certificate holder.

Respectfully submitted by:



Dave Henard,
Project Geologist

Cost Estimate

TOBAC

Unit "A"

Vendor No. 5187719

PA Number: 61-805-

09-18553

0-03377

Term 7/16/2008 to 7-16-09

RESPEC Inc.

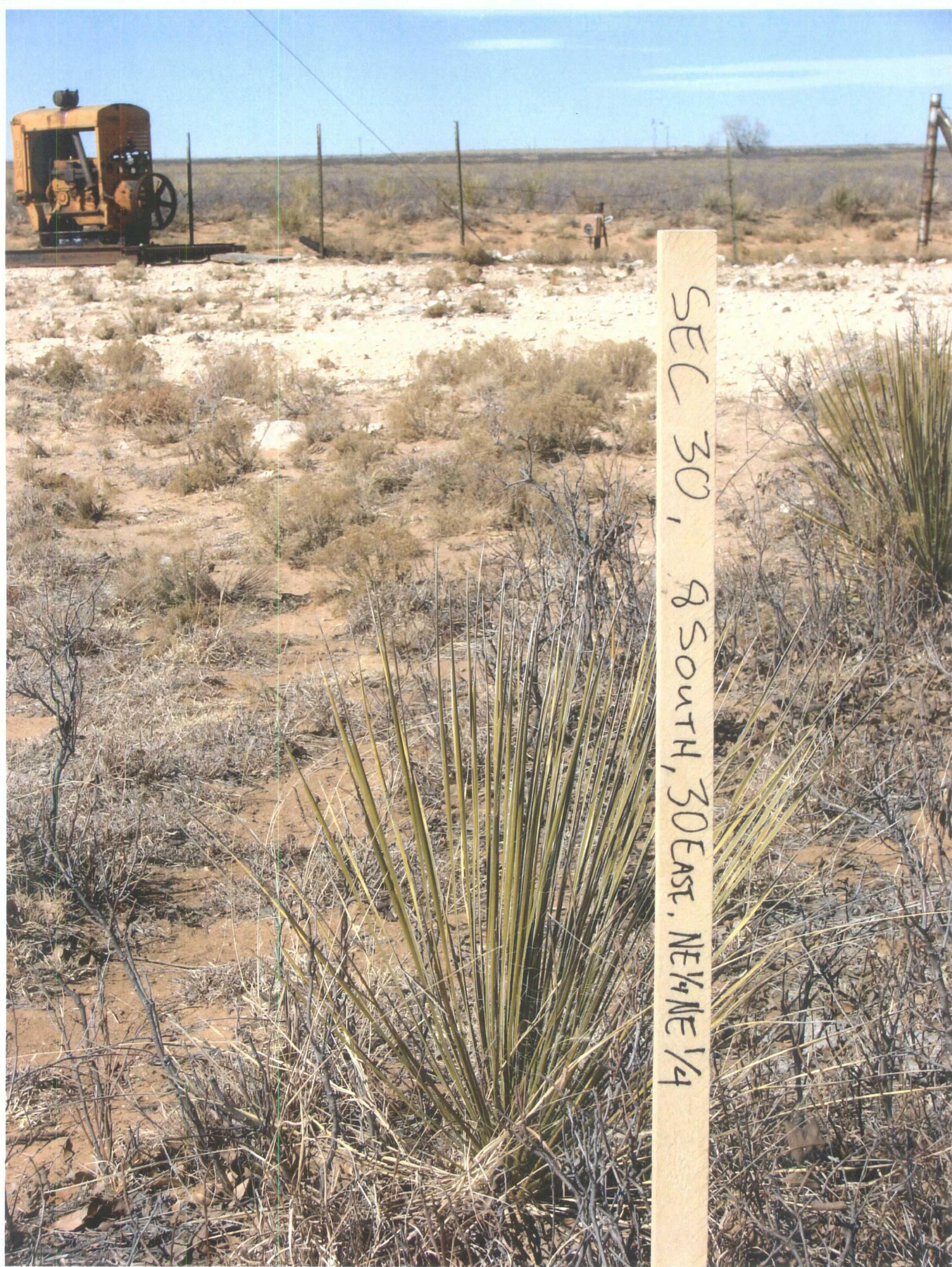
Commodity Code: 72002

LN	QTY	RATE	UNIT	COST	DESCRIPTION	
*0001	50	\$113.00	Hour	\$5,650.00	Principal	
*0002	150	\$85.00	Hour	\$12,750.00	Senior Scientist	
*0007	20	\$45.00	Hour	\$900.00	Draftsperson	
*0008	25	\$40.00	Hour	\$1,000.00	Administrator	
*0010	10	\$10.00	Day	\$100.00	Combination - LEL/O2/CO Meter	
*0011	10	\$10.00	Day	\$100.00	LEL Meter	
*0012	10	\$25.00	Day	\$250.00	PID/FID	
*0030	5	\$850.00	Day	\$4,250.00	Backhoe - Heavy Duty	
*0041	10	\$450.00	Day	\$4,500.00	Water Truck -	
*0042	15	\$110.00	Day	\$1,650.00	Pick up Truck -	
*0043	10	\$150.00	Day	\$1,500.00	Pick-up Truck	
*0044	7	\$82.00	Day	\$574.00	Steam cleaner	
*0057	10	\$160.00	Day	\$1,600.00	Level C Protection	
*0058	15	\$115.00	Day	\$1,725.00	Per Diem (Lodging & Meals)	
*0060	7500	0.585	Mile	\$4,387.50	Passenger Vehicle	
*0061	15	35.000	Day	\$525.00	Misc. Field Equipment	
*0062	1000	\$65.00	Cu. Yard	\$65,000.00	Disposal of Contaminated Soil (inclds Trucking to	
	50	\$90.00	Each	\$4,500.00	Laboratory Analysis	
*0063	10500	\$4.50	Gallon	\$47,250.00	Disposal of Contaminated Fluids	
	2200	\$23.00	Cu. Yard	\$50,600.00	Backfill	
*0064		\$120.00	Hour	\$0.00	Site Surveying	

TOTAL

\$208,811.50 (a) +

0.0675 (NMGR) = **\$222,906.28**



SEC 30, 8 SOUTH, 30 EAST, NE $\frac{1}{4}$ NE $\frac{1}{4}$







