

**NM1 -**

**11**

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**BONDS**

**Jones, Brad A., EMNRD**

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**From:** Jones, Brad A., EMNRD  
**Sent:** Thursday, July 05, 2007 8:22 AM  
**To:** 'April Pohl'  
**Subject:** RE: Sampling request

April,

In order to make a proper assessment, it is recommended to create two separate lists. The first list should be an assessment of your current permit. It should identify the constituents, number of samples, and frequency for treatment zone (soils being remediated) monitoring and vadose zone (below the treatment zone) monitoring. The list should also identify the constituents, number of samples, and specified standards required for closure.

The second list should identify the constituents, number of samples, and frequency for treatment zone (soils being remediated) monitoring and vadose zone (below the treatment zone) monitoring required in Section 15 of 19.15.36 NMAC. It should also identify the constituents, number of samples, and specified standards required for closure, as specified in Subsection F of 19.15.36.15 NMAC.

A comparison of the two lists should be completed. Where the current permit remains silent and does not specify the constituents, number of samples, frequency, and/or a standard, the requirements of 19.15.36 NMAC (Part 36) apply. If specified in the permit, the constituents, number of samples, frequency, and/or a standard specified in the permit applies. If you have any questions regarding this matter after you have completed your comparison of the two lists, please do not hesitate to contact me.

Brad

**Brad A. Jones**  
*Environmental Engineer*  
*Environmental Bureau*  
*NM Oil Conservation Division*  
*1220 S. St. Francis Drive*  
*Santa Fe, New Mexico 87505*  
*E-mail: [brad.a.jones@state.nm.us](mailto:brad.a.jones@state.nm.us)*  
*Office: (505) 476-3487*  
*Fax: (505) 476-3462*

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**From:** April Pohl [mailto:[apohl@envirotech-inc.com](mailto:apohl@envirotech-inc.com)]  
**Sent:** Tuesday, July 03, 2007 12:32 PM  
**To:** Jones, Brad A., EMNRD  
**Subject:** Sampling request

2/4/2008

Mr Jones:

You called me about needing more sampling costs. We have found the cost for the tests you asked for – now we need to know how often and on what these tests need to be done. Treatment zone? Vadose zone? Annually? Quarterly? Discontinued maintenance status? Final closure? I have read and reread Rule 711 part 36 until my eyes are crossed and I have a throbbing headache. I cannot seem to find just what it is you want and when. I am sending the list of tests you want in another email – please check it over and tell me if it is correct.

April E Pohl  
Landfarm Administrator  
Envirotech Inc  
505-632-0615 office  
505-632-1865 fax  
505-320-6431 cell

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2/4/2008

# ENVIROTECH INC.

PRACTICAL SOLUTIONS FOR A BETTER TOMORROW

2007 MAY 16 PM 1 22

May 11, 2007

Mr. Brad Jones  
Environmental Engineer  
New Mexico Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, NM 87505

**RE: Financial Assurance for Envirotech Inc., NMOCD Landfarm Permit #NM-01-0011**

Dear Mr. Jones:

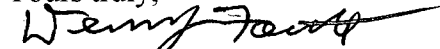
Enclosed are calculations of closing costs for 300 acres and/or 65 cells between four or five acres each over an 18 month period. This calculation is based on an average of 44 cells being open for the 18 month period although an average of 33 cells would be sufficient. With 300 acres open to receive contaminated soils, portions of the landfarm will not be active and parts of the landfarm will have met remediation standards at any given time. The bonding is based on minimum requirements for remediation sampling under the Rule.

Based on an average of 44 cells being open the bonding requirement calculates to be \$277,820.00 compared to \$237,461.00 based on an average of 33 cells.

Please let me know what you can approve as we want to get the bond in place.

If you have need of any additional information please feel free to call me at 505-632-0615.

Yours truly,



Denny Foust  
Environmental Geologist

**Attachments:**

Current Facility and status map

**Enclosures:**

Calculations and Totals (2 pages)

Back-up materials (4 pages)

DGF/Enviro/Landfarm/DGF Notes.doc

May 2007

## **ENVIROTECH INC**

### **Land Farm Financial Assurance**

This analysis is based on all 65 cells open for remediation and /or 300 acres included in the active landfarm operation. An additional eight to ten acres within the permit are involved in road and pipeline rights-of-way.

#### **CLOSURE COSTS CALCULATED FOR AN EIGHTEEN MONTH CLOSURE PERIOD**

Although an average figure of one-half the 65 open cells or acreage could be used for the following calculations, a two thirds average or 44 cells is utilized to account for conditions that will vary from the norm.

1. Based on a Pohl Industries submittal:
  - A. Tilling costs of \$8.50 per acre on an average of 220 acres open 39 times for the 18 month closure period is **\$72,930.**
  - B. One hour for mobilization and one hour for demobilization will be needed for each of the 39 tilling events (78 hours X \$85/hr) for a cost of **\$6,600.**
  - C. Reseeding costs for grass seed applied with a grain drill is \$8.50 per acre for 300 acres, plus grass seed and amendments of \$81 per acre for 300 acres is a total of **\$26,850.**
  - D. Berm and fence removal is estimated to be **\$4,280**
  - E. There are no permanent tanks at the land farm. Removal of the stabilization pad for demolition, trucking, and disposal will be **\$14,546**

**Sub-total \$125,206**

2. Based on Envirotech's known laboratory costs:
  - A. Quarterly background BTEX analysis and an 8015 procedure are \$139; an average of 44 cells will be open for the closure period of 18 months (6 quarters X 44 cells) is **\$36,696**
  - B. Annual and closure vadose zone sampling will be an additional \$184 per sample for Metals and Cation/Anion analysis. A total of 130 samples will be needed for 65 cells with annual sampling and vadose zone closure sampling for a total laboratory cost of **\$23,920.**
  - C. Closure sampling figured on two BTEX analysis and two 8015 analysis per 5 acre cell will be (130 X \$139) per sample for a total of **\$ 18,700.**

**Sub-total \$79,316**

3. Blagg Engineering sampling estimates:

- A. Quarterly vadose zone sampling will cost \$150.34 per sample. Calculated on an average of 44 cells open over the 4 quarters in addition to annual and closure sampling is a total cost of  $(176 \times \$150.34)$  **\$26,460**
- B. The remaining two quarters of vadose zone sampling are included in the costs shown in "B" as follows. The cost per five point vadose zone background sample remains \$150.34. Based on 65 cells requiring annual and closure sampling this is a cost of  $(130 \times \$150.34)$  **\$19,544**
- C. Backfilling material for 1530 auger holes approximately three feet deep will take 510 sacks of bentonite at \$10.05 per sack **\$5,126**. Time and equipment costs are \$55 per sample for 306 samples **\$16,830**
- D. Closure Sampling for remediation is \$35.41 per sample, utilizing an average of 2 samples per cell for 65 cells is  $(130 \times \$35.41)$  giving a cost of **\$4,603**
- E. Mobilization and demobilization for six sample events is 10.5 hours at 70.00 per hour (equipment and labor) is **\$735.00**.

**Sub-total \$73,298**

**Total Closure Cost: \$277,820**

POHL INDUSTRIES  
5 CR 5255  
BLOOMFIELD NM 87413  
505-632-0647

We are pleased to provide the following estimate for remediation of Landfarm #2 owned and operated by Young Environmental Services Inc DBA Envirotech Inc.

The area is comprised of a total of 308 acres requiring disking every two (2) weeks for a period of eighteen (18) months.

Using that base information we are prepared to submit the following bid:

Machinery	\$60.00
Mobilization	\$85.00
Labor	\$10.00
Fuel	<u>\$15.00</u>
	\$170.00

We are able to disk approximately ten (10) acres per hour for a ten (10) hour day which averages 100 acres a day (+ or -). So we will be able to cover the entire 308 acres in three (3) days at a cost of \$2550.00. Over a period of eighteen months the total cost would be \$91,800.00. In addition we would charge an additional \$89.50 per acre to reseed the designated area, which includes the cost of seed and labor. That additional cost would be \$27,566.00.

In the event you require the fences to be removed and the berms leveled, the additional cost would be \$4,280.00.

In the event you require the blending facility area to be removed the additional cost breaks down as follows:

Excavator	27 hrs @ \$95.00 an hour	\$2565.00
Excavator with hammer	27 hrs @ \$95.00 an hour	\$2565.00
Equipment mobilization		\$893.00
Operators (2)	30 hrs @ \$74.00 an hour	\$2220.00
Trucking	46 hrs @ \$81.20 an hour	\$3735.00
Landfill Disposal		\$2340.00
Support vehicle with driver		<u>\$228.00</u>
Total		\$14546.00

Thanks you for the opportunity to provide this quote to you.

*David L Pohl*

David L Pohl

## Landfarm Lab Charges

Background: One sample taken for 5 acre cells four times a year.

### First, Second & Third Quarter

8015	\$69.50
BTEX	\$69.50
	<u>\$139.00</u>

### Forth Quarter

8015	\$69.50
BTEX	\$69.50
Metals	\$115.00
Cation/Anion	\$69.00
	<u>\$323.00</u>

Closure: One sample taken per 5 acre cell  
(TPH must be below 100ppm, BTEX less then 50ppm and Benzene 10ppm to close cell)

8015	\$69.50
BTEX	\$69.50
	<u>\$139.00</u>



**BLAGG ENGINEERING, INC.**  
**COST ESTIMATOR SHEET**

**PROJECT LOCATION:** Envirotech Landfarm

**PROJECT SCOPE:** Quarterly Cell Monitoring  
 Estimated Per Cell Per Quarter Sampling Cost  
 Surface Cell Testing

**DATE:** September 19, 2006

**COST DETAIL:**

<u>Personnel</u>	<u>No. Hours</u>	<u>Cost /hr</u>	<u>Total Cost</u>
1 ea 5-pt composite	1.25	\$70.00 /hr	\$87.50
Backfilling	0.63	\$70.00 /hr	\$43.75
Quarterly Report	0.33	\$70.00 /hr	\$23.10
Mob/Demob	0.05	\$70.00 /hr	\$3.50
Personnel Total:			\$157.85
<u>Equipment</u>	<u>No. Units</u>	<u>Cost /unit</u>	<u>Total Cost</u>
Support Vehicle	1.50	\$18.00 /hr	\$27.00
GPS Unit	1.25	\$2.00 /hr	\$2.50
Trailer	1.50	\$7.50 /hr	\$11.25
Bentonite Mix	1.66	\$10.05 /sack	\$16.68
Equipment Total:			\$57.43
<u>Outside Services</u>	<u>No. Units</u>	<u>Cost /unit</u>	<u>Total Cost</u>
Assumptions: (1) Envirotech will provide a site plat with 5-acre cell layouts			
(2) Envirotech will provide in-house laboratory services			
(3) This is a cost estimate only. All parties will be best served by conducting work on a time and materials basis.			
Outside:			\$0.00
Project Sub-Total:			\$215.28
NMGRT	0.0731		\$15.74
Total:			\$231.02

**BLAGG ENGINEERING, INC.**  
**COST ESTIMATOR SHEET**

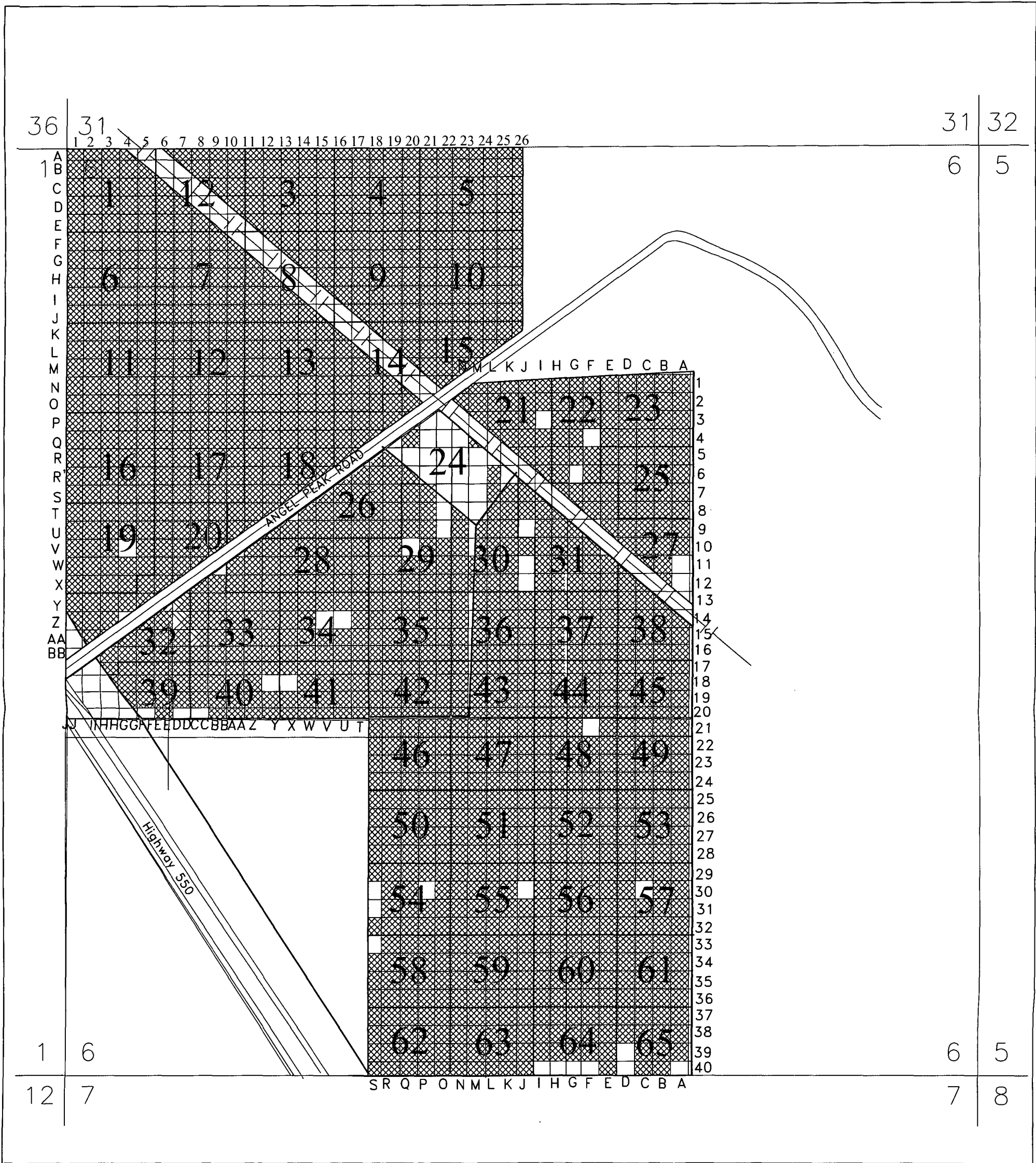
**PROJECT LOCATION:** Envirotech Landfarm

**PROJECT SCOPE:** Quarterly Cell Monitoring  
 Estimated Per Cell Per Quarter Sampling Cost  
 Surface Cell Testing

**DATE:** September 28, 2006

**COST DETAIL:**

<u>Personnel</u>	<u>No. Hours</u>	<u>Cost /hr</u>	<u>Total Cost</u>
1 ea 5-pt composite	0.25	\$70.00 /hr	\$17.50
Quarterly Report	0.15	\$70.00 /hr	\$10.50
Personnel Total:			\$28.00
<u>Equipment</u>	<u>No. Units</u>	<u>Cost /unit</u>	<u>Total Cost</u>
Support Vehicle	0.25	\$18.00 /hr	\$4.50
GPS Unit	0.25	\$2.00 /hr	\$0.50
Equipment Total:			\$5.00
<u>Outside Services</u>	<u>No. Units</u>	<u>Cost /unit</u>	<u>Total Cost</u>
<u>Assumptions:</u>			
(1) Envirotech will provide in-house laboratory services			
(2) This is a cost estimate only. All parties will be best served by conducting work on a time and materials basis.			
Outside:			\$0.00
Project Sub-Total:			\$33.00
NMGRT	0.0731		\$2.41
Total:			\$35.41



As of 5-11-07

LEGEND

- EMPTY
- ACTIVE
- DISCONTINUED MAINTENANCE BY OCD
- DISCONTINUED MAINTENANCE NOT OCD APPROVED
- PIPELINE

OCD LANDFARM 2  
CELL GRID LAYOUT

ENVIROTECH INC.

ENVIRONMENTAL SCIENTISTS & ENGINEERS  
5796 U.S. HIGHWAY 64  
FARMINGTON, NEW MEXICO 87401  
(505) 632-0615

SITE MAP

REVISIONS  
BY CJC DATE 08/25/06  
BY AEP DATE 05/11/07

DATE 07/12/06 DRAWN CJC  
SCALE 1"= 600' APPROVED CJC

FIGURE  
1



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

**Joanna Prukop**

Cabinet Secretary

**Mark E. Fesmire, P.E.**

Director

Oil Conservation Division

February 5, 2008

Mr. Morris D. Young  
Envirotech, Inc.  
5796 US Highway 64  
Farmington, New Mexico 87401

**RE: Financial Assurance Estimate Proposal  
Envirotech, Commercial Landfarm #2  
Permit NM-1-011  
Farmington, New Mexico**

Dear Mr. Young:

The New Mexico Oil Conservation Division (OCD) is in receipt of Envirotech's proposal, dated September 12, 2007, of a revised financial assurance estimate based upon fifty (50) percent of the cells of the commercial landfarm being in some phase of remediation of contaminated soils. The OCD has reviewed the document and has determined that some aspects of your plan may not have been based upon the requirements specified within the existing 711 permit and the provisions of 19.15.36 NMAC (Part 36) regarding operations, closure, and post-closure. As a result of that assessment you may have overestimated your financial assurance at this time.

Based upon the OCD assessment and the current estimates you provided for laboratory costs, sampling, remediation, and completion of closure activities, OCD proposes a minimum financial assurance at this time **annual temporary permission of \$ 265,215.00** based on the following calculations.

Closure costs calculated for an eighteen month closure period and a three year post-closure period, based upon fifty (50) percent of the cells, 33 out of 65 cells as identified on a site map dated May 11, 2007 (attached), of the commercial landfarm being in some phase of remediation of contaminated soils.

- I. Based upon Pohl Industries estimates:
  - a. Tilling costs of \$8.50 per acre for 150 acres. Condition #5 of the Landfarm Operations of Permit NM-1-011 requires soils to be disked biweekly. Tilling required 39 times for the 18 month closure period for a cost of **\$ 49,725.**

- b. One hour for mobilization and one hour for demobilization of a third party contractor will be needed for each tilling event (39 tilling events x 2 hours mobilization and demobilization per event x \$85 per hour) for a cost of \$ 6,630.
- c. Reseeding costs for grass seed applied with a grain drill at \$8.50 per acre, plus grass seed and amendments at \$81.00 per acre for 300 acres for a cost of \$26,850.
- d. Berm and fence removal for a cost of \$4,280.
- e. There are no permanent tanks at the landfarm. Removal of the stabilization pad including demolition, trucking, and disposal for a cost of \$ 14,546

**Sub-total \$102,031**

- 2. Treatment zone monitoring, pursuant to Subsection D of 19.15.36.15 NMAC, for 33 cells during the 18 month closure period. Based upon Envirotech's laboratory estimates and Bragg Engineering Inc.'s sampling estimates:
  - a. Laboratory analysis for TPH (\$69.50) and chlorides (\$15.00) for a cost of \$84.50 per sample. 33 cells x 1 sample per cell x 3 semi-annual sampling events x \$84.50 per laboratory analysis for a cost of \$ 8,366.
  - b. Third party sampling cost of \$35.41 per sample. 33 cells x 1 sample per cell x 3 semi-annual sampling events x \$35.41 per sample for a cost of \$ 3,506.

**Sub-total \$11,872**

- 3. Vadose zone monitoring, pursuant to Condition #1 of the Landfarm Operations of Permit NM-1-011, which requires quarterly sampling for TPH and BTEX, and annual sampling for major cations/anions and WQCC metals for 33 cells during the 18 month closure period. Based upon Envirotech's laboratory estimates and Bragg Engineering Inc.'s sampling estimates:
  - a. Laboratory analysis for TPH (\$69.50) and chlorides (\$69.50) for a cost of \$139.00 per sample. 33 cells x 1 sample per cell x 6 quarterly sampling events x \$139.00 per laboratory analysis for a cost of \$ 27,522.
  - b. Laboratory analysis for major cations/anions (\$69.50) and WQCC metals (\$115.00) for a cost of \$184.50 per sample. 33 cells x 1 sample per cell x 1 annual sampling events x \$184.50 per laboratory analysis for a cost of \$ 6,089.
  - c. Third party sampling cost of \$69.14 per sample. 33 cells x 1 sample per cell x 6 quarterly sampling events x \$69.14 per sample for a cost of \$ 13,690.

**Sub-total \$47,301**

- 4. Treatment zone closure, pursuant to Subsection F of 19.15.36.15 NMAC, for the complete facility 65 cells. Based upon Envirotech's laboratory estimates and Bragg Engineering Inc.'s sampling estimates:
  - a. Laboratory analysis for Benzene, BTEX, GRO, DRO, TPH, Chlorides, and WQCC 3101 A and B constituents for a cost of \$1323.00 per sample. 65 cells x 1 composite sample per cell x 1 sampling event x \$1323.00 per laboratory analysis for a cost of \$ 85,995.
  - b. Third party sampling cost of \$231.02 per sample. 65 cells x 1 sample per cell x 1 sampling events x \$231.02 per sample for a cost of \$ 15,016.

**Sub-total \$101,011**

**Total Closure Cost Estimate: \$262,215**

5. Post-closure, pursuant to Subsection F of 19.15.36.18 NMAC:  
a. Four inspections a year for inspections, maintenance, and re-vegetation for three years at \$250 per inspection for a cost of \$ 3,000.

**Sub-total \$3,000**

**Total Post-Closure Cost Estimate: \$3,000**

**OCD Recommended Financial Assurance Total:**

**Total Closure Cost Estimate: \$262,215.00**

**Total Post-Closure Cost Estimate: \$ 3,000.00**  
**\$265,215.00**

Based upon a facility file review, OCD has determined that Envirotech currently has only \$35,000 of financial assurance approved and accepted by the OCD. Therefore, Envirotech must provide a proper financial assurance mechanism(s) totaling **\$230,215** in order to operate under the approved expansion modifications to Permit NM-1-011. Due to current operations, this issue must be resolved the next 12 months. A total of \$265,215 of financial assurance must be approved and accepted by the OCD by February 6, 2009.

**Current Financial Assurance Assessment:**

OCD Recommended Financial Assurance Total:	\$265,215
Envirotech's Current Financial Assurance Total:	<u>\$ 35,000</u>
<b>Financial Assurance Required For Compliance:</b>	<b>\$230,215</b>

Please be advised that if Envirotech wishes to increase the amount above the OCD calculated limit it is encouraged to do so. Also, please note OCD may request a higher amount if it is determined that the current amount will not adequately close the facility.

If there are any questions regarding this matter, please do not hesitate to contact Mr. Brad Jones at (505) 476-3487 or [brad.a.jones@state.nm.us](mailto:brad.a.jones@state.nm.us).

Sincerely,

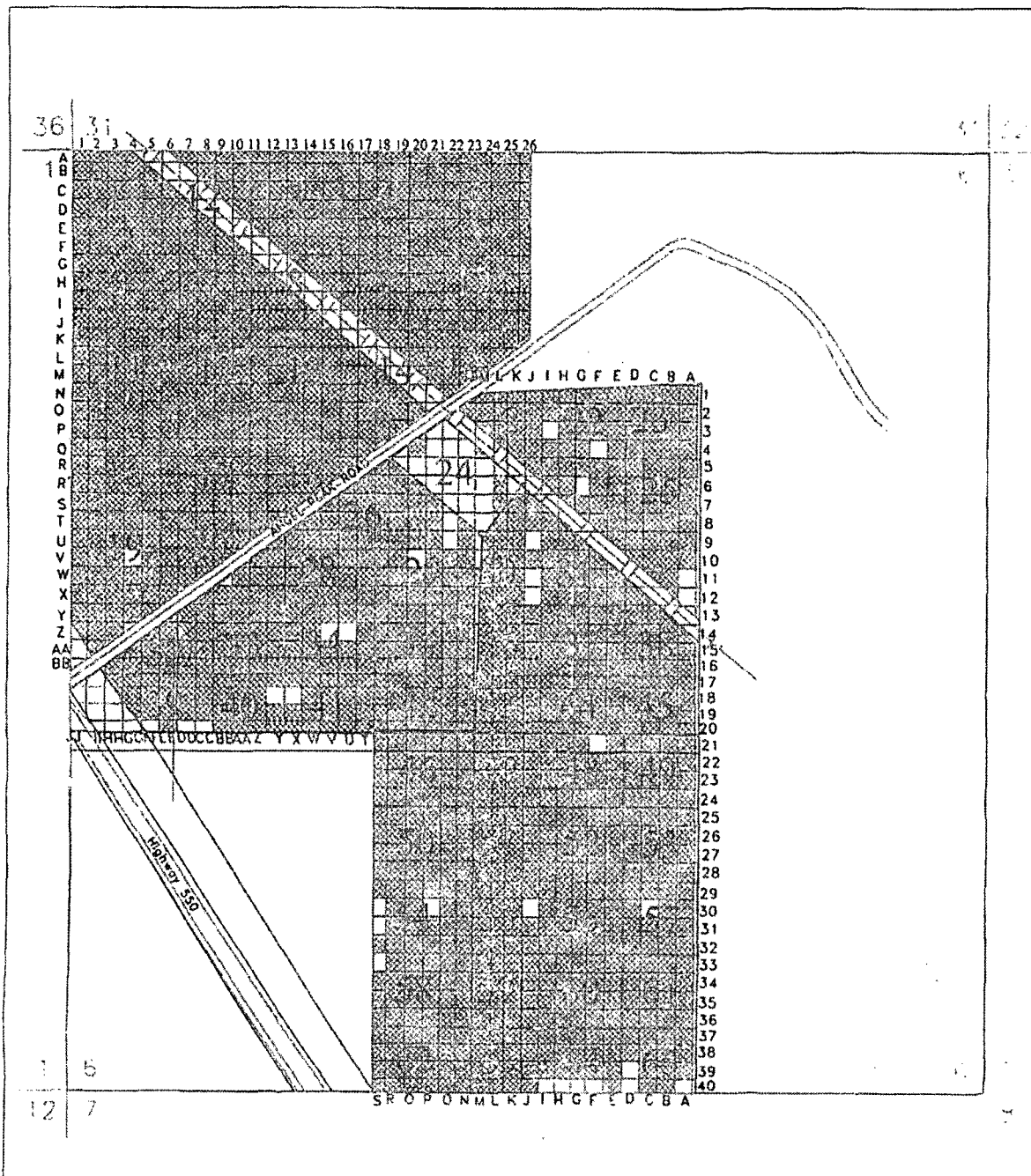


Wayne Price- Environmental Bureau Chief

Attachment: Envirotech site map dated May 11, 2007

WP/baj

cc: OCD District III Office, Aztec



AS OF 5-11-07

# OCD LANDFARM 2 CELL GRID LAYOUT

REVISIONS  
BY CJC DATE 08/25/06  
BY AEP DATE 05/11/07

## ENVIROTECH INC.

ENVIRONMENTAL SCIENTISTS & ENGINEERS  
5796 U.S. HIGHWAY 64  
FARMINGTON, NEW MEXICO 87401  
(505) 632-0615

## LEGEND

- EMPTY
- ▨ ACTIVE
- ▩ DISCONTINUED MAINTENANCE BY OCD
- ▧ DISCONTINUED MAINTENANCE NOT OCD APPROVED
- +—+— PIPELINE

## SITE MAP

DATE 07/12/06 DRAWN CJC  
SCALE 1" = 500' APPROVED CJC

FIGURE  
1

12/2/1992 \$25,000 Bond # 80628 Approved

1/3/1997 Replacement Bond # 80628 not accepted

4/25/2000 OGD approves cancellation of Bond # 80628 (\$25,000)

6/24/2000 OGD approves \$35,000 Bond # RL130002253

7/25/2003 OGD informs Envirotech FA overdue  
\$90,155 required by 10/17/2002

8/15/2003 Envirotech expresses difficulty to obtain \$55,150  
as of date. Requests to provide Cash Deposit (CD)s  
of \$18,385 over 3 years for each 27.5 ac expansion  
\$18,385 in 2003 (27.5 ac) / \$18,385 in 2004 (27.5 ac) /  
\$18,385 in 2005 (27.4 ac)

~~8/24/2003~~ OGD modifies permit due to FA. Currently \$35,000  
approved + secured. Permit modified 9/17/2002 to  
expand facility from 51 ac to 133.49 ac. Phased in  
FA proposal approved \$18,385 per year

9/29/2003 \$53,385 total required

9/29/2004 \$71,770 " "

9/29/2005 \$90,155 " "

10/1/2003 OGD approves \$18,385 Cash Bond CD # 30130627  
FA total \$53,385 Bank of Southwest

9/30/2004 Envirotech submits \$18,385 Cash Bond CD # 496950621  
+ CD not approved by OGD - signed by April Paul (Financial Inst)  
- original not in file Vectra Bank



10/2/2004 Envested request to have CD # 30130627 released to move funds to Vesta Bank. Due to CD maturity.

10/7/2004 OCD (E. Martin) released CD # 30130627 #18,385.

2/2/2006 OCD made to accept cash bond of #18,385 submitted 8/3/2005 (Merrill Lynch)  
(not in file)

# ENVIROTECH INC.

PRactical SOLUTIONS FOR A BETTER TOMORROW

RECEIVED

September 12, 2007

2007 SEP 21 PM 12 01

Mr. Brad Jones  
Environmental Engineer  
New Mexico Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, NM 87505

**RE: Financial Assurance**

Dear Mr. Jones:

Currently the NMOCD permitted landfarm consist of 308 acres. Approximately 300 acres are active divided into 65 cells. The entire landfarm is gridded into .25 acre remediation units that Envirotech currently tests for remediation compliance.

Cells will now refer to unit areas encompassing approximately five acres each. The appropriate sections have been highlighted. I am enclosing a current status map and an older landfarm unit map. Cost estimates from Pohl Industries, Blagg Engineering, and the Envirotech laboratory are also attached.

Current closure standards as required by the current applicable NMOCD Rule 19.15.36.15.F require testing for Human Health Ground Water Standards listed in NMOCD Rule 20.6.2.3103.A and B. These tests must be performed on a maximum ten acre cell, thirty such tests will be necessary to permanently close Envirotech's land farm under the current rule. The cost of performing these test are included in the proposed bonding amount, \$286,816.00 for the land farm.

If you have need of any additional information please feel free to call me at 505-632-0615.

Yours truly,



Denny Foust  
Environmental Geologist

Enclosure

XC: dgf file  
Morris D. Young

DF/Enviro/Landfarm/DGF Notes/LF LetterFinancialAssuranceAug07.doc

# ENVIROTECH INC.

**PRACTICAL SOLUTIONS FOR A BETTER TOMORROW**

September 12, 2007

## **ENVIROTECH INC** **Land Farm Financial Assurance**

This analysis is based on all 65 cells open for remediation and /or 300 acres included in the active landfarm operation. An additional eight to ten acres within the permit are involved in road and pipeline rights-of-way.

### **CLOSURE COSTS CALCULATED FOR AN EIGHTEEN MONTH CLOSURE PERIOD**

An average figure of one-half the 65 open cells or 33 cells will be used for the following calculations.

1. Based on a Pohl Industries submittal:
  - A. Tilling costs of \$8.50 per acre on an average of 150 acres open 39 times for the 18 month closure period is **\$49,725.**
  - B. One hour for mobilization and one hour for demobilization will be needed for each of the 39 tilling events (78 hours X \$85/hr) for a cost of **\$6,600.**
  - C. Reseeding costs for grass seed applied with a grain drill is \$8.50 per acre for 300 acres, plus grass seed and amendments of \$81 per acre for 300 acres is a total of **\$26,850.**
  - D. Berm and fence removal is estimated to be **\$4,280.**
  - E. There are no permanent tanks at the land farm. Removal of the stabilization pad including demolition, trucking, and disposal will be **\$14,546.**

**Sub-total \$102,000**

2. Based on Envirotech's known laboratory costs:
  - A. Quarterly background USEPA method 8021B BTEX analysis and a USEPA method 8015 TPH analysis are \$139; an average of 33 cells will be open for the closure period of 18 months (6 quarters X 33 cells) is **\$27,522.**
  - B. Annual and closure vadose zone sampling will be an additional \$184 per sample for Metals and Cation/Anion analysis. A total of 130 samples will be required for 65 cells with annual sampling and vadose zone closure sampling for a total laboratory cost of **\$23,920.**
  - C. Closure sampling figured on two (2) 8021B BTEX analysis and two (2) 8015 TPH analysis per 5 acre cell will be (130 X \$139) per sample for a total of **\$ 18,070.**

**Sub-total \$69,512**

3. Blagg Engineering sampling estimates:

- A. Quarterly vadose zone sampling will cost \$150.34 per sample. Calculated on an average of 33 cells open over the 4 quarters in addition to annual and closure sampling is a total cost of  $(132 \times \$150.34)$  **\$19,845.**
- B. The remaining two quarters of vadose zone sampling are included in the costs shown in "B" as follows. The cost per five point vadose zone background sample remains \$150.34. Based on 65 cells requiring annual and closure sampling this is a cost of  $(130 \times \$150.34)$  **\$19,544.**
- C. Backfilling material for 1310 auger holes approximately three feet deep will take 437 sacks of bentonite at \$10.05 per sack **\$4,392.** Time and equipment costs are \$55 per sample for 306 samples **\$16,830.**
- D. Closure Sampling for remediation is \$35.41 per sample, utilizing an average of 2 samples per cell for 65 cells is  $(130 \times \$35.41)$  giving a cost of **\$4,603.**
- E. Mobilization and demobilization for six sample events is 10.5 hours at \$70.00 per hour (equipment and labor) is **\$735.00.**

**Sub-total \$65,949**

**Total Closure Cost: \$237,461 Under Permit Conditions**

**To meet the final facility closure standards currently in place as provided by clauses in the permit under NMOCD 19.15.36.15.F. One laboratory test for each ten acres within a permitted facility for concentrations of items listed in NMOCD 20.6.2.3103.A and B. Envirotech landfarm of 300 acres will require 30 tests.**

- A. Total cost for each ten acre cell sampling will be \$322.15 per sample, including all equipment and mobilization **\$ 9,665.**
- B. Laboratory costs will be \$1,323 for each sample for a total of **\$39,690.**

**Sub-total \$49,355**

**Proposed Bonding Total \$286,816**

# ENVIROTECH LABS

# LABORATORY BILLING SUMMARY

CLIENT NAME: ..	Quote	DATE RECEIVED:
JOB NO.:		DATE COMPLETED:
		LAB NOS: 40954 - 40964

**BILLING INFORMATION:**

SERVICE CODE	CHAIN OF CUSTODY NO.	ANALYSIS	NO. OF SAMPLES	UNIT COST	TOTAL COST
LA730		TOTAL METALS - RCRA LIST (12)	1	\$160.00	\$160.00
LA733		SAMPLE DIGESTION	1	\$15.00	\$15.00
LA723		TOTAL CHLORIDE ANALYSIS	1	\$15.00	\$15.00
LA727		SULFATE USEPA 375.4	1	\$15.00	\$15.00
LA728		NITRATE USEPA 353.2 & 354.1	1	\$15.00	\$15.00
LA755		CYANIDE	1	\$15.00	\$15.00
LA755		FLUORIDE	1	\$15.00	\$15.00
LA713		VOC'S BY GC/MS USEPA 8260	1	\$180.00	\$180.00
LA717		PAH'S BY GC/FID USEPA 8100	1	\$200.00	\$200.00
LA743		TCLP SVOC PHENOLS USEPA 8041	1	\$225.00	\$225.00
LA701		TPH USEPA 418.1	1	\$74.00	\$74.00
LA702		TPH USEPA 8015	1	\$80.00	\$80.00
LA755		URANIUM	1	\$30.00	\$30.00
LA755		RADIUM	1	\$189.00	\$189.00
LA756		PCB	1	\$95.00	\$95.00
TOTAL BILLING:					\$1,323.00

**COMMENTS / ADDITIONAL INFORMATION:**

[illegible]

**BLAGG ENGINEERING, INC.**  
**COST ESTIMATOR SHEET**

**PROJECT LOCATION:** Envirotech Landfarm

**PROJECT SCOPE:** 10 Acre Cell Closure Sampling  
 Per NMOCD 19.15.36.15.F

**DATE:** August 2007

**COST DETAIL:**

<u>Personnel</u>	<u>No. Hours</u>	<u>Cost /hr</u>	<u>Total Cost</u>
Engineer - Plan Prep/mobilization	1.00	\$75.00 /hr	\$75.00
Engineer - 10 Acre Cell Sampling (each)	1.50	\$75.00 /hr	\$112.50
Engineer - Report Prep	1.00	\$75.00 /hr	\$75.00
		Personnel Total:	\$262.50
<u>Equipment</u>	<u>No. Units</u>	<u>Cost /unit</u>	<u>Total Cost</u>
Vehicle #1 4x4	1.50	\$18.00 /hr	\$27.00
Sample gloves, GPS, decon equip.	1.00	\$10.00 /ea	\$10.00
		Equipment Total:	\$37.00
<u>Outside Services</u>	<u>No. Units</u>	<u>Cost /unit</u>	<u>Total Cost</u>
		Outside:	\$0.00
		Project Sub-Total:	\$299.50
		NMGRT 0.0756	\$22.65
		Total:	\$322.15

POHL INDUSTRIES  
5 CR 5255  
BLOOMFIELD NM 87413  
505-632-0647

We are pleased to provide the following estimate for remediation of Landfarm #2 owned and operated by Young Environmental Services Inc DBA Envirotech Inc.

The area is comprised of a total of 308 acres requiring disking every two (2) weeks for a period of eighteen (18) months.

Using that base information we are prepared to submit the following bid:

Machinery	\$60.00
Mobilization	\$85.00
Labor	\$10.00
Fuel	<u>\$15.00</u>
	\$170.00

We are able to disk approximately ten (10) acres per hour for a ten (10) hour day which averages 100 acres a day (+ or -). So we will be able to cover the entire 308 acres in three (3) days at a cost of \$2550.00. Over a period of eighteen months the total cost would be \$91,800.00. In addition we would charge an additional \$89.50 per acre to reseed the designated area, which includes the cost of seed and labor. That additional cost would be \$27,566.00.

In the event you require the fences to be removed and the berms leveled, the additional cost would be \$4,280.00.

In the event you require the blending facility area to be removed the additional cost breaks down as follows:

Excavator	27 hrs @ \$95.00 an hour	\$2565.00
Excavator with hammer	27 hrs @ \$95.00 an hour	\$2565.00
Equipment mobilization		\$893.00
Operators (2)	30 hrs @ \$74.00 an hour	\$2220.00
Trucking	46 hrs @ \$81.20 an hour	\$3735.00
Landfill Disposal		\$2340.00
Support vehicle with driver		<u>\$228.00</u>
Total		\$14546.00

Thanks you for the opportunity to provide this quote to you.

*David L Pohl*

David L Pohl

## Landfarm Lab Charges

Background: One sample taken for 5 acre cells four times a year.

### First, Second & Third Quarter

8015	\$69.50
BTEX	<u>\$69.50</u>
	\$139.00

### Forth Quarter

8015	\$69.50
BTEX	\$69.50
Metals	\$115.00
Cation/Anion	<u>\$69.00</u>
	\$323.00

Closure: One sample taken per 5 acre cell  
(TPH must be below 100ppm, BTEX less then 50ppm and Benzene 10ppm to close cell)

8015	\$69.50
BTEX	<u>\$69.50</u>
	\$139.00



**BLAGG ENGINEERING, INC.**  
**COST ESTIMATOR SHEET**

**PROJECT LOCATION:** Envirotech Landfarm

**PROJECT SCOPE:** Quarterly Cell Monitoring  
 Estimated Per Cell Per Quarter Sampling Cost  
 Surface Cell Testing

**DATE:** September 19, 2006

**COST DETAIL:**

<u>Personnel</u>	<u>No. Hours</u>	<u>Cost /hr</u>	<u>Total Cost</u>
1 ea 5-pt composite	1.25	\$70.00 /hr	\$87.50
Backfilling	0.63	\$70.00 /hr	\$43.75
Quarterly Report	0.33	\$70.00 /hr	\$23.10
Mob/Demob	0.05	\$70.00 /hr	\$3.50
Personnel Total:			\$157.85
<u>Equipment</u>	<u>No. Units</u>	<u>Cost /unit</u>	<u>Total Cost</u>
Support Vehicle	1.50	\$18.00 /hr	\$27.00
GPS Unit	1.25	\$2.00 /hr	\$2.50
Trailer	1.50	\$7.50 /hr	\$11.25
Bentonite Mix	1.66	\$10.05 /sack	\$16.68
Equipment Total:			\$57.43
<u>Outside Services</u>	<u>No. Units</u>	<u>Cost /unit</u>	<u>Total Cost</u>
Assumptions: (1) Envirotech will provide a site plat with 5-acre cell layouts			
(2) Envirotech will provide in-house laboratory services			
(3) This is a cost estimate only. All parties will be best served by			
conducting work on a time and materials basis.			
Outside:			\$0.00
Project Sub-Total:			\$215.28
NMGRT	0.0731		\$15.74
Total:			\$231.02

**BLAGG ENGINEERING, INC.**  
**COST ESTIMATOR SHEET**

**PROJECT LOCATION:** Envirotech Landfarm

**PROJECT SCOPE:** Quarterly Cell Monitoring  
 Estimated Per Cell Per Quarter Sampling Cost  
 Surface Cell Testing

**DATE:** September 28, 2006

**COST DETAIL:**

<u>Personnel</u>	<u>No. Hours</u>	<u>Cost /hr</u>	<u>Total Cost</u>
1 ea 5-pt composite	0.25	\$70.00 /hr	\$17.50
Quarterly Report	0.15	\$70.00 /hr	\$10.50
Personnel Total:			\$28.00
<u>Equipment</u>	<u>No. Units</u>	<u>Cost /unit</u>	<u>Total Cost</u>
Support Vehicle	0.25	\$18.00 /hr	\$4.50
GPS Unit	0.25	\$2.00 /hr	\$0.50
Equipment Total:			\$5.00
<u>Outside Services</u>	<u>No. Units</u>	<u>Cost /unit</u>	<u>Total Cost</u>
Assumptions:			
(1) Envirotech will provide in-house laboratory services			
(2) This is a cost estimate only. All parties will be best served by conducting work on a time and materials basis.			
Outside:			\$0.00
Project Sub-Total:			\$33.00
NMGRT	0.0731		\$2.41
Total:			\$35.41



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

**Joanna Prukop**

Cabinet Secretary

**Mark E. Fesmire, P.E.**

Director

**Oil Conservation Division**

February 8, 2007

Mr. Morris D. Young  
President  
Envirotech, Inc.  
5796 US Highway 64  
Farmington, New Mexico 87401

**RE: Financial Assurance Estimate Proposal  
Envirotech, Commercial Landfarm #2  
Permit NM-1-0011  
Farmington, New Mexico**

Dear Mr. Young:

The New Mexico Oil Conservation Division (OCD) has reviewed Envirotech's proposal, dated December 12, 2006, of a revised financial assurance estimate based upon the reactivation of 20 cells from a discontinued maintenance status. The proposed estimate is based upon fifty (50) percent of the cells of the commercial landfarm being in some phase of remediation of contaminated soils. Maps provided in the submittal demonstrate that two-thirds of the 300 acre facility is currently in some phase of remediation of contaminated soils. During September and October of 2006, OCD was working with Denny Foust of Envirotech on a financial assurance estimate based upon two-thirds of the facility being in some phase of remediation. Based upon the information provided in the proposal, the OCD does not accept the proposal and recommends that the estimate be revised to represent two-thirds of the 300 acre facility and resubmitted for approval.

If there are any questions regarding this matter, please do not hesitate to contact me at (505) 476-3487 or [brad.a.jones@state.nm.us](mailto:brad.a.jones@state.nm.us).

Sincerely,

  
Brad A. Jones  
Environmental Engineer

BAJ/baj

cc: OCD District III Office, Aztec



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

**Joanna Prukop**

Cabinet Secretary

**Mark E. Fesmire, P.E.**

Director

**Oil Conservation Division**

December 20, 2006

Mr. Denny Foust  
Environmental Geologist  
Envirotech, Inc.  
5796 US Highway 64  
Farmington, New Mexico 87401

**RE: Proposal To Allow Acceptance Of Richardson Material  
Envirotech, Commercial Landfarm #2  
Permit NM-1-0011  
Farmington, New Mexico**

Dear Mr. Foust:

The New Mexico Oil Conservation Division (OCD) has reviewed Envirotech's proposal, dated December 11, 2006, to retest the Richardson Operating material for acceptance at your commercial landfarm (Permit NM-1-0011). OCD previously denied a C-138 (Request For Approval To Accept Solid Waste) for the Richardson Operating material based upon our review of the laboratory analysis and the description provided on the certificate of waste status. Surface waste management facility owner/operator(s) must assess all available information before submitting a C-138. In this case, it is clear that Envirotech did not carefully review the data, a C-138 was submitted, and the waste was accepted at the facility. This letter is a warning that if Envirotech continues this practice, OCD will take appropriate enforcement actions and may demand that Envirotech remove and dispose of such waste in an appropriate disposal facility.

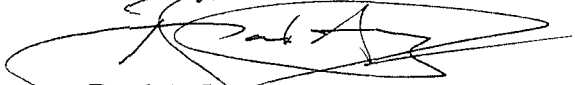
OCD hereby approves the proposal with the following conditions:

- Envirotech shall sample the soil for RCRA metals in accordance with approved EPA method (e.g., 6010B, 6020), as specified in EPA publication SW-846.
- Envirotech shall assess all of the available information to determine if the proposed waste satisfies the waste acceptance criteria and decide if it is appropriate to submit a C-138.
- Envirotech shall submit a C-138 (Request For Approval To Accept Solid Waste) to the OCD if the soils satisfy the waste acceptance criteria.
- Envirotech shall wait for OCD's comments and follow OCD's directions for disposal.

Mr. Foust  
December 20, 2006  
Page 2 of 2

If there are any questions regarding this matter, please do not hesitate to contact me at (505) 476-3487 or [brad.a.jones@state.nm.us](mailto:brad.a.jones@state.nm.us).

Sincerely,

A handwritten signature in black ink, appearing to read "Brad A. Jones", is written over a large, loopy circular flourish.

Brad A. Jones  
Environmental Engineer

BAJ/baj

xc: OCD District III Office, Aztec

# ACORD CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YY)  
06/08/2000

PRODUCER (505)325-4561 FAX (505)327-0346

Kysar Insurance Agency, Inc.  
300 W. Arrington  
Suite 100

Farmington, NM 87401

Attn: Mary Bacon

Ext: 21

INSURED

ENVIROTECH, INC. DBA YOUNG ENVIRONMENTAL  
SERVICES, INC.; APPLIED CATHODIC PROTECTION,  
INC. (ACPI)  
5796 U.S. HWY 64  
FARMINGTON, NM 87401

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION  
ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE  
HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR  
ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

## COMPANIES AFFORDING COVERAGE

COMPANY A	ROYAL SURPLUS LINES % QUAKER SPECIAL RISK
COMPANY B	MOUNTAIN STATES MUTUAL INSURANCE CO.
COMPANY C	
COMPANY D	

## COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A	GENERAL LIABILITY	KZE330135	06/04/2000	06/04/2001	GENERAL AGGREGATE	\$ 3,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				PRODUCTS - COMP/OP AGG	\$ 3,000,000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				PERSONAL & ADV INJURY	\$ 3,000,000
	OWNER'S & CONTRACTOR'S PROT				EACH OCCURRENCE	\$ 3,000,000
	<input checked="" type="checkbox"/> POLLUTION				FIRE DAMAGE (Any one fire)	\$ 50,000
	<input checked="" type="checkbox"/> \$5,000 DEDUCTIBLE				MED EXP (Any one person)	\$ 5,000
B	AUTOMOBILE LIABILITY	BAP0067252	06/04/2000	06/04/2001	COMBINED SINGLE LIMIT	\$ 1,000,000
	<input checked="" type="checkbox"/> ANY AUTO				BODILY INJURY (Per person)	\$
	ALL OWNED AUTOS				BODILY INJURY (Per accident)	\$
	SCHEDULED AUTOS				PROPERTY DAMAGE	\$
	HIRED AUTOS					
NON-OWNED AUTOS						
	GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT	\$
	<input type="checkbox"/> ANY AUTO				OTHER THAN AUTO ONLY:	
					EACH ACCIDENT	\$
					AGGREGATE	\$
B	EXCESS LIABILITY	UMB0067253	06/04/2000	06/04/2001	EACH OCCURRENCE	\$ 2,000,000
	<input checked="" type="checkbox"/> UMBRELLA FORM				AGGREGATE	\$ 2,000,000
	OTHER THAN UMBRELLA FORM					\$ 0
WORKERS COMPENSATION AND EMPLOYERS' LIABILITY					WC STATUTORY LIMITS	OTHER
THE PROPRIETOR/ PARTNERS/EXECUTIVE OFFICERS ARE: <input type="checkbox"/> INCL <input type="checkbox"/> EXCL					EL EACH ACCIDENT	\$
					EL DISEASE - POLICY LIMIT	\$
					EL DISEASE - EA EMPLOYEE	\$
A	OTHER PROFESSIONAL LIAB.	KZE330135	06/04/2000	06/04/2001	\$3,000,000 LIMIT	
					\$5,000 DEDUCTIBLE	

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

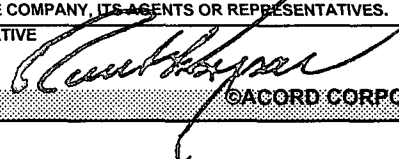
## CERTIFICATE HOLDER

STATE OF NEW MEXICO EMNRD-0CD  
ATTN: MS. MARTYNE J. KLELLING  
2040 S. PACHECO  
SANTA FE, NM 87505

## CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE



\$25,000.00 BOND FOR COMMERCIAL SURFACE WASTE DISPOSAL FACILITYBOND NO. 886628  
(For Use of Surety Company)

File with Oil Conservation Division, P. O. Box 2080, Santa Fe, New Mexico 87504  
KNOW ALL MEN BY THESE PRESENTS:

That Young Engineering Inc. dba Envirotech, (an individual)  
(partnership) (a corporation organized in the State of New Mexico  
with its principal office in the City of Farmington, State of New  
Mexico, and authorized to do business in the State of New Mexico), as  
PRINCIPAL, and International Fidelity Insurance Company, a corporation  
organized and existing under the laws of the State of New Jersey  
and authorized to do business in the State of New Mexico with duly appointed resident  
agent licensed in the State of New Mexico to execute this bond on behalf of the  
surety company, as SURETY, are held firmly bound unto the State of New Mexico, for  
the use and benefit of the Oil Conservation Division of the Energy, Minerals and  
Natural Resources Department pursuant to Chapter 72, Laws of New Mexico, 1935, as  
amended, and to the State of New Mexico in the sum of Twenty Five Thousand  
(\$25,000.00) Dollars lawful money of the United States for the payment of which, well  
and truly to be made, said PRINCIPAL and SURETY hereby bind themselves, their  
successors and assigns, jointly and severally, firmly by these presents.

The conditions of this obligation are such that:

WHEREAS, The above principal has heretofore or may hereafter enter into the  
collection, disposal or storage of produced water and/or other oil field related  
waste in Section 6, Township 26 (North) (South), Range 10 (East)  
(West), N.M.P.M., San Juan County, New Mexico.

NOW, THEREFORE, This \$25,000 performance bond is conditioned upon substantial  
compliance with all applicable statutes of the State of New Mexico and all rules,  
regulations, and orders of the Oil Conservation Division of the Energy and Minerals  
Department, and upon clean-up of the facility site to standards of the Oil  
Conservation Division; otherwise the principal amount of the bond to be forfeited to  
the State of New Mexico.

PROVIDED, HOWEVER, That sixty (60) days after receipt by the Oil Conservation  
Division of written notice of cancellation from the Surety, the obligation of the  
Surety shall terminate as to activities or operations conducted by PRINCIPAL after  
said sixty (60) day period but shall continue in effect, notwithstanding said notice,  
as to such activities or operations conducted or commenced before the expiration of  
the sixty day period.

Signed and sealed this 13th day of October, 1992.

Young Engineering Inc. dba Envirotech International Fidelity Insurance Co.  
PRINCIPAL SURETY

5796 US Highway 64-3014

Mailing Address

Farmington, NM 87401

By

Signature

Title

Morris Young, President

4155 E. Jewell Avenue, Suite 103, Denver, Co

Mailing Address

80222

By

Attorney-in-Fact

Roy Owen, Attorney in Fact

(Note: Principal, if corporation  
Affix corporate seal here.)

(Note: Corporate surety affix corporate  
seal here.)

Note: If corporate surety executes this bond by an attorney-in-fact not in New  
Mexico, the resident New Mexico agent shall countersign here below.)

Countersigned by:

**INTERNATIONAL FIDELITY INSURANCE COMPANY**  
ONE NEWARK CENTER, 20th FLOOR, NEWARK, NEW JERSEY 07102-5207

**STATEMENT OF ASSETS, LIABILITIES, SURPLUS AND OTHER FUNDS**

**AT JUNE 30, 1992**

**ASSETS**

Bonds (Amortized Value) .....	\$62,084,109
Preferred Stock .....	545,000
Common Stocks (Market Value) .....	1,496,969
Mortgage Loans on Real Estate .....	79,339
Real Estate .....	51,080
Cash & Bank Deposits .....	2,788,745
Short Term Investments .....	4,020,699
Unpaid Premiums & Assumed Balances .....	1,999,616
Reinsurance Recoverable on Loss Payments .....	2,016,619
Federal Income Tax Recoverable .....	438,000
Electronic Data Processing Equipment .....	272,745
Interest & Dividends Due and Accrued .....	1,392,289
Funds Held in Escrow Accounts .....	15,996,224
Collateral Funds Held Under Contract .....	(15,996,224)
Contract Balances Due and Unpaid .....	1,118,768

**TOTAL ASSETS .....** \$78,303,978

**LIABILITIES, SURPLUS & OTHER FUNDS**

Losses (Reported losses net as to reinsurance ceded and incurred but not reported losses) .....	\$29,856,644
Loss Adjustments Expenses .....	10,605,871
Contingent Commissions & Other Similar Charges .....	4,220
Other Expenses (Excluding taxes, licenses and fees) .....	114,053
Taxes, Licenses & Fees (Excluding Federal Income Tax) .....	108,332
Unearned Premiums .....	15,652,424
Funds Held by Company Under Reinsurance Treaties .....	50,000
Accounts Withheld by Company for Account of Others .....	12,481
Liability for Unauthorized Reinsurance .....	221,343
Liability for Uncashed Checks .....	5

**TOTAL LIABILITIES .....** \$56,625,373

Common Capital Stock .....	1,330,000
Gross Paid-in & Contributed Surplus .....	544,600
Unassigned Funds (Surplus) .....	19,804,005

**Surplus as Regards Policyholders .....** 21,678,605

**TOTAL LIABILITIES, SURPLUS & OTHER FUNDS .....** \$78,303,978

I, Francis L. Mitterhoff, President of INTERNATIONAL FIDELITY INSURANCE COMPANY, certify that the foregoing is a fair statement of Assets, Liabilities, Surplus and Other Funds of this Company, at the close of business, June 30, 1992, as reflected by its books and records and as reported in its statement on file with the Insurance Department of the State of New Jersey.



IN TESTIMONY WHEREOF, I have set my hand and affixed the seal of the Company, this August 8, 1992.

**INTERNATIONAL FIDELITY INSURANCE COMPANY**

  
\_\_\_\_\_  
**President**



**INTERNATIONAL FIDELITY INSURANCE COMPANY**HOME OFFICE: ONE NEWARK CENTER, 20TH FLOOR  
NEWARK, NEW JERSEY 07102-5207

KNOW ALL MEN BY THESE PRESENTS: That **INTERNATIONAL FIDELITY INSURANCE COMPANY**, a corporation organized and existing under the laws of the State of New Jersey, and having its principal office in the City of Newark, New Jersey, does hereby constitute and appoint

ROY OWEN

FARMINGTON, NEW MEXICO

9/92

its true and lawful attorney(s)-in-fact to execute, seal and deliver for and on its behalf as surety any and all bonds and undertakings, contracts of indemnity and other writings obligatory in the nature thereof, which are or may be allowed, required or permitted by law, statute, rule, regulation, contract or otherwise, and the execution of such instrument(s) in pursuance of these presents, shall be as binding upon the said **INTERNATIONAL FIDELITY INSURANCE COMPANY**, as fully and amply, to all intents and purposes, as if the same had been duly executed and acknowledged by its regularly elected officers at its principal office.

This Power of Attorney is executed, and may be certified to and may be revoked, pursuant to and by authority of Article 3-Section 3, of the By-Laws adopted by the Board of Directors of **INTERNATIONAL FIDELITY INSURANCE COMPANY** at a meeting called and held on the 7th day of February, 1974.

The President or any Vice President, Executive Vice President, Secretary or Assistant Secretary shall have power and authority

- (1) To appoint Attorneys-in-fact, and to authorize them to execute on behalf of the Company, and attach the Seal of the Company thereto, bonds and undertakings, contracts of indemnity and other writings obligatory in the nature thereof; and
- (2) To remove, at any time, any such Attorney-in-fact and revoke the authority given.

Further, this Power of Attorney is signed and sealed by facsimile pursuant to resolution of the Board of Directors of said Company adopted at a meeting duly called and held on the 29th day of April, 1982 of which the following is a true extract:

Now therefore the signatures of such officers and the seal of the Company may be affixed to any such power of attorney or any certificate relating thereto by facsimile, and any such power of attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached.

IN TESTIMONY WHEREOF, **INTERNATIONAL FIDELITY INSURANCE COMPANY** has caused this instrument to be signed and its corporate seal to be affixed by its authorized officer, this 1st day of May, A.D. 1991.

**INTERNATIONAL FIDELITY INSURANCE COMPANY**STATE OF NEW JERSEY  
County of Essex

Executive Vice President

On this 1st day of May 1991, before me came the individual who executed the preceding instrument, to me personally known, and, being by me duly sworn, said that he is the therein described and authorized officer of the **INTERNATIONAL FIDELITY INSURANCE COMPANY**; that the seal affixed to said instrument is the Corporate Seal of said Company; that the said Corporate Seal and this signature were duly affixed by order of the Board of Directors of said Company.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal at the City of Newark, New Jersey the day and year first above written.

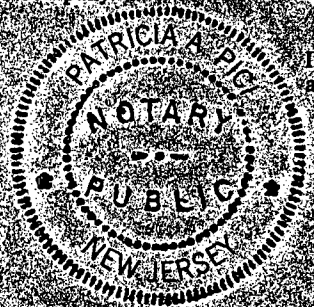
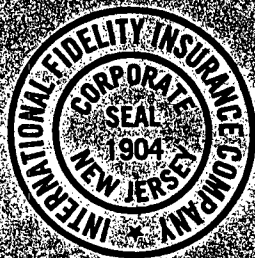
NOTARY PUBLIC OF NEW JERSEY  
My Commission Expires: July 24, 1995**CERTIFICATION**

I, the undersigned officer of **INTERNATIONAL FIDELITY INSURANCE COMPANY**, do hereby certify that I have compared the foregoing copy of the Power of Attorney and affidavit, and the copy of the Section of the By-Laws of said Company as set forth in said Power of Attorney, with the **ORIGINALS ON FILE IN THE HOME OFFICE OF SAID COMPANY**, and that the same are correct transcripts thereof, and of the whole of the said originals, and that the said Power of Attorney has not been revoked and is now in full force and effect.

IN TESTIMONY WHEREOF, I have hereunto set my hand this 13th day of October,

9/92

*Marcia A. Branca*  
Assistant Secretary



Roy Owen  
New Mexico Resident Agent

P.O. Box 230, Farmington, NM 87499  
Address

STATE OF New Mexico )  
COUNTY OF San Juan ) ss.

On this 13th day of October, 1992, before me personally appeared Roy Owen, to me known to be the person (persons) described in and who executed the foregoing instrument and acknowledged that he (they) executed the same as he (their) free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the day and year in this certificate first above written.

1/12/94

My Commission Expires:

Mildred J. Howe  
Notary Public

#### ACKNOWLEDGMENT FORM FOR CORPORATION

STATE OF New Mexico )  
COUNTY OF San Juan ) ss.

On this 13th day of October, 1992, before me personally appeared Morris Young, to me personally known who, being by me duly sworn, did say that he is President of Young Engineering Inc. dba Enviro-tech and that the foregoing instrument was signed and sealed on behalf of said corporation by authority of its board of directors, and acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the day and year in this certificate first above written.

1/12/94

My Commission Expires

Mildred J. Howe  
Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss.

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me appeared \_\_\_\_\_, to me personally known, who, being by me duly sworn, did say that he is \_\_\_\_\_ of \_\_\_\_\_ and that the foregoing instrument was signed and sealed on behalf of said corporation by authority of its board of directors, and acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the day and year in this certificate first above written.

\_\_\_\_\_  
Notary Public

My Commission Expires:  
(Note: Corporate surety attach power of attorney)

APPROVED BY:  
OIL CONSERVATION DIVISION

By \_\_\_\_\_