

OIL CONSERVATION DIV.
STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

**APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION,
THROUGH THE ENVIRONMENTAL BUREAU CHIEF, FOR A PUBLIC
HEARING PURSUANT TO RULE 19.G(3) TO CONSIDER THE ADEQUACY OF
A REVISED STAGE 2 ABATEMENT PLAN; LEA COUNTY, NEW MEXICO**

CASE NO. 12919

APPLICATION FOR PUBLIC HEARING TO REVIEW ABATEMENT PLAN

1. Rice Operating Company ("Rice") is the operator of the Hobbs Salt Water Disposal System in Lea County, New Mexico.
2. On October 20, 1998 Rice discovered hydrocarbon-impacted ground water at the site of an earlier (June 5, 1998) release occasioned by a leak from its system. The site of the release and contamination is located in the NE/4 SE/4 (Unit I) of Section 9, Township 19 South, Range 38 East, in Lea County, New Mexico (the "Junction I-9 Release site"). Rice reported the contamination to the New Mexico Oil Conservation Division ("OCD") on October 22, 1998.
3. Pursuant to OCD Rule 19 [19 NMAC 15.A.19], OCD required Rice to submit an abatement plan. Rice submitted its Stage 1 (investigatory) abatement plan on January 19, 1999, and OCD approved the same. On November 19, 1999, following review of the results of the Stage 1 abatement plan, OCD required Rice to submit a Stage 2 (remedial) abatement plan.

4. Rice submitted its initial Stage 2 abatement plan on January 10, 2000. Following extended review and negotiations, Rice submitted its revised Stage 2 abatement plan (the "Revised Stage 2 Abatement Plan") on December 13, 2001.
5. On January 29, 2002, OCD received formal requests for a public hearing on the Revised Stage 2 Abatement Plan from the McNeill Ranch (through James P. Lyle, attorney) and from the City of Hobbs, New Mexico.
6. On May 9, 2002 OCD determined that the Revised Stage 2 Abatement Plan was administratively complete. On May 28, 2002 notice of the Revised Stage 2 Abatement Plan was published as required by Rule 19.G(2) [19 NMAC 15.A.19.G(2)].
7. On May 24, 2002 William F. McNeill and attorney, James P. Lyle filed additional requests for a public hearing on the Revised Stage 2 Abatement Plan. The Director determined, pursuant to Rule 19.G(3) [19 NMAC 15.A.19.G(3)] that there existed significant public interest.
8. The OCD staff, through the Environmental Bureau Chief, recommends that the Revised Stage 2 Abatement Plan be approved subject to the conditions set forth in Exhibit A hereto (which exhibit is by this reference incorporated into and made a part of this Application for all purposes).

WHEREFORE, the Environmental Bureau Chief of the Division hereby applies to the Director to:

- A. Schedule a public hearing before a duly appointed hearing examiner, upon proper notice as provided in Rules 1204 and 1207 [19 NMAC 15.N.1204

and 1207], to consider the adequacy of the Revised Stage 2 Abatement Plan.

- B. Notify Rice to appear before the examiner at the hearing and then and there to demonstrate the adequacy of the Revised Stage 2 Abatement Plan.
- C. After notice and hearing as above requested, enter an order approving the Revised Stage 2 Abatement Plan subject to the conditions set forth in Exhibit A, and/or to such other and further conditions, either in addition to or in lieu thereof, as the Director deems appropriate.
- D. Alternatively, enter an order pursuant to Rule 19.H(4) [19 NMAC 15.A.19.H(4)] identifying deficiencies in the Revised Stage 2 Abatement Plan and directing Rice to submit a modified plan as in said Rule provided.
- E. Order such other and further relief, either supplemental or alternative, as the Director deems appropriate.

RESPECTFULLY SUBMITTED,



David K. Brooks
Assistant General Counsel
Energy, Minerals and Natural
Resources Department of the State of
New Mexico
1220 S. St. Francis Drive
Santa Fe, NM 87505
(505)-476-3450
Attorney for The New Mexico Oil
Conservation Division

EXHIBIT A
to
APPLICATION FOR PUBLIC HEARING TO REVIEW ABATEMENT PLAN

**NMOCD Administrative Review of
Rice Operating Company
Junction I9 Site Revised Stage 2 Abatement Plan**

The New Mexico Oil Conservation Division (OCD) has completed a review of the following Rice Operating Company (ROC) documents:

- June 14, 2002 Stage II Abatement Plan Revision Proposal Proof of Public Notice.
- March 08, 2002 Revised Stage 2 Abatement Plan Additional Information Request, Junction I-9 Site; Hobbs, New Mexico.
- December 13, 2001 Junction I-9 Revised Stage 2 Abatement Plan Request from NMOCD.
- November 14, 2001 modeling information supplied during technical meeting held in Santa Fe, NM.
- August 21, 2001 Revised Stage 2 Abatement Plan Proposal, Junction I-9 Release Site.
- May 15, 2001 Revised Stage 2 Abatement Plan Additional Request, Junction I-9 Site; Hobbs, New Mexico.
- March 30, 2001 Revised Stage 2 Abatement Plan Additional Request, Junction I-9 Site; Hobbs, New Mexico.
- December 13, 2000 Revised Stage 2 Abatement Plan Additional Request, Junction I-9 Site; Hobbs, New Mexico.
- March 31, 2002 Stage II Abatement Plan (AP-8) Junction I-9 Release Site. (Proof of Public Notice)
- January 10, 2000 Stage II Abatement Plan Proposal letter and Stage 2 Abatement Plan Proposal, Junction I-9 Release site.

These documents contain ROC's Proposal for remediation of soil and ground water contamination related to the Junction I-9 Release Site located in the NE/4

SE/4 Section 09-Ts19s-R38e Lea County, New Mexico and proof of public notice of the plan. The Stage 2 Abatement Plan (AP-8) for the ROC Junction I-9 Release Site as contained in the above-referenced documents is hereby approved with the following conditions:

1. Stage 2 activities shall start no later than 30 days after ROC is in receipt of final stage 2 approval.
2. ROC will notify the OCD Santa Fe office and the OCD District office at least 72 hours in advance of all scheduled activities such that the OCD has the opportunity to witness the events and/or split samples during OCD's normal business hours.
3. Representative composite samples shall be collected from each level of excavation and walls and analyzed for total petroleum hydrocarbons (TPH) EPA method 8015 (DRO+GRO) or 418.1, BTEX method 8021 or 8260, general chemistry and WQCC metals using EPA approved methods and quality assurance/quality control (QA/QC) procedures.
4. Each blended backfill lift shall be compacted to prevent future subsidence. In addition, a composite representative soil sample shall be collected from each lift and analyzed for total petroleum hydrocarbons (TPH) EPA method 8015 (DRO+GRO) or 418.1, BTEX method 8021 or 8260, general chemistry and WQCC metals using EPA approved methods and quality assurance/quality control (QA/QC) procedures.
5. Soils used for backfill or contaminated soils left in place shall not exceed the standards found in the NMOCD "Guidelines for Remediation of Leaks, Spills and Releases" as proposed by ROC in the December 13, 2000 submittal. In addition, blended backfill soils placed between the clay liners shall not exceed 1099 mg/kg of chlorides as proposed by ROC in the December 13, 2001 submittal, and all other contaminated soils outside of the liner system that exceed 250 mg/kg of chlorides shall be excavated and removed as proposed by ROC in the March 08, 2002 submittal.
6. The clay liners shall be installed pursuant to ROC's proposal dated December 13, 2001 item # 4. In addition, the top liner shall extend a minimum of 20 feet beyond the edge of the bottom liner in order to prevent lateral infiltration between the liners. The permeability of the liners shall be no greater than 1×10^{-8} cm/sec as proposed in the model

percolation estimate attachment "B". Field test shall be conducted to verify the liner permeability.

7. Written approval from OCD shall be received before backfilling or covering any excavated area or clay liner. The top clay liner shall have an adequate slope to drain subsurface soils that may become saturated.
8. Proposed monitoring and recovery Wells shall be located, constructed, developed, purged, and sampled as outlined in the plan.
9. No less than 48 hours after the well(s) are developed, ground water from all monitor well(s) shall be purged, sampled and analyzed for concentrations of benzene, toluene, ethylbenzene, xylene, polycyclic aromatic hydrocarbons (PAH), total dissolved solids (TDS) and New Mexico Water Quality Control Commission (WQCC) metals and major cations and anions using EPA approved methods and quality assurance/quality control (QA/QC) procedures.
10. All wastes generated during the investigation shall be disposed of at an OCD approved facility.
11. ROC shall submit a report by December 30, 2002 to the OCD Santa Fe office with a copy provided to the OCD Hobbs District Office describing the results of the work performed and shall include the following information:
 - a. A description of all investigation, remediation, monitoring activities, including photo documentation, conclusions and recommendations.
 - b. A geologic/lithologic log and well completion diagram for each monitor well.
 - c. A water table potentiometric map showing the location of the leaks and spills, excavated areas, monitor wells, and any other pertinent site features as well as the direction and magnitude of the hydraulic gradient.
 - d. Isopleth maps for contaminants of concern which were observed during the investigations.
 - e. Summary tables of all ground water quality sampling results and copies of all laboratory analytical data sheets and associated QA/QC data taken within the past year. A quarterly groundwater-sampling schedule for OCD approval.

- f. The quantity and disposition of all recovered product and/or wastes generated.
 - g. A detailed scaled site map showing all major features such as the center and corners of the buried liner, all wells, etc. The map shall have at least one GPS coordinate for the center of the site over the liner system.
12. Contamination found beyond the most down gradient recovery system and or monitoring wells that exceed the Water Quality Control Commission Regulation (WQCC) groundwater standards shall require immediate corrective action. ROC shall submit a corrective action plan within 30 days of discovery.

Please be advised that OCD approval does not relieve ROC of responsibility if contamination exists which is outside the scope of the plan; if the plan fails to adequately remediate contamination related to ROC's activities; or if the plan fails to protect public health. In addition, OCD approval does not relieve ROC of responsibility for compliance with any other federal, state or local laws and regulations.