BW-18

Key Energy Hobbs Truckers II

Correspondence 2013

Griswold, Jim, EMNRD

From: Griswold, Jim, EMNRD

Sent: Wednesday, July 24, 2013 8:07 AM

To: 'wayne price'

Mike Slaughter; gnance@keyenergy.com Cc:

Subject: RE: Key Truckers II BW-18 Brine Well Emergency Request

Please proceed with earthmoving activities.

Jim Griswold Senior Hydrologist EMNRD/Oil Conservation Division 1220 South St. Francis Drive Santa Fe. New Mexico 87505 505.476.3465

email: jim.griswold@state.nm.us

----Original Message----

From: wayne price [mailto:wayneprice77@earthlink.net]

Sent: Tuesday, July 23, 2013 9:27 PM

To: Griswold, Jim, EMNRD

Cc: Mike Slaughter; gnance@keyenergy.com

Subject: Key Truckers II BW-18 Brine Well Emergency Request

Dear Jim,

Pursuant to our meeting today Key Energy is going to remove a contaminated dirt pile and dispose of at the Gandy-Marley OCD permitted facility, and back-haul red bed clay and install in bottom of pit, compacted to a proctor density 90%+. The existing liner and leak detection of the pit has been removed and we are concerned about run-off from the adjacent contaminated dirt pile causing a possible infiltration of pore water in excess of the WQCC standards.

I have attached for a quick reference of an aerial plot plan, a site investigation map and corresponding results of the borings. We have removed more than 5000 yards out of the pit, with the most heavily concentrated being place adjacent to and on the north side of the pit. We are experiencing some rains and as discussed, we do not want to cause a groundwater impact since the liner has been removed.

This action will prevent a groundwater impact. Please note, as discussed, the old R&R company operated an illegal dump pit for years. The OCD took action and required a clean-up which has been completed, but there was no follow-up on the groundwater impact.

Please note, it does appear that Key's pit did not cause any groundwater contamination as show on the sampling boring report. It does appear the old R&R pit did impact groundwater and has migrated under and across our site.

Once we install the protective barrier then we will have time to strategize on the final closure. Our intention will most likely blend the remaining soils to an acceptable level and backfill the pit. We will seek a closure request before we take that next step. This will allow us time to submit a budget plan to our Houston folks.

We would appreciate an acknowledgement of our actions ASAP!

Sincerely,

Wayne Price

bing Maps

Hobbs, NM

My Notes

Truckers 2

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100 x 501



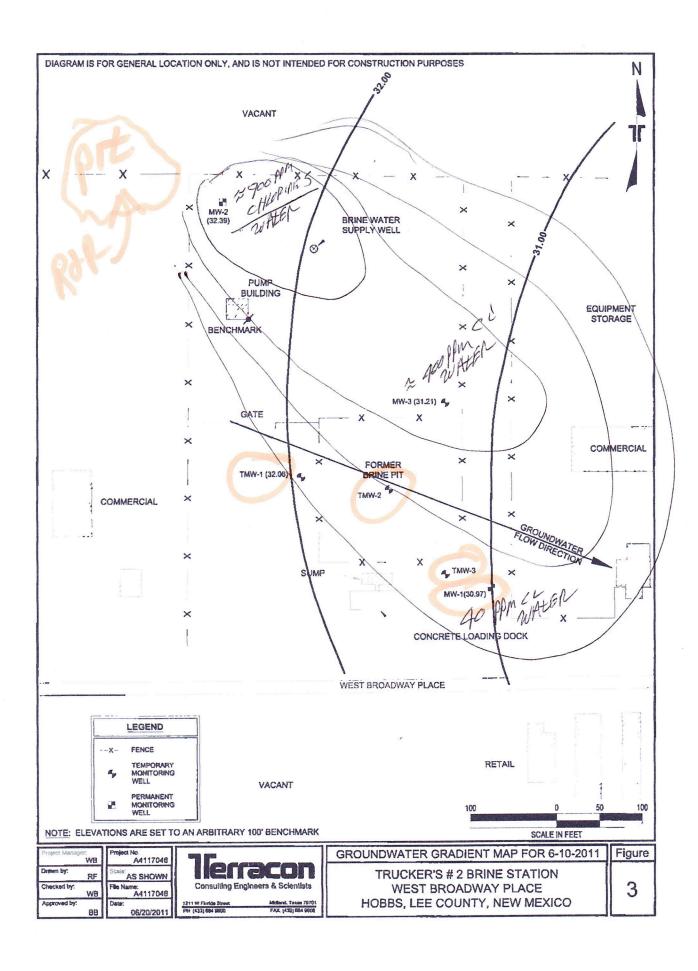


Table 1

CONCENTRATIONS OF CHLORIDES IN SOIL

Key Energy Services, Inc. Trucker's #2 Brine Station Lea County, NM **Terracon Project Number A4117046**

All concentrations are in mg/ kg

SAMPLE LOCATION	SAMPLE DATE	SAMPLE INTERVAL	EPA Method 300.1 Total Chlorides				
				TMW-1	06/08/11	0-5 fbgs	2,770
				TMW-1	06/08/11	5-7 fbgs	2,110
TMW-1	06/08/11	8-10 fbgs	1,650				
TMW-1	06/08/11	20-22 fbgs	541				
TMW-1	06/08/11	30-32 fbgs	194				
TMW-1	06/08/11	40-42 fbgs	83.5				
TMW-1	06/08/11	50-52 fbgs	67.1				
TMW-1	06/08/11	60-62 fbgs	18.0				
TMW-2	06/08/11	0-2 fbgs	5,130				
TMW-2	06/08/11	2-4 fbgs	6,180				
TMW-2	06/08/11	4-6 fbgs	4,780				
TMW-2	06/08/11	6-8 fbgs	5,580				
TMW-2	06/08/11	8-10 fbgs	3,340				
TMW-2	06/08/11	20-22 fbgs	27.7				
TMW-2	06/08/11	30-32 fbgs	50.5				
TMW-2	06/08/11	40-42 fbgs	72.1				
TMW-2	06/08/11	50-52 fbgs	36.3				
TMW-3	06/09/11	0-2 fbgs	3,170				
TMW-3	06/09/11	2-4 fbgs	3,370				
TMW-3	06/09/11	4-6 fbgs	2,710				
TMW-3	06/09/11	6-8 fbgs	1,890				
TMW-3	06/09/11	8-10 fbgs	1,250				
TMW-3	06/09/11	20-22 fbgs	127				
TMW-3	06/09/11	30-32 fbgs	146				
TMW-3	06/09/11	40-42 fbgs	64.5				
TMW-3	06/09/11	50-52 fbgs	45.9				
TMV-3	06/09/11	60-62 fbgs	72.3				
MW-3	06/09/11	0-2 fbgs	555				
MW-3	06/09/11	2-4 fbgs	1,530				
MVV-3	06/09/11	4-6 fbgs	1,610				
MW-3	06/09/11	6-8 fbgs	1,200				
MW-3	06/09/11	8-10 fbgs	847				
MW-3	06/09/11	20-22 fbgs	811				
MW-3	06/09/11	30-32 fbgs	645				
MW-3	06/09/11	40-42 fbgs	145				
MW-3	06/09/11	50-52 fbgs	130				
MW-3	06/09/11	60-62 fbgs	40.7				

NOTES: fbgs = feet below ground surface TMW-2 was advanced beginning 10 fbgs, making the sample interval effectively 10 feet deeper than documented on laboratory identification information.