

April 1, 2010

Mr. Mike Bratcher
Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
1301 W. Grand Avenue
Artesia, New Mexico 88210

**Re: Remediation Workplan,
Marks and Garner Production LTD Co., Red Twelve State #3
Unit Letter I (NE/4, SE/4), Section 5, Township 17 South, Range 29 East,
Eddy County, New Mexico
(Latitude: N 32.86267°, Longitude: W 104.08982°)
2RP #309**

Dear Mr. Bratcher:

Marks and Garner Production LTD Co. (M&G), has retained Ocotillo Environmental, LLC (Ocotillo) to remediate impacts to soil from a leak at the Red Twelve State #3 tank battery. The battery is located in the northeast quarter (NE/4) of the southeast quarter (SE/4), Section 5, Township 17 South, Range 29 East, Eddy County, New Mexico (Site). The date and volume of the release are unknown. A C-141 was submitted to the New Mexico Oil Conservation Division (NMOCD) on April 24, 2009. Appendix A provides a copy of the C141. Figure 1 shows the site location.

Based on published literature (1961), well records of the New Mexico State Engineer, and well records of the United States Geological Survey, groundwater occurs at approximately 65 feet bgs in the well located nearest the Site. No domestic water wells are located within 1,000 feet of the site. The NMOCD has established recommended remediation action levels (RRALs) for benzene, total BTEX and TPH resulting from spills of natural gas liquids ("Guidelines for Remediation of Leaks, Spills and Releases, August 13, 1993"). Remediation levels for benzene, total BTEX and TPH were calculated using the following NMOCD criteria:

Criteria	Result	Ranking Score
Depth-to-Groundwater	50 - 99 Feet	10
Wellhead Protection Area	No	0
Distance to Surface Water Body	>1000 Horizontal Feet	0
Total:		10

The following RRALs have been assigned based on NMOCD criteria:

Benzene 10 mg/kg
Total BTEX 50 mg/kg
TPH 1,000 mg/kg

OCD Case# 14393
Marks & Garner
July 22, 2010
Ex# 7

Initial Investigation

On September 10, 2009, a letter was prepared for the NMOCD by R.T. Hicks Consultants, Ltd. (Hicks), that reported results of soil samples collected at the site in order to provide horizontal delineation of the spill. Hicks also provided documentation that groundwater in the area is confined, thereby making the depth to groundwater "not relevant". Appendix B provides a copy of the "Hicks" diagram (Plate 2F) showing sample point locations and chloride concentrations, as well as a copy of the "Hicks" table of Field and Laboratory Data – Soil Samples.

Current Investigation

On March 2, 2010, Ocotillo installed four (4) soil borings (BH-1 through BH-4) at the site, using an air rotary drilling rig, in order to further assess the horizontal and vertical limits of the spill. Soil samples from the exploratory borings were collected in five foot intervals from the ground surface to a depth of approximately 21 feet below ground surface (bgs). All soil borings were plugged with bentonite. Figure 2 shows the locations of the soil borings. Appendix C provides copies of the Well Record and Logs provided to the Office of the State Engineer.

The soil samples from borings BH-1 through BH-4 were placed in clean glass sample jars, labeled, chilled in an ice chest, and delivered under chain-of-custody control to Cardinal Laboratories, located in Hobbs, New Mexico.

All soil samples collected from borings BH-1 through BH-4 were analyzed for chlorides by EPA method 4500 Cl⁻B. The uppermost two (2) samples from boring BH-2 (0-1' and 5-6') were also analyzed for total petroleum hydrocarbons (TPH) by EPA method SW-846 8015 (extended) for gasoline range organics (GRO) and diesel range organics (DRO). The PID reading from each sample was less than 100 ppm, therefore, no analysis for benzene, toluene, ethylbenzene and xylene (collectively referred to as BTEX) was conducted. Table 1 presents a summary of the laboratory analysis of soil samples. Laboratory analysis and chain of custody documentation are included in Appendix D.

Referring to Table 1, TPH concentrations in samples from boring BH-2, were reported below the RRAL at a depth of 5-6' bgs (25.6 mg/kg). Chloride concentrations in samples from borings BH-1 were below the NMOCD standard of 250 mg/kg at a depth of 10-11' bgs (64 mg/kg). The soil samples collected from borings BH-2 and BH-3 reported chloride concentrations above 250 mg/kg at a total depth of 20-21' bgs (544 mg/kg and 2,200 mg/kg, respectively). The samples collected from the background soil boring (BH-4), all reported chloride concentrations below 250 mg/kg.

Proposed Remediation

Marks and Garner proposes to conduct excavation of the hydrocarbon impacted soil in the vicinity of the tank battery to a depth of approximately two (2) feet bgs, or until confirmation samples report TPH concentrations below the RRAL of 1,000 mg/kg. Excavation is also proposed in the area of BH-1, BH-2 and BH-3 to a depth of five (5) feet bgs.

Mr. Mike Bratcher
Page 3
April 1, 2010

Horizontal delineation will be determined by laboratory analysis of samples collected during excavation. All excavated soil with a chloride concentration greater than 5,000 mg/kg will be hauled to an NMOCD approved disposal facility. Excavated soil with a chloride concentration less than 5,000 mg/kg will be blended on-site with organic material, in order to reduce the chloride concentrations to less than 1,000 mg/kg. A 20 mil plastic liner will be installed at the five foot depth, and the excavated areas will be backfilled with either clean soil or blended soil with a chloride concentration less than 1,000 mg/kg. Excess blended soil (with a chloride concentration less than 1,000 mg/kg) will be used to construct firewalls around the Marks and Garner tank batteries and / or other ancillary equipment.

If you have any questions or need additional information, please call Mr. Quinton Welborn at (575) 631-0949, or myself at (575) 441-7244. We may also be reached by email at qwelborn@valornet.com or Cindy.Crain@gmail.com.

Sincerely,
Ocotillo Environmental, LLC

Cindy K. Crain, P.G.
Environmental Manager

cc: Quinton Welborn, Marks & Garner

FIGURES

TABLE

APPENDIX A

INITIAL C141 DOCUMENTATION

APPENDIX B

R.T. HICKS INITIAL INVESTIGATION

PLATE 2F

And

TABLE OF FIELD AND LABORATORY DATA

APPENDIX C
WELL RECORD AND LOGS

APPENDIX D

ANALYTICAL DATA AND CHAIN OF CUSTODY DOCUMENTATION