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APPROVALS

YEAR(S):

12/5/1996



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

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

December 5, 1996

CERTIFIED MAIL

RETURN RECEIPT NO. P-269-269-222

Mr. B.D. Shaw
Amoco Production Company
200 Amoco Court
Farmington, New Mexico 87401

RE: FINAL SAN JUAN BASIN PIT CLOSURE REPORTS

Dear Mr. Shaw:

The New Mexico Oil Conservation Division (OCD) has completed a review of Amoco Production Company's (Amoco) October 25, 1994 "AMOCO PRODUCTION COMPANY PIT CLOSURE VERIFICATIONS" which were submitted on behalf of Amoco by their consultant Blagg Engineering, Inc. This document contains "PIT REMEDIATION AND CLOSURE REPORTS" for 34 unlined pits in the San Juan Basin of Northwestern New Mexico.

The OCD's review of the above referenced document is addressed below:

A. The pit closure/soil remediation activities conducted at the sites listed below are **approved**.

1. A.L. Elliott B#2 (Blow pit)	Unit M, Sec. 10, T29N, R09W.
2. A.L. Elliott B#7 (Blow pit II)	Unit L, Sec. 10, T29N, R09W.
3. Jack Frost B#1E (Blow pit)	Unit M, Sec. 27, T27N, R10W.
4. Jack Frost B#1E (Dehy pit)	Unit M, Sec. 27, T27N, R10W.
5. Jack Frost B#1E (Separator pit)	Unit M, Sec. 27, T27N, R10W.
6. GCU #200E (Separator pit)	Unit P, Sec. 29, T29N, R12W.
7. GCU #200E (Blow pit)	Unit P, Sec. 29, T29N, R12W.
8. Heath GC G#1E (Blow pit)	Unit I, Sec. 08, T29N, R09W.
9. Heath GC G#1E (Separator pit)	Unit I, Sec. 08, T29N, R09W.
10. Heath GC G#1E (Dehy pit)	Unit I, Sec. 08, T29N, R09W.
11. Jones LS #1A (Blow pit)	Unit J, Sec. 35, T29N, R08W.
12. Kutz Deep Test A#1 (Blow pit)	Unit O, Sec. 27, T28N, R10W.
13. C.A. McAdams B#1 (Blow pit)	Unit J, Sec. 28, T27N, R10W.
14. C.A. McAdams B#1 (Separator pit)	Unit J, Sec. 28, T27N, R10W.
15. C.A. McAdams B#2 (Blow pit)	Unit E, Sec. 28, T27N, R10W.
16. Pipkin GC A#1E (Blow/tank pit)	Unit C, Sec. 07, T27N, R10W.
17. Pipkin GC A#1E (Dehy pit)	Unit C, Sec. 07, T27N, R10W.
18. Pipkin GC A#1E (Separator pit)	Unit C, Sec. 07, T27N, R10W.
19. P.O. Pipkin #5 (Blow pit)	Unit A, Sec. 07, T27N, R10W.
20. Pritchard #3 (Separator pit)	Unit H, Sec. 31, T29N, R08W.

Please be advised that OCD approval does not relieve Amoco of liability if remaining contaminants are found to pose a future threat to surface water, ground water, human health or the environment. In addition, OCD approval does not relieve Amoco of responsibility for compliance with any other federal, state or local laws and/or regulations.

- B. The pit remedial activities conducted at the sites listed below are satisfactory. However, according to the reports, onsite landfarming and/or composting actions are still continuing at the sites. Subsequently, the OCD cannot issue final closure approval at this time and approval of closure actions at these sites is **denied**. Please resubmit final closure reports for these sites upon completion of the landfarming and/or composting activities. The final reports will include the results of the soil remediation levels achieved, the laboratory analyses and associated quality assurance/quality control data and the disposition of the remediated soils.

1. A.L. Elliott B#1 (Separator pit) Unit H, Sec. 10, T29N, R09W.
2. A.L. Elliott B#1A (Separator pit) Unit F, Sec. 10, T29N, R09W.
3. A.L. Elliott B#1A (Blow pit) Unit F, Sec. 10, T29N, R09W.
4. A.L. Elliott B#2 (Compressor pit) Unit M, Sec. 10, T29N, R09W.
5. A.L. Elliott B#2 (Separator pit) Unit M, Sec. 10, T29N, R09W.
6. A.L. Elliott B#5E (Separator pit) Unit P, Sec. 10, T29N, R09W.
7. A.L. Elliott B#7 (Blow pit I) Unit L, Sec. 10, T29N, R09W.
8. W.D. Heath A#7 (Blow/compressor) Unit J, Sec. 08, T29N, R09W.
9. W.D. Heath A#9E (Blow pit) Unit J, Sec. 09, T29N, R09W.
10. Valencia Canyon Unit #15 (Blow pit) Unit I, Sec. 27, T28N, R04W.

- C. The final pit remedial contaminant levels at the sites listed below are in excess of the OCD's recommended remediation levels. Consequently, the OCD cannot issue final closure approval and approval of closure actions at these sites is **denied**. The OCD requests that Amoco address the extent of the remaining contamination at these sites. The OCD will reconsider issuing closure approval upon resubmission of pit closure forms which address the remaining extent of contamination at the sites. The resubmitted forms should include the completed form and all pertinent information related to the extent of contamination, the results of the soil remediation levels achieved, the results of the soil remediation levels achieved, the laboratory analyses and associated quality assurance/quality control data and the disposition of the remediated soils.

1. Martin C. Federal #1 (Separator) Unit B, Sec. 03, T27N, R10W.
2. P.O. Pipkin #5 (Separator pit) Unit A, Sec. 07, T27N, R10W.

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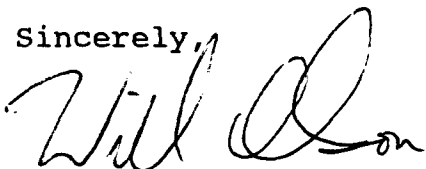
D. Ground water at the sites listed below is contaminated with petroleum related constituents in excess of New Mexico Water Quality Control Commission ground water standards and the extent of ground water contamination at the sites has not been determined. Therefore, approval of these pit closure forms is **denied**. The OCD requests that Amoco investigate the extent of contamination and, if necessary, remediate contaminated ground water pursuant to Amoco's November 21, 1995 ground water investigation/remediation work plan which was approved by the OCD on November 29, 1995.

1. Jack Frost B#2 (Separator pit) Unit D, Sec. 27, T27N, R10W.
2. Sullivan Frame A#1 (Reserve pit) Unit D, Sec. 30, T29N, R10W.

To simplify the approval process for both Amoco and OCD, the OCD requests that Amoco submit all future pit closure reports only upon completion of all closure activities including onsite landfarming or composting of contaminated soils. The reports should include the completed form and all pertinent information related to the extent of contamination, the results of the soil remediation levels in the pits and landfarms, all laboratory analyses and associated quality assurance/quality control data and the disposition of all remediated soils.

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

Sincerely,



William C. Olson
Hydrogeologist
Environmental Bureau

xc: OCD Aztec District Office
Bill Liess, BLM Farmington District Office
Nelson Velez, Blagg Engineering, Inc.