

1R - 43

**GENERAL
CORRESPONDENCE**

YEAR(S):

VonGonten, Glenn, EMNRD

From: Letlow, Myna D [Myna.Letlow@inteq.com]
Sent: Tuesday, November 22, 2005 9:24 AM
To: VonGonten, Glenn, EMNRD
Subject: Request to Discontinue Annual Groundwater Monitoring Program and Closure of the Site

Glenn,

Mr. Ed Martin referred me to you for assistance with discontinuing the annual groundwater monitoring program established for a Former Baker Oil Tools Facility located at **2800 West Marland** in Hobbs, NM. A Site Assessment Report was submitted in January 1995 and approved by the NMOCD on March 8, 1995. A quarterly monitoring program was implemented in June 1995, as directed by the NMOCD, to further evaluate the impact to the shallow groundwater bearing unit in the vicinity of a former onsite disposal pit.

The quarterly groundwater monitoring program was revised to annual monitoring in 2001. The most recent (2004) annual monitoring report was submitted to the NMOCD on April 15, 2005. Based on the results presented in this report (the last four sampling events), concentrations of the constituents of concern (BTEX, MTBE and naphthalene) have been reported below the NM Water Quality Control Commission Ground Water Standards.

At this time, Baker Oil Tools requests that the NMOCD consider discontinuing the annual monitoring and closure of the site with no further action. If you would like to discuss this project in further detail or need any additional information please do not hesitate to contact me at the phone number below.

Thank you in advance for your assistance.

Regards,

Myna Letlow
Environmental Manager
Global HS&E Support Team
Baker Atlas, INTEQ, Baker Oil Tools, BH Drilling Fluids
2001 Rankin Road
Houston, Texas 77073
Phone: (713) 625-4628
Fax: (713) 625-6520

myna.letlow@bakerhughes.com

- o IRP 0043
- o FREE PRODUCT @ 1999 -> RP

Olson, William

From: Schauffler, Richard [Richard.Schauffler@bakerhughes.com]
Sent: Friday, December 06, 2002 9:54 AM
To: 'wolson@state.nm.us'
Subject: Baker Oil Tools Well Monitoring Event FY2002

Dear Mr Olsen:

As a follow-up to your telephone conversation with Thomas Stenbeck on December 5, 2002, Baker Oil Tools is considering delaying the 2002 scheduled monitoring event for the Hobbs, New Mexico location (Project No. 60260-8-1332-04). Events beyond our control may require us to delay this monitoring event until early 2003. We understand that if we delay the monitoring event, it will be necessary to perform two monitoring events during calendar year 2003. The second monitoring event we expect would occur during Quarter 4. We appreciate your understanding regarding this delay. Should you have any additional questions or require any additional information please contact me at (713)625-4628.

Sincerely,
Richard Schauffler
HS&E Specialist IV
Baker Hughes Inteq/Baker Oil Tools/Baker Atlas

12/6/2002



PAGE & KRAEMER ENVIRONMENTAL SERVICES, INC.

P.O. Box 841005 (77284)
5635 Northwest Central Dr., Suite. 100
Houston, Texas 77092
Office: 713/460-3233
Fax: 713/460-8288

Date: 9-14-00

To: Mr. William Olson
Company: NMED
From: Tom Stenbeck
Company: Page and Kraemer - Houston office

Number of Pages (including cover): 3

Re: Groundwater monitoring schedule change for Baker Oil Tools Hobbs site

Dear Bill:

Here is the letter from Baker Oil Tools (BOT) requesting a change in the monitoring frequency we were discussing. Based on our conversation, with the detection of the contaminants in MW-1 to the northwest, BOT will continue to perform two more monitoring sessions this year (Sept. and Dec.) and prepare the Annual Report from this data. If the monitoring data over the next two quarters shows no significant shifts in contaminant levels at any of the wells, BOT will request in the Annual Report a change in the monitoring schedule from quarterly monitoring to annual monitoring for you to consider at that time. Should you need any additional information please contact me at the phone number above or Mr. Robby Hendrick (713-625-6785) the Environmental Compliance coordinator for BOT. Thank you for your time.

Sincerely

A handwritten signature in dark ink, appearing to read "Tom".

Tom Stenbeck



Baker Oil Tools

1010 Rankin Road, 3rd Floor
77073-4606
P.O. Box 671848
Houston, Texas
77267-1848
Tel: 713/625-6800
Region Fax: 713/625-6806
Sales Fax: 713/625-6815

September 8, 2000

Mr. William Olson, Hydrogeologist
State of New Mexico
Energy, Mineral and natural Resource Department
Oil conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87505

Re: Change to groundwater monitoring schedule for Project No. 60260-8-1332-04
Baker Oil Tools Facility, 2800 W. Marland, Hobbs, NM

Dear Mr. Olson:

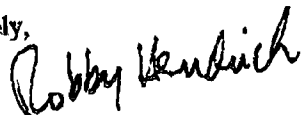
Baker Oil Tools is requesting that the State of New Mexico modify the current quarterly monitoring schedule for the above referenced property to an annual schedule. Baker Oil Tools is requesting this change because of the very low levels of contaminants found in the monitoring wells and the relative lack of change between monitoring sessions in the levels of contaminants detected. Additionally, it appears that free product previously noticed in one of the monitoring wells (Well R-1 adjacent to the "old pit") is no longer present. This lack of free product is evidenced by no product recovery from the passive skimmer installed in this well last year and no free product being detected in this well since the June 24, 1999 monitoring session.

The monitoring data for the property indicates very low levels of naphthalene and 2-methyl-naphthalene in well R-1 and (only in the last quarter's data) well MW-1 (Ref: Quarter 2, 2000 Monitoring Report dated July 31, 2000). Prior to this past quarter's report no contaminants from the pit were detected in MW-1. This low level of contaminants in MW-1 is believed due to an apparent slight change in the groundwater table beneath the property. As interpreted, the groundwater elevation map included in the Quarter 2, 2000 report indicates a slight high beneath the "old pit" with flow outward in all directions. Previous maps indicated more planar flow to the east and/or southeast from the pit with no detection of contaminants in the two wells to the east and southeast.

The change in monitoring schedule is requested because of the lack of significant changes in monitoring data. Baker Oil Tools is proposing to change the monitoring frequency to once per year data because it is believed that the yearly monitoring will be representative of the conditions at this site.

Please contact us by September 28, 2000 regarding your decision on this matter. Should you have any questions or require additional information please contact me at 713-625-6785.

Sincerely,



Robby Hendrick
Environmental Compliance Coordinator
Baker Oil Tools

L CONSERVATION DIV.
JUL 23 AM 10:37

Mr. William Olson, Hydrogeologist
State of New Mexico
Energy, Mineral and Natural Resources Department
Oil Conservation Division
1220 Saint Francis
Santa Fe, New Mexico 87505

Re: Annual groundwater monitoring report and monitoring frequency change request for
Project 60260-8-1332-04

Dear Mr. Olson:

Accompanying this cover letter, Baker Oil Tools is submitting the four quarters of ground water monitoring data for calendar year 2000 for Project Number 60260-8-1332-04. The subject property is located at 2800 West Marland in Hobbs, New Mexico. The property was previously occupied by Baker Oil Tools as an oil field service shop. Currently the property has one building and it is unoccupied.

Well R-1 is the monitoring well closest and immediately down gradient from the on site source of contamination (which was remediated previously). Based on the analytical data from the wells, the last four quarters of monitoring data from well R-1 show a continual decrease in detected amounts of 2-methyl naphthalene. In the fourth quarter of Calendar Year (CY) 2000 2-methyl naphthalene was not detected in the sample from the well. In well R-1, naphthalene contamination indicated a slight increase in contaminant levels during the first 3 quarters with a significant drop in the last quarter.

The only other well with contaminants, believed sourced from the "closed" pit onsite, detected by analysis during the CY 2000 was Well MW-1. In one of the four samples taken during (in the second quarter) CY 2000, the sample was found to contain low levels of 2-methyl naphthalene (15.2 µg/l) and naphthalene (23.1 µg/l). All other quarterly samples from this well were non-detect for all compounds.

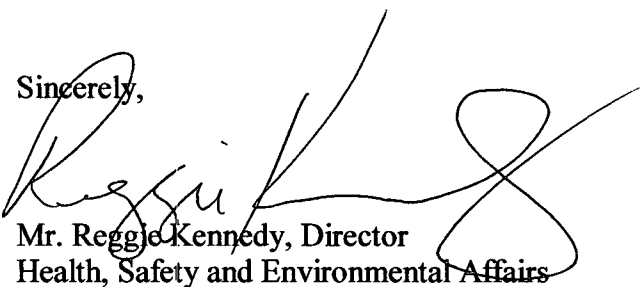
No BTEX (Benzene, Toluene, Ethyl benzene and Xylene) compounds have been detected in the past year in any of the wells.

The only other contaminant detected in any samples from these wells during CY 2000 was MTBE (Methyl tert-butyl ether). This compound was detected by analysis in Well MW-3 in samples taken during the 3rd and 4th quarter monitoring events. There is no onsite source for this compound. The source must be from an unknown location offsite.

With the decrease in the analytical levels of onsite sourced contaminants, Baker Oil Tools is requesting the State of New Mexico to allow the monitoring frequency to be modified. Based on the data available, it does not appear that the contaminants detected in Well R-1 are migrating to the edges of the property. In addition, Well R-1 has indicated a decreasing amount of contaminant in the groundwater. Therefore, Baker Oil Tools is requesting a decrease in monitoring frequency from the current level of 4 monitoring events per year to 1 monitoring event per year to occur during the second quarter of the year. This change in monitoring frequency will annually assess the levels of contaminants in the aquifer under the site. Should the annual monitoring event indicate a sharp increase in the levels of contaminants present Baker Oil Tools will notify the State of New Mexico and discuss whether the monitoring frequency should be changed back to a quarterly or semi-annual monitoring event.

Should this request prove acceptable to the State of New Mexico, please provide Baker Oil Tools written notification of your agreement to this monitoring change to the attention of Mr. Reggie Kennedy. Should you have any question or require additional information please contact Mr. Reggie Kennedy at the number below.

Sincerely,



Mr. Reggie Kennedy, Director
Health, Safety and Environmental Affairs
(713)466-2445



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

August 17, 1999

CERTIFIED MAIL

RETURN RECEIPT NO: Z-274-520-694

Mr. Myk Thornton
Baker Oil Tools
P.O. Box 40129
Houston, Texas 77240

RE: BAKER OIL TOOLS HOBBS FACILITY

Dear Mr. Thornton:

The New Mexico Oil Conservation Division (OCD) has reviewed Baker Oil Tools (BOT) May 5, 1999 "BAKER OIL TOOLS - HOBBS, NM, WORK PLAN REQUEST" and April 16, 1999 "FIRST QUARTER OF 1999 GROUND-WATER SAMPLING EVENT, FORMER BAKER OIL TOOLS FACILITY, 2800 WEST MARLAND, HOBBS, NEW MEXICO, PROJECT NO. 60260-8-1332-04". These documents contains the results of ground water quality monitoring and a work plan recovery of free phase hydrocarbons at the former BOT facility in Hobbs, New Mexico.

The hydrocarbon recovery work plan as contained in the above referenced documents is approved.

Please be advised that OCD approval does not relieve BOT of liability should the work plan fail to adequately remediate contamination related to BOT's activities, or if contamination exists which is outside the scope of the work plan. In addition, OCD approval does not relieve BOT of responsibility for compliance with any other federal, state or local laws and regulations.

If you have any questions, please contact me at (505) 827-7154.

Sincerely,

A handwritten signature in black ink, appearing to read "Will Olson".

William C. Olson
Hydrologist
Environmental Bureau

xc: Chris Williams, OCD Hobbs District Office



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

March 10, 1999

CERTIFIED MAIL

RETURN RECEIPT NO: Z-274-520-630

Mr. Myk Thornton
Baker Oil Tools
P.O. Box 40129
Houston, Texas 77240

**RE: 4TH QUARTER REPORT
BAKER OIL TOOLS HOBBS FACILITY**

Dear Mr. Thornton:

The New Mexico Oil Conservation Division (OCD) has reviewed Baker Oil Tools (BOT) February 2, 1999 "FOURTH QUARTER REPORT OF 1998 GROUND-WATER SAMPLING EVENT". This document contains the results of ground water quality monitoring at BOT's Hobbs facility.

The monitoring actions taken to date are satisfactory. However, the report shows that measurable amounts of free phase product have recently been observed in monitor well RW-1 downgradient of the former unlined disposal pit. In order to remediate and control migration of contaminants at the site, the OCD requires that BOT submit a work plan for remediation of ground water downgradient of BOT's former unlined disposal pit. The work plan will be submitted to the OCD Santa Fe Office by May 10, 1999 with a copy provided to the OCD Hobbs District Office.

If you have any questions, please contact me at (505) 827-7154

Sincerely,

William C. Olson
Hydrologist
Environmental Bureau

xc: OCD Hobbs District Office



State of New Mexico
ENERGY MINERALS and NATURAL RESOURCES DEPARTMENT
Santa Fe, New Mexico 87505

STATE OF
NEW MEXICO
OIL
CONSERVATION
DIVISION

MEMORANDUM OF MEETING OR CONVERSATION

☒ Telephone ☐ Personal

Time 1025

Date 6/4/98

Originating Party

Other Parties

Bill Olson - Environmental Bureau

Tom Stanback - Bala O.I. Tools
voice mail

Subject

Former Hobbs Facility

Discussion

Left message to include quarterly water table maps
and lab analytical data sheets in next annual report

Conclusions or Agreements

Distribution

Signed

Bill Olson

file

Wayne Price - OCD Hobbs



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

June 20, 1995

CERTIFIED MAIL
RETURN RECEIPT NO. P-667-242-277

Mr. Thomas V. Stenbeck
Baker Oil Tools
P.O. Box 40129
9100 Emmott Rd.
Houston, Texas 77240-0129

RE: BAKER OIL TOOLS HOBBS FACILITY

Dear Mr. Stenbeck:

The New Mexico Oil Conservation Division (OCD) has completed a review of Baker Oil Tools, Inc. (BOT) April 12, 1995 correspondence providing a plan to address ground water contamination at BOT's oilfield service company facility located at 2800 West Marland in Hobbs, New Mexico. This document proposes to defer ground water remedial actions for naphthalenes at the site until petroleum contaminants which have migrated onsite from the upgradient Keeling Petroleum facility are addressed. BOT instead proposes interim monitoring of ground water quality from all of the site monitor wells on a quarterly basis.

The above referenced interim ground water monitoring plan is approved with the following conditions:

1. BOT will submit quarterly reports on the site ground water monitoring to the OCD by February 1, May 1, August 1 and November 1 of each respective year with the first report due on August 1, 1995. The reports will contain:
 - a. A description of all monitoring activities which occurred during the quarter.
 - b. A summary of the laboratory analytic results of water quality sampling of the monitor wells. The data will be presented in tabular form showing past and present sampling results.
 - c. A water table elevation map using the water table elevation of the ground water in all monitor wells.

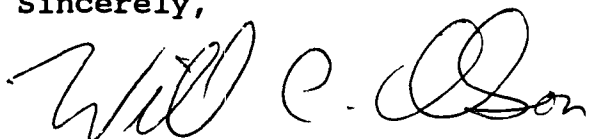
Mr. Thomas V. Stenbeck
June 20, 1995
Page 2

2. BOT will notify the OCD at least one week in advance of all scheduled activities such that the OCD has the opportunity to witness the events and/or split samples.
3. BOT will submit all original documents to the OCD Santa Fe Office with copies provided to the OCD Hobbs District Office.

Please be advised that OCD approval does not relieve BOT of liability if contamination exists which is beyond the scope of the plan. In addition, OCD approval does not relieve BOT of responsibility for compliance with any other federal, state or local laws and/or regulations.

If you have any questions, please call me at (505) 827-7154.

Sincerely,



William C. Olson
Hydrogeologist
Environmental Bureau

xc: Jerry Sexton, OCD Hobbs District Supervisor
Wayne Price, OCD Hobbs Office
Shelda Mendoza, Acting NMED UST Bureau Chief

Bill Olson

From: Bill Olson
To: Jerry Sexton
Cc: Wayne Price
Subject: Baker Oil Tools
Date: Wednesday, June 14, 1995 2:56PM
Priority: High

Attached is a draft approval letter for Baker Oil Tools recent ground water monitoring plan. Please provide me with any comments by 6/16/95. Thanks!

<<File Attachment: REMEDY2.APR>>

Bill Olson

From: POSTOFFICE
To: Bill Olson
Subject: Registered: Wayne Price
Date: Thursday, June 15, 1995 7:07AM

[013] ***** CONFIRMATION OF REGISTERED MAIL *****
Your message:

TO: Wayne Price
SUBJECT: Baker Oil Tools

DATE: 06-14-95
TIME: 14:59

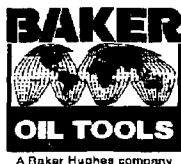
Was accessed on 06-15-95 07:07

Bill Olson

From: Jerry Sexton
Date sent: Friday, June 16, 1995 7:53AM
To: Bill Olson
Subject: Registered: Jerry Sexton

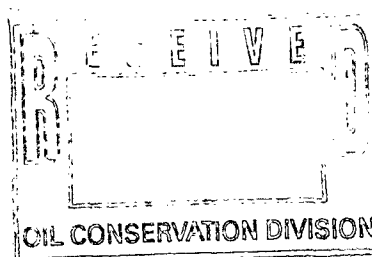
Your message

To: Jerry Sexton
Subject: Baker Oil Tools
Date: Wednesday, June 14, 1995 2:56PM
was accessed on
Date: Friday, June 16, 1995 7:53AM



9100 Emmott Road
P.O. Box 40129
Houston, Texas 77240-0129
Tel: 713/466/1322

12 April, 1995



Mr. William Olsen, Hydrologist
State of New Mexico
Energy, Minerals and Natural Resources Department
Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87505

Dear Mr. Olsen:

Baker Oil Tools (BOT) is responding to your request to submit a plan to address the contamination in the direct vicinity of the former pit on the property located at 2800 W. Marland in Hobbs, New Mexico. BOT proposes to defer any remedial actions on the naphthalene present in the groundwater until the contamination which is coming onto the property from up gradient is addressed. The health risk posed by the offsite sourced BTEX (which includes a known carcinogen) contamination in the groundwater is far greater than the risk posed by the naphthalene present in the groundwater which may have arisen due to BOT activities. BOT proposes to defer remedial action because any remedial actions on BOT's part could actually increase the amount of up-gradient sourced contamination being brought onto the BOT property.

The monitoring wells with contaminants believed to have an off-site (i.e.) up-gradient source are listed below.

Contaminant	Maximum Concentration Detected ($\mu\text{g/l}$)	Well(s) where detected
Benzene	260.0	WW-1, R-1
Toluene	3.0	WW-1, MW-2, R-1
Ethylbenzene	180.0	WW-1, R-1
Xylene	94.0	WW-1, MW-1, MW-2, MW-3, R-1
MTBE	4.1	WW-1, MW-3
2-Methylnaphthalene	14.0	WW-1
Naphthalene	46.0	WW-1
Acenaphthylene	6.3	WW-1
1-Methylnaphthalene	10.0	WW-1

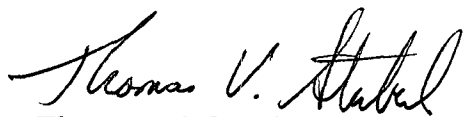
BOT proposes to sample the monitoring wells at the BOT property according to the following schedule for the first year, to document the levels of the naphthalene and address the question: "is the naphthalene contaminant spreading outward to adjacent properties?".

SCHEDULE	WELLS MONITORED	CONSTITUENT SAMPLED	OTHER ACTIVITIES
June 95	MW-1, MW-2, MW-3, R-1, WW-1	BTEX, MTBE, 2- methylnaphthalene, naphthalene	Groundwater elevations
September 95	MW-1, MW-2, MW-3, R-1, WW-1	BTEX, MTBE, 2- methylnaphthalene, naphthalene	Groundwater elevations
December 95	MW-1, MW-2, MW-3, R-1, WW-1	BTEX, MTBE, 2- methylnaphthalene, naphthalene	Groundwater elevations
March 96	MW-1, MW-2, MW-3, R-1, WW-1	BTEX, MTBE, 2- methylnaphthalene, naphthalene	Groundwater elevations

If the first year data indicates the levels of the naphthalene contamination are remaining somewhat constant, BOT will propose to sample selected wells on a semi-annual basis instead of quarterly. This request will be submitted to the New Mexico Oil Conservation Division after the results of the March 96 sampling are known.

In summary, BOT proposes to perform additional sampling at the 2800 W. Marland site in Hobbs, New Mexico, to define the levels of contaminants which may have been sourced from onsite activities as well as better define the levels of higher risk contaminants which are continuing to impact the property from an offsite (i.e. up gradient) source. BOT is presenting a proposed monitoring schedule for the site, as well as a proposed list of constituents to analyze for. Should this plan prove acceptable to your office, please notify me and BOT will proceed with the implementation of this plan with the first scheduled monitoring to take place in June 1995. Upon receipt of the analytical data, BOT will submit the data to your office for review. If you have any questions or require additional information, please do not hesitate in contacting me at (713)466-2520.

Sincerely,
For Baker Oil Tools




Thomas V. Stenbeck
Manager of Health, Safety and Environmental - North America

OIL CONSERVATION DIVISION
RECEIVED

'95 APR 6 PM 8 52

NMOCD Inter-Correspondence

To: Chris Eustice-Environmental Geologist
From: Wayne Price-Environmental Engineer District I 
Date: April 5, 1995
Reference: Baker Oil Tools- Hobbs old yard
Subject: Solid Waste

Comments:

Dear Chris,

This material has been generated at the Baker Oil Tools old yard which is located at 2800 W. Marland, Hobbs, NM. Please note that Bill Olson is handling the ground water contamination issue. You should also be aware that the NMED is involved at the site next to Baker, which is Keeling Petroleum, and Roger Anderson has corresponded with NMED on the groundwater issue.

cc: Jerry Sexton-District I Supervisor
Bill Olson-Hydrogeologist

Attachments-1



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

March 8, 1995

CERTIFIED MAIL
RETURN RECEIPT NO. P-667-242-219

Mr. Thomas V. Stenbeck
Baker Oil Tools
P.O. Box 40129
9100 Emmott Rd.
Houston, Texas 77240-0129

RE: BAKER OIL TOOLS HOBBS FACILITY

Dear Mr. Stenbeck:

The New Mexico Oil Conservation Division (OCD) has completed a review of Baker Oil Tools, Inc. (Baker) January 13, 1995 "SITE ASSESSMENT REPORT, BAKER OIL TOOLS, 2800 W. MARLAND, HOBBS, NM". This document contains the results of Baker's investigation of ground water contamination at Baker's oilfield service company facility located at 2800 West Marland in Hobbs, New Mexico.

While the OCD approves of the investigation work performed, the investigation does show high levels of naphthalenes directly adjacent to the former pit location and high levels of benzene in well WW-1. It appears that the high levels of benzene in well WW-1 are a result of contamination migrating from the upgradient Keeling Petroleum site and the OCD has referred the contamination in this well to the New Mexico Environment Department for action. However, the naphthalenes in the ground water and high soil TPH levels in the former pit appear to result from Baker's pit disposal activities.

Therefore, the OCD requests that Baker submit a plan to address the contamination in the direct vicinity of the former pit. Please submit the plan to the OCD Santa Fe Office with a copy provided to the OCD Hobbs Office.

If you have any questions, please call me at (505) 827-7154.

Sincerely,

A handwritten signature in cursive script, appearing to read "William C. Olson".

William C. Olson
Hydrogeologist
Environmental Bureau

xc: Jerry Sexton, OCD Hobbs District Supervisor
Wayne Price, OCD Hobbs Office



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



BRUCE KING
GOVERNOR

August 6, 1992

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

ANITA LOCKWOOD
CABINET SECRETARY

CERTIFIED MAIL
RETURN RECEIPT NO. P-670-683-584

Mr. Paul Bohannon
Porter & Clements
P.O. Box 4744
Houston, Texas 77210-4744

**RE: SOILS AND GROUND WATER INVESTIGATION
BAKER OIL TOOLS HOBBS FACILITY
LEA COUNTY, NEW MEXICO**

Dear Mr. Bohannon:

The New Mexico Oil Conservation Division (OCD) has completed a review of Simon Hydro-Search's June 1992 "SUMMARY REPORT, SITE INVESTIGATION, BAKER OIL TOOLS FACILITY, 2800 W. MARLAND, HOBBS, NEW MEXICO". The report contains the results of a soil and ground water investigation pertaining to Baker Oil Tools' prior disposal of service company wastes in an unlined pit at Baker's Hobbs facility.

Based upon review of the above referenced report, the OCD has the following comments and requests for additional work:

1. The investigation appears to have adequately defined the extent of soil contamination related to former pit disposal activities. While the monitor wells installed to determine the effects of disposal on ground water quality show no detectable petroleum constituents, the monitor wells downgradient of the pit are over 200 feet from the pit and may not reveal the presence of contaminants in the direct vicinity of the pit.

Consequently, the OCD requests that Baker install a monitor well adjacent to and directly downgradient of the former disposal pit. The OCD will defer comment on the source of contaminants discovered in onsite water well WW-1 until a review of laboratory analytic results of ground water from this monitor well.

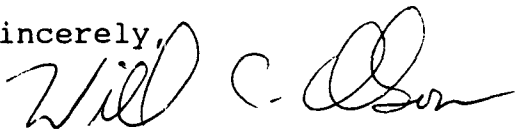
Mr. Paul Bohannon
August 6, 1992
Page 2

2. The OCD would like to make Baker aware that wastes generated at oil field service companies are not exempt from federal RCRA hazardous waste regulations. Prior to disposal of facility wastes, Baker will have to demonstrate that the wastes do not exhibit hazardous waste characteristics by testing representative samples of each waste type generated.

The OCD commends Baker for their initiative in investigating the potential impacts of Baker's prior waste disposal practices on the environment. The OCD looks forward to working with you on solutions to any problems resulting from Baker's activities.

If you have any questions, please call me at (505) 827-5885.

Sincerely,



William C. Olson
Hydrogeologist
Environmental Bureau

xc: Jerry Sexton, OCD Hobbs District Supervisor
Chris Eustice, OCD Hobbs Office

OIL CONSERVATION DIVISION
RECEIVED

'92 JUN 18 AM 9 01

PORTER & CLEMENTS

A REGISTERED LIMITED LIABILITY PARTNERSHIP
INCLUDING PROFESSIONAL CORPORATIONS

ATTORNEYS AT LAW

700 LOUISIANA, SUITE 3500

HOUSTON, TEXAS 77002-2730

TELECOPIER (713) 228-1331

TELECOPIER (713) 228-4935

TELEPHONE (713) 226-0600

MAILING ADDRESS:

P.O. BOX 4744

HOUSTON, TX 77210-4744

June 12, 1992

Mr. Bill Olsen
New Mexico Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87504

Re: Baker Oil Tools/Hobbs, New Mexico

Dear Bill:

This will confirm our telephone conversation to you of this date regarding the discovery of adulterated soils at the Baker Oil Tools Hobbs facility. I enclose a copy of the Simon Environmental Engineering report on the problem. For your information, the site specifics are:

Baker Oil Tools Facility
2800 W. Marland
Hobbs, New Mexico

Under separate cover, Baker Oil Tools will be providing the proposed soil excavation program. Baker will be happy to receive your personnel on a site review.

Mr. Bill Olsen

June 12, 1992

Page 2 of 2

You will observe that there is evidence of BTEX groundwater contamination. However, the corings at Baker Oil Tool's property reflected no BTEX. Accordingly, Baker Oil Tools is proposing soil remediation only. A site visit may be of assistance to you.

Thank you for your consideration of these materials.

VERY TRULY YOURS,

A handwritten signature in black ink, appearing to read "Paul Bohannon". The signature is fluid and cursive, with the first name "Paul" and last name "Bohannon" clearly distinguishable.

PAUL BOHANNON

cc: Joe Curtis, Baker Oil Tools
Mr. Dick Whitehead, Baker Oil Tools