

3R - 321

**GENERAL
CORRESPONDENCE**

YEAR(S):

2000-1996

Olson, William

From: m. harvey [SMTP:markh@ditell.com]
Sent: Tuesday, September 05, 2000 1:46 PM
To: Olson, William
Subject: Annual Groundwater Report (PNM)

As a follow-up to our telephone conversation last week, this serves to acknowledge the extension of time that NMOCD has granted Williams in order to submit the annual groundwater report for former PNM sites.

It is agreed that the report will be submitted by September 15, 2000 and include data from PNM efforts during 1999 and 2000. Williams appreciates the time extension and NMOCD's understanding of the complications associated with inheriting a project of this magnitude.

After submitting the report and allowing review time, Williams intends to schedule a meeting with you to discuss its' plan to effect mitigation of groundwater impacts. Your feedback will be helpful in finalizing a program strategy.

Thank you for your consideration.

From: Deklau, Ingrid [SMTP:Ingrid.Deklau@Williams.com]
Sent: Friday, July 07, 2000 1:35 PM
To: Olson, William
Cc: 'mark'; 'mgannon@pnm.com'
Subject: Groundwater Report Extension

Per our discussion today, this note is to confirm extension of the Annual Groundwater Report submittal from July 15, 2000 to August 31, 2000.

On March 4, 2000, Maureen Gannon of PNM emailed you and requested the April 1, 2000 deadline for the report submittal be postponed to July 15, 2000 so that PNM could incorporate all information gathered through June 30, 2000 into the report. Since then, PNM and Williams have entered into a Settlement Agreement transferring certain responsibilities to Williams. The responsibility of the preparation of this report is currently under discussion between PNM and Williams. Regardless of the responsibility, it is clear to me that this report will not be ready by the July 15, 2000 deadline.

Thank you for your assistance in this matter.

Ingrid Deklau

307-872-2880

Olson, William

From: Olson, William
Sent: Monday, March 06, 2000 8:13 AM
To: 'Gannon, Maureen'
Subject: RE: Request for Extension on Annual Groundwater Report

The below requested extension is approved.

From: Gannon, Maureen [SMTP:MGannon@pnm.com]
Sent: Saturday, March 04, 2000 3:31 PM
To: Olson, William
Cc: Sikelianos, Mark; 'Ingrid Deklau'; Johnson, Ronald
Subject: Request for Extension on Annual Groundwater Report

As a follow-up to our phone conversation on Thursday, March 2, 2000, PNM herein requests an extension of the date for submittal of our San Juan Basin Annual Groundwater Report. The report is normally due on April 1st of each year. However, since PNM's environmental obligations associated with the purchase and sale of our former gas assets in the San Juan Basin will terminate on June 30, 2000 (with the exception of retained liabilities), we would like to file our annual report by July 15, 2000 so that the data and information contained in the annual report is current through the June 30th date.

Please let me know if this extension is acceptable to you. You may email me or call me at (505) 241-2974. Thank you for your time and consideration of this matter.

Maureen Gannon
Environmental Services
241-2974

Public Service Company
of New Mexico
Alvarado Square MS 0408
Albuquerque, NM 87158

SEP 14 1999

September 13, 1999

Mr. William Olson
Hydrogeologist
Oil Conservation Division
2040 So. Pacheco
Santa Fe, New Mexico 87505



RE: WELL INSTALLATION PLANS FOR SAN JUAN BASIN GROUNDWATER SITES

Dear Bill:

PNM herein submits monitoring well installation plans for several groundwater sites that we are managing in the San Juan Basin. You requested these plans in an August 16, 1999 letter entitled, "Final San Juan Basin Pit Closure Reports," that was sent to Ms. Kathy Juckes, PNM-Farmington. The subject groundwater sites are the Dogie Compressor Station North Pit, Florance #32A, Jacques #2A, Mangum #1E, McClanahan #22, Dogie Compressor Station East Pit, Honolulu Loop Line Drip, Ice Canyon Drip, Jicarilla Contract 147-6, and Randelman #1.

The well installation plan for each of the above-referenced sites consists of a map depicting the existing monitoring well configuration at the site with associated historical BTEX data. Any proposed new well location is denoted by a large "X" on the map. In some instances, the proposed wells have already been installed and sampled, and the analytical results for BTEX are reported next to these locations on the attached maps. PNM will prepare formal reports on all of the subject sites requiring new well installations in either individual groundwater/pit closure reports or the Annual Groundwater Report to be submitted to the OCD in 2000.

PNM would like to bring the Randleman 1 well site and the Honolulu Loop Line Drip to your attention. The Randleman 1 site is operated by Burlington Resources and poses many unique problems, including:

- an increase in benzene concentrations in PNM's source and downgradient wells after cessation of discharge, and primary and secondary remediation of PNM's former pit (see figure 10);
- elevated chloride levels groundwater monitoring wells on site (see attachment to figure 10); and
- potential impacts to underlying groundwater from Burlington's operations and their former pit (Approximately one year after remediation, Burlington's pit excavation and on site landfarm remain open).

The Honolulu Loop Line Drip is operated by Williams and has also experienced its own set of problems, including, most recently, a significant increase in benzene in MW-5 and MW-12 (see figure 7 and attachment to figure 7). As you may recall, PNM conducted extensive secondary removal of contaminated soils in the area and south of Williams pipeline in December of 1998 after the appearance of free product and high dissolved-phase BTEX contaminants. At both the Randleman 1 and the Honolulu Loop Line Drip, PNM agrees that the installation of additional wells is necessary to fully define the extent of the dissolved-phase contaminant plumes. However, such action, on the part of PNM, assumes that all responsibility at the site is ours. In contrast, we believe that the ongoing problems may be the responsibility of the producer or are at least shared with them. Therefore, before agreeing to install additional wells at these particular locations, PNM is considering several options at either site and will be contacting you in the very near future to inform you of our proposed strategies.

Mr. B. Olson
09/13/1999
Page 2

Please review the attached site maps and accept them as our groundwater monitoring well installation plans. All well installations and sampling events will be conducted in accordance with PNM's Groundwater Management Plan for Unlined Surface Impoundments, March 1996. If you need additional information or have any questions, you may call me at (505) 241-2974. Thank you for your time and consideration concerning this matter.

Sincerely,
PNM Environmental Services

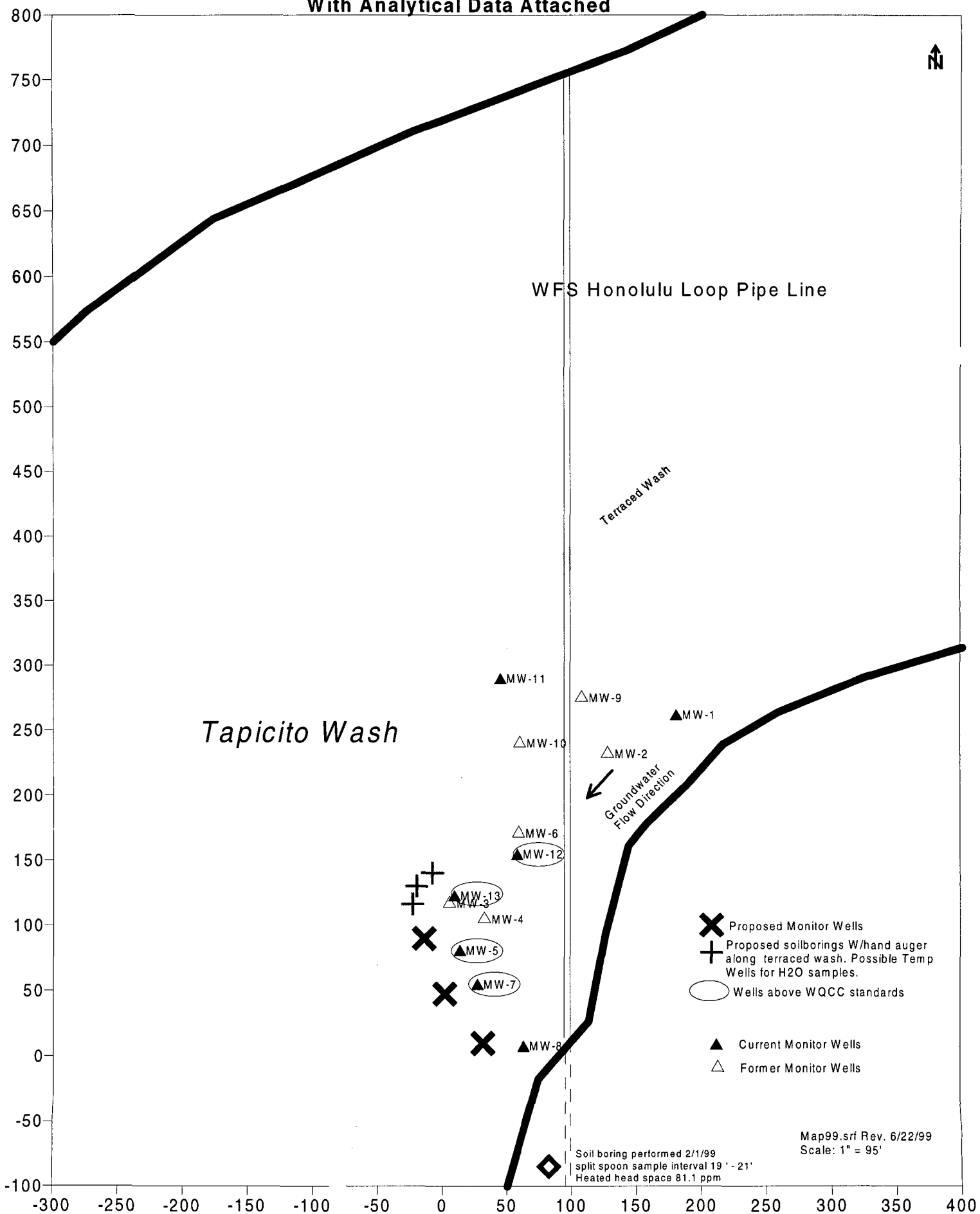


Maureen Gannon
Project Manager

Attachments

cc: Ingrid Deklau, WFS
Denny Foust, OCD-Aztec Office
Kathy Juckes, PNM Farmington File
Keith Manwell, Jicarilla Environmental Protection Office
Mark Sikelianos, PNM

Figure 7.
Honolulu Loop Line Drip Site Map
With Analytical Data Attached



Honolulu Loop Line-Drip Attachment to Figure 7. (Concentrations in ppb)

MW-1	7-Mar-97	4-Jun-97	18-Sep-97	15-Dec-97	9-Feb-98	19-May-98	23-Jul-98	11-Feb-99	14-Apr-99
B	<0.2	<0.2	<0.2	<0.2	<0.5	<0.5	<0.5	<0.5	<0.5
T	<0.2	<0.2	<0.2	<0.2	0.7	<0.5	<0.5	<0.5	<0.5
E	<0.2	<0.2	<0.2	<0.2	<0.5	<0.5	<0.5	<0.5	<0.5
X	<0.2	0.8	<0.2	<0.2	1.6	<1.5	<1.5	<1.5	<1.5

MW-2	7-Mar-97	4-Jun-97	18-Sep-97	15-Dec-97	9-Feb-98	19-May-98	23-Jul-98
B	243.6	37.5	72.7	3.7	2.2	4.4	98
T	194.2	5.1	8.3	3.0	2.2	3	<0.5
E	107.0	27.8	15.9	6.5	6.1	7	22
X	946.3	91.0	59.9	25.0	20.2	26	48

MW-3	7-Mar-97	4-Jun-97	18-Sep-97	15-Dec-97	9-Feb-98	19-May-98	23-Jul-98
B	5326	9989	81.1	423	2200	2700	250
T	533	1678	0.5	<0.2	<2.5	<5	<0.5
E	44	103	1.0	11.0	65	99	11
X	2161	812	9.0	80.3	433	620	69

MW-4	7-Mar-97	4-Jun-97	18-Sep-97	15-Dec-97	9-Feb-98	19-May-98	23-Jul-98
B		889		62	96	62	22
T		3697		90	370	55	<0.5
E		249		56	75	85	59
X		2007		412	660	415	258

MW-5	7-Mar-97	4-Jun-97	18-Sep-97	15-Dec-97	9-Feb-98	19-May-98	23-Jul-98	11-Feb-99	14-Apr-99
B	3.0	352	33.2	<0.2	<0.5	510	89.0	430	1100
T	0.2	<1	<0.2	<0.2	<0.5	<0.5	<0.5	<0.5	<0.5
E	<0.2	<1	<0.2	<0.2	<0.5	<0.5	<0.5	0.6	5.4
X	<0.2	<1	<0.2	<0.2	<1.5	<1.5	<1.5	<1.5	13

MW-6	7-Mar-97	4-Jun-97	18-Sep-97	15-Dec-97	9-Feb-98	19-May-98	23-Jul-98
B	18386	16434	16309	15061	15000	11000	8200
T	12030	9791	4531	1526	1000	54	130
E	460	714	588	520	490	620	480
X	7033	7841	6554	5412	5100	7400	5600

MW-7	7-Mar-97	4-Jun-97	18-Sep-97	15-Dec-97	9-Feb-98	19-May-98	23-Jul-98	11-Feb-99	14-Apr-99
B	<0.2	68.0	<0.2	0.6	15	58	4	21	25
T	<0.2	<0.2	<0.2	<0.2	<0.5	<0.5	0.7	20	<0.5
E	<0.2	<0.2	<0.2	<0.2	<0.5	0.5	4.6	<0.5	2
X	<0.2	<0.2	<0.2	<0.2	<1.5	1.8	14	1.5	9.0

MW-8	7-Mar-97	4-Jun-97	18-Sep-97	15-Dec-97	9-Feb-98	19-May-98	23-Jul-98	11-Feb-99	14-Apr-99
B	282	289	<0.2	<0.2	7.5	<0.5	1.4	<5	<0.5
T	13	12	5.1	7.4	11	8.5	7.8	370	0.8
E	7	94	29.7	36.8	52	42	28	<5	5.4
X	188	554	194.4	253.1	353	280	206	<15	26.1

MW-9	7-Mar-97	4-Jun-97	18-Sep-97	15-Dec-97	9-Feb-98	19-May-98	23-Jul-98
B		<0.2	<0.2	<0.2	<0.5	<0.5	<0.5
T		0.7	0.3	0.2	0.7	<0.5	<0.5
E		<0.2	<0.2	<0.2	<0.5	<0.5	<0.5
X		0.4	<0.2	<0.2	1.3	<1.5	<1.5

MW-10	7-Mar-97	4-Jun-97	18-Sep-97	15-Dec-97	9-Feb-98	19-May-98	23-Jul-98
B		352	38.4	87.9	1.3	260	26
T		5	3.4	2.5	3.5	3.5	2.3
E		4	0.8	3.0	2.7	3.0	1.7
X		2	<0.2	4.7	<1.5	<1.5	<1.5

MW-11	11-Feb-99	14-Apr-99
B	<2.5	<0.5
T	<2.5	<0.5
E	<2.5	<0.5
X	<7.5	<1.5

MW-12	11-Feb-99	14-Apr-99
B	110	440
T	3.2	<2.5
E	22	40
X	196	246

MW-13	11-Feb-99	14-Apr-99
B	230	68
T	140	<0.5
E	18	5.3
X	178	11

Monitor Wells
Removed During Secondary
Remediation

Olson, William

From: Olson, William
Sent: Tuesday, August 31, 1999 8:07 AM
To: 'MGannon@pnm.com'
Subject: RE: Request for Extension
Importance: High

The below requested extension is approved.

From: MGannon@pnm.com[SMTP:MGannon@pnm.com]
Sent: Monday, August 30, 1999 4:30 PM
To: Olson, William
Cc: MSikeli@pnm.com
Subject: Request for Extension

As discussed with you last week during the OCC hearing on the Hampton 4M site, PNM requests an extension to complete our plans documenting additional ground water monitoring well installations at several sites we are currently managing in the San Juan Basin. Your letter of August 16, 1999 asks that a plan be submitted by Tuesday, August 31, 1999. We request an additional two weeks from this date to finish the plans and submit them to your office. We will have the plans to you by Tuesday, September 14, 1999.

We appreciate your patience in this matter. If you have any questions or concerns, please call me at (505) 241-2974.

Maureen Gannon
Environmental Services
241-2974



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

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

May 28, 1999

CERTIFIED MAIL
RETURN RECEIPT NO. Z-274-520-668

Ms. Maureen Gannon
Public Service Company of New Mexico
Alvarado Square, MS-0408
Albuquerque, New Mexico 87401

RE: 1999 SAN JUAN BASIN ANNUAL GROUNDWATER REPORT

Dear Ms. Gannon:

The New Mexico Oil Conservation Division (OCD) has reviewed Public Service Company of New Mexico's (PNM) April 5, 1999 "1999 SAN JUAN BASIN ANNUAL GROUNDWATER REPORT". This document contains the results of PNM's 1998 monitoring and remediation of contaminated ground water related to the closure of unlined oil and gas production pits in the San Juan Basin.

The OCD has the following comments and requirements regarding the above referenced document:

- A. On July 14, 1999, the OCD required that PNM install additional ground water monitoring wells at 7 sites to determine the extent of ground water contamination that was in excess of New Mexico Water Quality Control Commission (WQCC) ground water standards. According to the above referenced documents additional wells were installed at 2 of the sites. However, the documents do not contain any information on the installation of additional monitoring wells for the sites listed below. The OCD requires that PNM submit a plan to address this deficiency for these sites. The plan shall be submitted to the OCD Santa Fe Office by July 28, 1999 with a copy provided to the OCD Aztec District Office.

- | | |
|---------------------------------------|-----------------------------|
| 1. Dogie Compressor Station North Pit | Unit D, Sec. 04, T25N, R06W |
| 2. Florance #32A | Unit F, Sec. 15, T30N, R08W |
| 3. Jacques #2A | Unit D, Sec. 25, T30N, R09W |
| 4. Mangum #1E | Unit F, Sec. 33, T29N, R11W |
| 5. McClanahan #22 | Unit G, Sec. 14, T28N, R10W |

Ms. Maureen Gannon

May 28, 1999

Page 2

- B. The closure reports for the sites listed below show that the extent of ground water contamination in excess of New Mexico WQCC ground water standards has not been completely defined. Therefore, the OCD requires that PNM submit a plan for the installation of additional monitor wells to determine the extent of ground water contamination at these sites. The plan shall be submitted to the OCD Santa Fe Office by July 28, 1999 with a copy provided to the OCD Aztec District Office.

- | | |
|--------------------------------------|-----------------------------|
| 1. Dogie Compressor Station East Pit | Unit D, Sec. 04, T25N, R06W |
| 2. Honolulu Line Drip | Unit B, Sec. 15, T26N, R04W |
| 3. Ice Canyon Drip | Unit H, Sec. 13, T26N, R07W |
| 4. Jicarilla Contract 147-6 | Unit C, Sec. 06, T25N, R05W |
| 5. Randalman #1 | Unit K, Sec. 13, T31N, R11W |

- C. Several of the reports state that certain contaminants such as chloride, sulfate and total dissolved solids are not enforceable standards under State of New Mexico regulations. For your information, all of the WQCC standards as contained in 20 NMAC 6.2.3101 are enforceable standards.

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

Sincerely,



William C. Olson
Hydrologist
Environmental Bureau

xc: Denny Foust, OCD Aztec District Office
Bill Liess, BLM Farmington District Office
Kurt Sandoval, Jicarilla Apache Environmental Protection 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

September 1, 1998

CERTIFIED MAIL
RETURN RECEIPT NO. Z-274-520-553

Ms. Ingrid Deklau
Williams Energy Group
P.O. Box 58900
Salt Lake City, Utah 84158-0900

RE: GROUND WATER ABATEMENT PLAN (AP-6)
HONOLULU LINE DRIP

Dear Ms. Deklau:

The New Mexico Oil Conservation Division (OCD) has reviewed Williams Field Services (WFS) July 28, 1998 "HONOLULU LINE DRIP SITE". This document contains WFS's response to the OCD's June 18, 1998 letter requiring a ground water abatement plan for WFS's Honolulu Line Drip Site.

WFS states that PNM and WFS have reached an agreement whereby PNM will continue to perform ground water remediation at the site. WFS's request that PNM continue to investigate and remediate ground water at the site under PNM's prior approved ground water management plan is approved. Since PNM's ground water management plan was approved prior to the effective date of OCD Rule 19, the ground water remedial actions are exempt from Rule 19 and therefore the OCD rescinds the June 18, 1998 ground water abatement plan AP-6 requirement for the Honolulu Line Drip Site.

If you have any questions, please call Bill Olson of my staff at (505) 827-7154.

Sincerely,

A handwritten signature in cursive script, reading "Roger C. Anderson".

Roger C. Anderson
Environmental Bureau Chief

xc: Denny Foust, OCD Aztec District Office
Maureen Gannon, PNM
Joyce Trew, Williams

Z 274 520 553

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PS Form 3800, April 1995



BEVERLY JOYCE TREW
Senior Attorney
918/573-3097
918/573-4503 office fax

One Williams Center, Suite 4100
Tulsa, Oklahoma 74172

July 28, 1998

Mr. Roger C. Anderson
Environmental Bureau Chief
State of New Mexico
Energy, Minerals and Natural
Resources Department
Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87505

VIA FAX 505-827-8177 AND MAIL

Re: Honolulu Line Drip Site

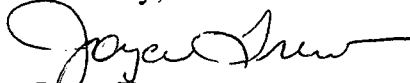
Dear Mr. Anderson:

This letter is written in response to your June 18, 1998 letter to Ms. Ingrid Deklau with Williams Energy Group in Salt Lake City, Utah requiring that Williams Field Services ("Williams"), as owner and operator of the Honolulu Line Drip Site (the "Site"), submit a groundwater abatement plan for the Site. As you know, Public Service of New Mexico ("PNM") has been performing a groundwater management plan at the Site for some time, even though PNM is no longer the owner or operator at the Site.

Williams has been in contact with Mr. Bill Olson of your office and Mr. Clyde Worthen, attorney for PNM, concerning your requirement. Williams and PNM have reached an agreement whereby Williams, as owner and operator of the site, has authorized PNM to continue to perform groundwater remediation at the site in accordance with PNM's groundwater management plan and PNM has agreed to do so until such time as the existing plan is deemed complete by the Oil Conservation Division. We understand from conversations with Mr. Olson that these actions by Williams and PNM are a satisfactory response to your requirement. Finally, Williams would greatly appreciate it if your office would direct all correspondence concerning groundwater remediation at this Site to PNM and Williams until such time as the performance of the existing groundwater management plan is completed.

If you have any questions, please do not hesitate to contact me at (918) 588-3097.

Sincerely,



Joyce Trew

BJT\

cc: Denny Foust, OCD
Bill Olson, OCD
Ingrid Deklau, Williams
Bill von Drehle, Williams
Tim McCoy, Williams

Maureen Gannon, PNM
Toni Ristau, PNM
Clyde Worthen, PNM



One Williams Center, Suite 4100
Tulsa, Oklahoma 74172

The following document is being transmitted via electronic facsimile equipment. Please call immediately if you experience difficulty receiving this document. This transmission consists of 2 page(s) including this cover page.

DATE: July 29, 1998

TO: Denny Foust - 505-334-6170
Bill Olson - 505-827-8177
Ingrid Deklau - 801-584-7760
Bill von Drehle - 713-215-2930
Maureen Gannon & Toni Ristau - 505-241-2340
Clyde Worthen - 505-346-1345

FROM: JOYCE TREW

PHONE: (918) 573-3097

FAX NO.: (918) 573-4503 or (1-800) 479-6703
[Alternate fax no. 573-4190. Please alert receiver if
alternate number is used.]

Please call Diane at (918) 573-4297 to confirm receipt or error in transmission.

SPECIAL INSTRUCTIONS
OR MESSAGE(S):

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BEVERLY JOYCE TREW
Senior Attorney
918/573-3097
918/573-4503 office fax

One Williams Center, Suite 4100
Tulsa, Oklahoma 74172

July 28, 1998

Mr. Roger C. Anderson
Environmental Bureau Chief
State of New Mexico
Energy, Minerals and Natural
Resources Department
Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87505

VIA FAX 505-827-8177 AND MAIL

Re: Honolulu Line Drip Site

Dear Mr. Anderson:

This letter is written in response to your June 18, 1998 letter to Ms. Ingrid Deklau with Williams Energy Group in Salt Lake City, Utah requiring that Williams Field Services ("Williams"), as owner and operator of the Honolulu Line Drip Site (the "Site"), submit a groundwater abatement plan for the Site. As you know, Public Service of New Mexico ("PNM") has been performing a groundwater management plan at the Site for some time, even though PNM is no longer the owner or operator at the Site.

Williams has been in contact with Mr. Bill Olson of your office and Mr. Clyde Worthen, attorney for PNM, concerning your requirement. Williams and PNM have reached an agreement whereby Williams, as owner and operator of the site, has authorized PNM to continue to perform groundwater remediation at the site in accordance with PNM's groundwater management plan and PNM has agreed to do so until such time as the existing plan is deemed complete by the Oil Conservation Division. We understand from conversations with Mr. Olson that these actions by Williams and PNM are a satisfactory response to your requirement. Finally, Williams would greatly appreciate it if your office would direct all correspondence concerning groundwater remediation at this Site to PNM and Williams until such time as the performance of the existing groundwater management plan is completed.

If you have any questions, please do not hesitate to contact me at (918) 588-3097.

Sincerely,

Joyce Trew

BJT\

cc: Denny Foust, OCD
Bill Olson, OCD
Ingrid Deklau, Williams
Bill von Drehle, Williams
Tim McCoy, Williams

Maureen Gannon, PNM
Toni Ristau, PNM
Clyde Worthen, PNM



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 18, 1998

CERTIFIED MAIL
RETURN RECEIPT NO. Z-235-437-299

Ms. Ingrid Deklau
Williams Energy Group
P.O. Box 58900
Salt Lake City, Utah 84158-0900

RE: GROUND WATER ABATEMENT PLAN (AP-6)
HONOLULU LINE DRIP

Dear Ms. Deklau:

The New Mexico Oil Conservation Division (OCD) is in receipt of a March 23, 1998 document from Public Service Company of New Mexico (PNM) regarding ground water contamination at the Honolulu Line Drip located in Unit B, Section 25, Township 26 North, Range 4 West, NMPM. Rio Arriba County, New Mexico. Upon review of this document and Williams Field Services' May 20, 1998 correspondence "RE: PUBLIC SERVICE OF NEW MEXICO'S REQUESTS FOR CHANGES AT CERTAIN REMEDIATION SITES", it appears that WFS and PNM are in a contractual dispute over responsibility for ground water contamination at the Honolulu Line Drip site.

As the owner and operator of this pipeline WFS is treated by the OCD as the responsible person for the purposes of investigation and remediation of contaminated ground water at the site. Therefore, pursuant to Rule 19 (19 NMAC 15.A.19), the OCD requires that WFS submit an abatement plan for the Honolulu Line Drip site to abate ground water pollution. To initiate the abatement plan process, the OCD requires that WFS submit, by July 31, 1998, a Stage 1 abatement plan proposal pursuant to Rule 19.E.1. and 3. Please submit the work plan to the OCD Santa Fe Office and a copy to the OCD Aztec District Office.

If you have any questions, please call Bill Olson of my staff at (505) 827-7154.

Sincerely,

Roger C. Anderson
Environmental Bureau Chief

xc: Denny Foust, OCD Aztec District Office

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PS Form 3800, April 1995

BEVERLY JOYCE TREW
Senior Attorney
918/573-3097
918/573-4503 office fax



One Williams Center, Suite 4100
Tulsa, Oklahoma 74172

May 20, 1998

VIA OVERNIGHT MAIL

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MAY 21 1998

Environmental Bureau
Oil Conservation Division

Mr. Bill Olson
Hydrogeologist, Environmental Bureau
New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

**RE: Public Service of New Mexico's Requests
for Changes at Certain Remediation Sites**

Dear Mr. Olson:

As you know, on June 30, 1995 (the "Closing Date"), Public Service Company of New Mexico, Sunterra Gas Gathering Company, and Sunterra Gas Processing Company (hereinafter referred to collectively as "PNM") and Williams Gas Processing - Blanco, Inc. (hereinafter referred to as "Williams" or "Williams Field Services") closed a Purchase and Sale Agreement. Pursuant to that Agreement, Williams purchased certain gas gathering and processing assets from PNM. The parties also made certain agreements wherein PNM retained certain environmental liabilities at certain specified sites.

PNM has requested that the New Mexico Oil Conservation Division ("OCD") make certain changes in its remediation obligations as to three of those sites and in support, offers certain information about Williams's alleged activities and draws conclusions therefrom. This letter is written because Williams has knowledge about its own activities at those sites which contradicts PNM's statements and renders PNM's conclusions inaccurate. Additionally, and most disturbingly, Williams had, by letter dated April 23, 1997 to Ron Grossarth of PNM, informed PNM of the facts surrounding the Honolulu Loop Drip Site alleged "release" which PNM failed to include in its correspondence with the OCD. A copy of same is marked as Exhibit "A" and is attached hereto for your reference.

Mr. Bill Olson
March 20, 1998
Page 2

1. PNM Letter to Bill Olson dated March 23, 1998 concerning the Honolulu Loop Drip Site requesting change in the groundwater monitoring program status.

The following statement was made by PNM.

"2. As the potentially responsible party, William Field Services (WFS) be requested by NMOCD to determine the lateral and vertical extent of contamination and perform any remedial actions associated with **hydrocarbons released during [the] September 1996 pipeline replacement** activities. . . ." (Emphasis added).

PNM, in its indemnification claim to Williams dated March 14, 1997, alleged that it believed that a release occurred when Williams cut the drip out of the pipeline. In its response, (see Exhibit "A"), Williams rejected that claim and set forth the facts surrounding the process whereby the drip had been cut out of the line. Therefore, as of April 23, 1997, PNM was aware of William's denial that any release had occurred and the statements of those individuals involved in the activity.

Additional investigation between April 23, 1997 and this date continues to verify that no release occurred. Williams has spoken with the individuals who were responsible for cutting the drip out of the line and replacement of a segment of the pipeline and each has confirmed that no release occurred. The following individuals have been contacted and interviewed: Russell Smith (former PNM employee, now employed by Williams); Sam Houston (Williams' project coordinator); Joe Chacon (Diamond D Construction foreman) and his crew; and Clayton Post (Schmitz Construction driver of the vacuum truck. Roy Burnham (PNM employee) was also present but has not been interviewed. Williams is in the process of obtaining signed affidavits from these individuals and will produce them upon written request by either PNM or the OCD. Other environmental personnel for Williams that may have any knowledge about the activities at the site have also been questioned and were not aware of any release.

A memo dated April 29, 1998 to Ed Hobday, Williams' manager of the Torre Alta Area systems, from Russell Smith describes the activity that took place on September 10, 1996. A copy of the memo is marked as Exhibit "B" and is attached hereto for your reference. Our internal, ongoing investigation likewise verified the facts as set forth in the Smith memo. To summarize the incident, when the drip was cut out of the line, Schmitz Construction pumped approximately 4 barrels of liquid directly from the line into a vacuum truck. No liquid from the drip and/or the line was permitted to touch the soil; therefore, the activity could not have been the source of any soil or groundwater contamination whatsoever.

Mr. Bill Olson
March 20, 1998
Page 3

Thus, PNM's conclusion that Williams may have a remediation responsibility in connection with the cutting out of the drip from the pipeline activity is impossible to sustain. PNM has not alleged any other third party activity that could have possibly resulted in any other release occurring at the site. Therefore, PNM appears to believe that Williams would not only participate in permitting an unreported release to occur but would also, attribute false statements from those individuals involved in the activity. That Williams would never do. Williams would suggest that PNM would be better served in objectively analyzing its data in order to find the remaining, apparently, unremediated historical contamination, instead of attempting to shift its responsibilities to others.

2. PNM Letter to Bill Olson dated March 31, 1998 concerning the Hampton 4M Site and the existence of free product and groundwater contamination.

The following statement was made by PNM.

" . . . As the product is not the result of PNM operations prior to June 30, 1995, PNM has placed Burlington and Williams Field Services on notice that PNM will be seeking cost recovery from the responsible party for actions concerning free product and groundwater investigation and remediation activities performed at this site. . . ."

Williams currently operates the gathering system and dehydration facility at this site with a collection tank and does not permit discharges. There is no discharge pit. Williams knows that its operation has not caused any release and Williams has no knowledge of any upset causing any release or any release caused by Burlington Resources ("Burlington") since it took ownership. Based on this knowledge, Williams has also rejected PNM's claim of indemnification concerning this site.

However, Williams does agree with PNM's statement that free product contamination, regardless of where it occurs, is not the responsibility of PNM (or Williams), but of the producer. Williams believes that the data indicates that operator releases have occurred because of the presence of free product. However, the data does not demonstrate when those releases may have occurred. In that Williams has no knowledge concerning any releases by it or Burlington since the Closing Date, then the only reasonable conclusion that may be reached is that the releases occurred prior to the Closing Date.

Mr. Bill Olson
March 20, 1998
Page 4

3. PNM letter to Bill Olson dated April 3, 1998 concerning the Florence Z 40 Site and the existence of free product and groundwater contamination.

The following statement was made by PNM.

" . . . PNM will be placing Amoco and Williams Field Services on notice regarding the discovery of free product and groundwater contamination at this site. PNM will be seeking cost recovery from the responsible party for actions concerning free product and groundwater investigation and remediation activities performed to date at this site. . . ."

Williams currently operates the gathering system and dehydration facility at this site with a collection tank and does not permit discharges. There is no discharge pit. Williams knows that its operation has not caused any release. Williams has no knowledge of any upset causing any release or any other release caused by Amoco since it took ownership. Based on this knowledge, Williams has also rejected PNM's claim of indemnification concerning this site.

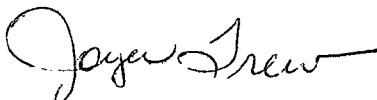
However, Williams does agree with PNM's statement that with regard to the presence and remediation of free product beneath the well pad, PNM (and Williams), by contract with producers, is not responsible for the discharge of free product. Free product belongs to the producers, even when it is discharged under conditions of system upset. Therefore, free product contamination, regardless of where it occurs, is not the responsibility of PNM (or Williams), but that of the producer.

Williams believes that the data indicates that operator releases have occurred because of the presence of free product. However, the data does not demonstrate when those releases may have occurred. In that Williams has no knowledge concerning any releases by it or Amoco since the Closing Date, then the only reasonable conclusion that may be reached is that the releases occurred prior to the Closing Date.

Mr. Bill Olson
March 20, 1998
Page 5

I trust that you will find the above information helpful in responding to the requests made by PNM concerning the above-referenced sites. Should you have any questions or need additional information, please do not hesitate the undersigned or Mr. Bill von Drehle at (713) 215-4064.

Very truly yours,



Joyce Trew
Senior Attorney

BJT/

Enclosure

cc: (w/enclosure)

Collin Adams, Esq. - PNM
Maureen Gannon -PNM
Ron Johnson - PNM
Toni Ristau - PNM
Mark Sikelianos - PNM
Valda Terauds - ESI Albuquerque

Ed Hasely - Burlington Resources
Buddy Shaw - Amoco

Roger Anderson, NMOCD
Denny Foust, NMOCD-Aztec

Keith Manwell, Jicarilla Environmental Office

cc: (w/o encl.)

Ingrid Deklau - Williams
Ed Hobday - Williams
Tom O'Keefe - Williams
Lonny Townsend, Esq.
Bill von Drehle - Williams

98050013.LTR

THE WILLIAMS COMPANIES, INC.

ONE WILLIAMS CENTER - TULSA, OKLAHOMA 74172

(918) 588-2588
FAX: (918) 561-6928

LONNY E. TOWNSEND
SENIOR ATTORNEY

Exhibit "A"

April 23, 1997

Public Service Company of New Mexico
Sunterra Gas Gathering Company
Sunterra Gas Processing Company
Alvarado Square
Albuquerque, NM 87158

Attn: Ron Grossarth

Re: Response to Indemnity Notice under Purchase and
Sale Agreement dated as of February 12, 1994
(the "Purchase Agreement") by and among Public
Service Company of New Mexico, et al. ("Sellers")
and Williams Gas Processing-Blanco, Inc. ("Buyer")

Dear Mr. Grossarth:

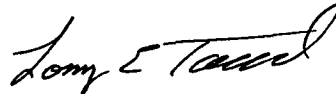
This letter is in response to Clyde Worthen's letter dated March 14, 1997, regarding the Honolulu Loop Line Drip located in Section 25, Township 26, Range 4, Unit B of the Jicarilla Apache Reservation. Mr. Worthen indicates that Sellers have a potential claim against Buyer arising out of discharges that may have occurred at the Honolulu Loop Line Drip.

All of the information we have collected indicates that any contamination of soil or water at the Honolulu Loop Line Drip is historical. At the time Buyer cut the drip out of the line, Schmitz Construction pumped approximately 4 barrels of liquid out of the drip with a vacuum truck. No liquid was spilled into the ditch when the pipe and drip were removed. Sam Houston, contract employee for WFS, Joe Chacon, foreman for Diamond D Construction, and Clayton Post, driver of the vacuum truck for Schmitz Construction, were all on site when the pipe and drip were removed. They have all confirmed that no liquid was spilled into the ditch at that time.

Public Service Company of New Mexico
April 23, 1997
Page 2

Based on the foregoing, Buyer rejects Sellers' claim for indemnification resulting from ground or water contamination at the Honolulu Loop Line Drip.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Lonny E. Townsend".

Lonny E. Townsend
Senior Attorney

LET/ser

cc: David F. Asmus, Esq.
Collin Adams, Esq.
Clyde F. Worthen, Esq.
Craig Rich, Esq.
Tom O'Keefe
Robin Prisk

Exhibit "B"

Memo

To: Ed Hobday
From: Russell Smith
CC: Fred Link, Mike Juckes Tom O'Keefe
Date: 04/29/98
Re: Honolulu Loop Line Replacement

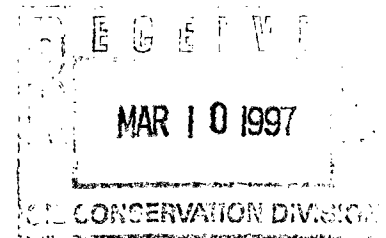
IN 1996, WILLIAMS FIELD SERVICES BEGAN A PIT REMEDIATION PROJECT WITH PUBLIC SERVICE COMPANY OF NEW MEXICO. ONE OF THE DRIPS THAT HAD AN EARTHEN PIT THAT WAS TO BE REMEDIATED WAS ON THE HONOLULU LOOP LINE IN THE TAPACITAS WASH. MIKE JUCKES AND I DISCUSSED THIS PIT AND WE FELT THAT WHEN THE PIT WAS REMEDIATED THAT WE SHOULD REMOVE THE DRIP ITSELF TO ELIMINATE ANY CHANCE OF SOMEONE BLOWING IT AFTER THE PIT WAS REMEDIATED. WE DISCUSSED IT SEVERAL TIMES AND FINALLY DECIDED THAT NOT ONLY WOULD WE CUT OUT THE DRIP BUT THAT WE SHOULD REPLACE THE LINE ALL THE WAY ACROSS THE WASH AS A PREVENTIVE MEASURE. NOTE: THE OLD LINE WAS NOT LEAKING. THE WORK WAS SCHEDULED IN CONJUNCTION WITH PNM.

I ALSO CONTACTED ALLEN HAINES, AN EMPLOYEE OF MARK HARVEY, WHO MET ME AT THE SITE AND I EXPLAINED WHAT WE WERE GOING TO DO.

ON SEPTEMBER 10 1996, DIAMOND D CONSTRUCTION BROUGHT TO THE JOBSITE A TRACKHOE, 650 FT. OF 6' PIPE AND STARTED DIGGING THE WASH. THEY ALSO STARTED STRINGING AND WELDING NEW PIPE. THE OLD LINE HAD BEEN TAKEN OUT OF SERVICE THE DAY BEFORE. ON SEPTEMBER 11, EVERYTHING BUT THE WELDS WAS JEEPED AND TAPED. ON SEPTEMBER 12 THE PIPE WAS X RAYED, TAPED AND JEEPED AGAIN. IT WAS PUT INTO POSITION FOR THE FINAL TIE IN. WHEN WE GOT READY TO CUT THE PIPE FOR THE TIE IN WE HAD SCHMITZ CONSTRUCTION STANDING BY WITH A VACUUM TRUCK. WE THEN CUT INTO THE DRIP AND HAD SCHMITZ PULL ALL THE LIQUID FROM THE DRIP AND THE PIPELINE INTO THEIR VACUUM TRUCK, APPROXIMATELY FOUR BARRELS. THERE WAS NO DISCHARGE OF LIQUID WHEN THE PIPELINE WAS REMOVED FROM THE DITCH.

PERSONNEL INVOLVED IN THE PROJECT WERE MYSELF AND SAM HOUSTON, WHO WAS THE PROJECT COORDINATOR, FROM WILLIAMS. JOE CHACON THE FOREMAN FROM DIAMOND D CONSTRUCTION AND HIS CREW. CLAYTON POST FROM SCHMITZ CONSTRUCTION WHO DROVE THE VACUUM TRUCK AND ROY BURNHAM WHO WAS THE PNM REPRESENTATIVE ON SITE

Public Service Company
of New Mexico
Alvarado Square MS. 0408
Albuquerque, NM 87158



March 6, 1997

RECEIVED

MAR 10 1997

Environmental Bureau
Oil Conservation Division



Mr. William Olson
Hydrogeologist
Oil Conservation Division
2040 So. Pacheco
Santa Fe, New Mexico 87505

RE: PROGRESS REPORT TO JICARILLA EPO

Dear Bill:

Enclosed please find a progress report submitted by PNM to the Jicarilla Apache Environmental Protection Office (EPO) regarding the groundwater contamination investigation at the Honolulu Loop Line Drip site located on the Jicarilla Apache Reservation. The information provided in this letter will be summarized and sent to you with the April 1, 1997 submittal of PNM's Groundwater Sites Progress Report. However, I did want you to have a copy of this document in case you have inquiries from other parties. If you have any questions, please call me at (505) 241-2974. Thanks.

Sincerely,
PNM

A handwritten signature in cursive script that reads "Maureen Gannon".

Maureen Gannon
Contract Project Manager

MDG/LULUOL.LTR

Attachment

March 5, 1997

Mr. Keith Manwell
Environmental Protection Office
Jicarilla Apache Tribe
P.O. Box 507
Dulce, New Mexico 87528-507



**RE: UPDATE OF GROUNDWATER INVESTIGATION AT THE HONOLULU LOOP LINE
DRIP SITE**

Dear Keith:

PNM is pleased to provide an update of the ongoing investigation into groundwater contamination at the Honolulu Loop Line Drip. The Honolulu Loop Line Drip is located in section 25, township 26, range 4, unit letter "B" on the Jicarilla Apache Reservation and is operated by William's Field Services (WFS). Figure 1 is a site map of the location with several key features discussed and referenced throughout this letter.

Figure 2 presents a historical progression of the work conducted to date at the site. A discussion of significant events follows.

- PNM's former pit location was excavated on June 4, 1996. A total of 646 cubic yards of contaminated soil was removed and transported to TNT Landfarms for final disposition. During excavation, PNM encountered groundwater at 5.5 feet below ground surface. At that time, there was no visible sheen or evidence of free-phase floating product on the groundwater table. PNM collected a groundwater sample from the pit. Laboratory analysis revealed a dissolved-phase benzene concentration of 1921 ppb and a total BTEX concentration of 10,450 ppb. On June 12, 1996, after approval from the Jicarilla Apache Environmental Protection Office (EPO), the excavation was backfilled with clean fill and graded.
- Between June 13 and July 25, 1996, five monitoring wells, MW-1 through MW-5, were installed at the site. On July 25, PNM sampled these wells for dissolved-phase benzene, toluene, ethylbenzene and xylenes (BTEX). At that time, there was no evidence of free product in any of the wells. Results of the sampling are provided in table 1 below.

Table 1. 7/25/96 BTEX Concentrations (mg/l) in MW-1 through MW-5

	WQCC Stds.	MW-1	*MW-2	MW-3	MW-4	MW-5
B	0.01	<0.0002	0.01011	<0.0002	0.31	0.0134
/ T	0.75	<0.0002	0.01772	0.0003	0.0044	0.0013
E	0.75	<0.0002	0.12	<0.0002	0.0229	<0.0002
X	0.62	<0.0002	0.00438	<0.0002	0.0224	0.0006

Notes **Bold:** Concentration above WQCC standard.

 *: MW-2 located along the southern edge of PNM's former pit location.

- After consultation with the EPO, PNM conducted additional source excavation at the site on September 17, 1996. The excavation took place along the western edge of the drip site (refer to figure 1). This location is downgradient of the area where WFS excavated and replaced a gas pipeline the week of September 9, 1996. WFS obtained approval from PNM during that week to remove the existing MW-2 in order to perform the pipeline work. On September 17, PNM installed MW-6 in order to have an

Figure 1. HONOLULU LOOP SITE MAP
(Concentrations in ppb)



Legend

- △ Wells containing free product
- △ Wells with no free product

TAPECITO WASH

GAS LINES
WES Pipeline Excavation & Replacement
9/10/96

FORMER PIT LOCATION
REMEDIED 6/96
650 Yds of soil removed

MW-2
11/96

B	39.0
T	13.9
E	20.6
X	231.4

MW-1

	7/96	11/96
B	<0.2	<0.2
T	<0.2	<0.2
E	<0.2	<0.2
X	<0.2	<0.2

PNM's Additional Source Removal
250 Yds of soil removed

Direction of Groundwater Gradient

MW-6

Installed 9/17/96
11/6/96 Free Product Observed
12/5/96 No Product Observed

7/96 11/96

B	<0.2	1.2
T	0.3	<0.2
E	<0.2	<0.2
X	<0.2	<0.2

MW-3

MW-4
11/6/96 Free Product Observed

	7/96
B	313.1
T	4.4
E	22.9
X	22.4

MW-5

	7/96	11/96
B	13.4	<0.2
T	1.3	0.4
E	<0.2	<0.2
X	0.4	<0.2

MW-7

	11/96
B	<0.2
T	<0.2
E	<0.2
X	<0.2

MW-8

	11/96
B	109.2
T	5.8
E	0.6
X	11.1

Figure 2. Honolulu Loop Line Drip: 1996/97 Activities

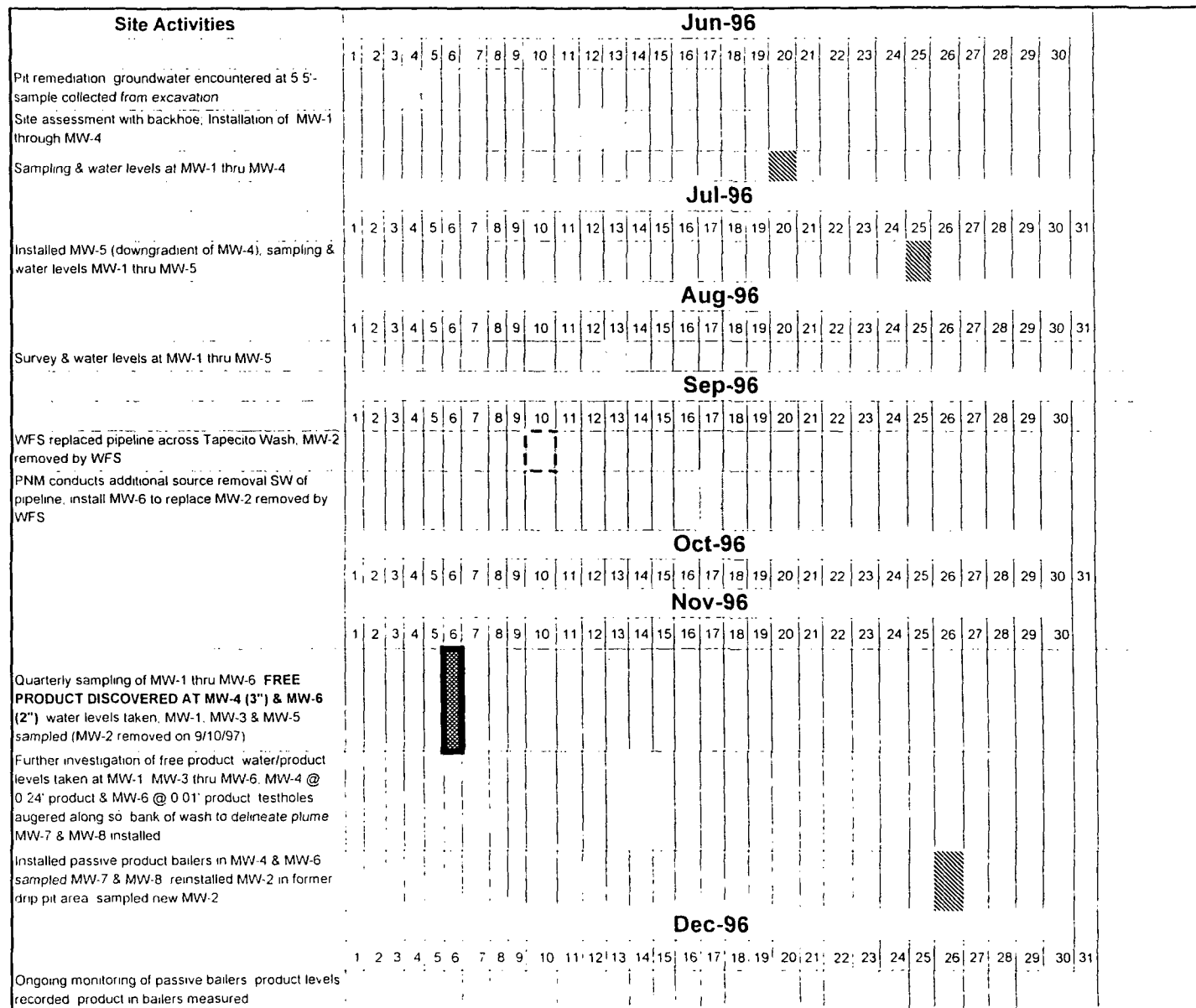


Figure 2. Honolulu Loop Line Drip: 1996/97 Activities

	Jan-97																														
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
Ongoing monitoring of passive bailers product levels recorded product in bailers measured																															
	Feb-97																														
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28			
Ongoing monitoring of passive bailers product levels recorded product in bailers measured																															
	Mar-97																														
Quarterly sampling																															
Investigation to locate source of free product using soil vapor probe																															

additional monitoring point downgradient from the former pit location (since the previous MW-2 had been removed). At the time of installation, PNM saw no evidence of free product in MW-6.

- PNM performed quarterly sampling at the site on November 6, 1996. At that time, free product was discovered in monitoring wells, MW-4 (gauged visually-approximately 3 inches) and MW-6 (gauged visually- approximately 2 inches). Results of the sampling event are provided in table 2. Monitoring wells, MW-4 and MW-6, were not sampled due to the presence of free product.

Table 2. 11/06/96 BTEX Concentrations (mg/l) in MW-1, MW-3 and MW-5

	WQCC Stds.	MW-1	MW-3	MW-5
B	0.01	<0.0002	0.0012	0.0002
T	0.75	< 0.0002	< 0.0002	0.0004
E	0.75	<0.0002	< 0.0002	<0.0002
X	0.62	<0.0002	<0.0002	< 0.0002

- Further investigation of the free product was conducted on November 14, 1996. PNM dug soil testholes along the south bank of the wash to determine the extent of the free product. Monitoring wells, MW-7 and MW-8, were installed on this date. A map identifying the test holes and PID results is included as figure 3. On November 26, 1996, PNM installed passive product recovery bailers in MW-4 and MW-6. In addition, PNM "reinstalled" MW-2 in the area of the former drip pit. No evidence of free phase product was detected in the well. PNM then sampled MW-2, MW-7 and MW-8. The results of this sampling event are provided below in table 3.

Table 3. 11/26/96 BTEX Concentrations (mg/l) in MW-2, MW-7 and MW-8

	WQCC Stds.	MW-2	MW-7	MW-8
B	0.01	0.039	<0.0002	0.1092
T	0.75	0.139	<0.0002	0.0038
E	0.75	0.026	<0.0002	0.0006
X	0.62	0.3049	<0.0002	0.111

Notes **Bold:** Concentration above WQCC standard.
 *: New MW-2 installed in center of former pit.

- During the months of November and December 1996 and January 1997, PNM field personnel gauged the free product and water levels in the monitoring wells. In addition, they removed the passive bailers and measured the amount of free product collected in the bailers. Table 4 provides a summary of these measurements to date.

Based upon the results presented in table 4, PNM believes free product disappeared in MW-6 sometime in the month of December. As of the end of January, MW-4 continues to contain free product. The product level in MW-4 has changed over the three-month period, ranging in thickness of 1.92 inches (1/21/97) to as high as 4.68 inches (11/26/96). The product level appears to be decreasing in MW-4 based upon the last two gauging events. The disappearance of product in MW-6 and the decreasing trend in MW-4 may indicate that the source of the free product is not ongoing but is a one-time release.

PNM established groundwater gradient at the site based upon a survey of the elevation of each of the groundwater monitoring wells and ongoing water level measurements. Figure 4 shows the most current

Figure 3. Soil Testhole Results at Honolulu Loop Drip Line
(Concentrations in ppb)

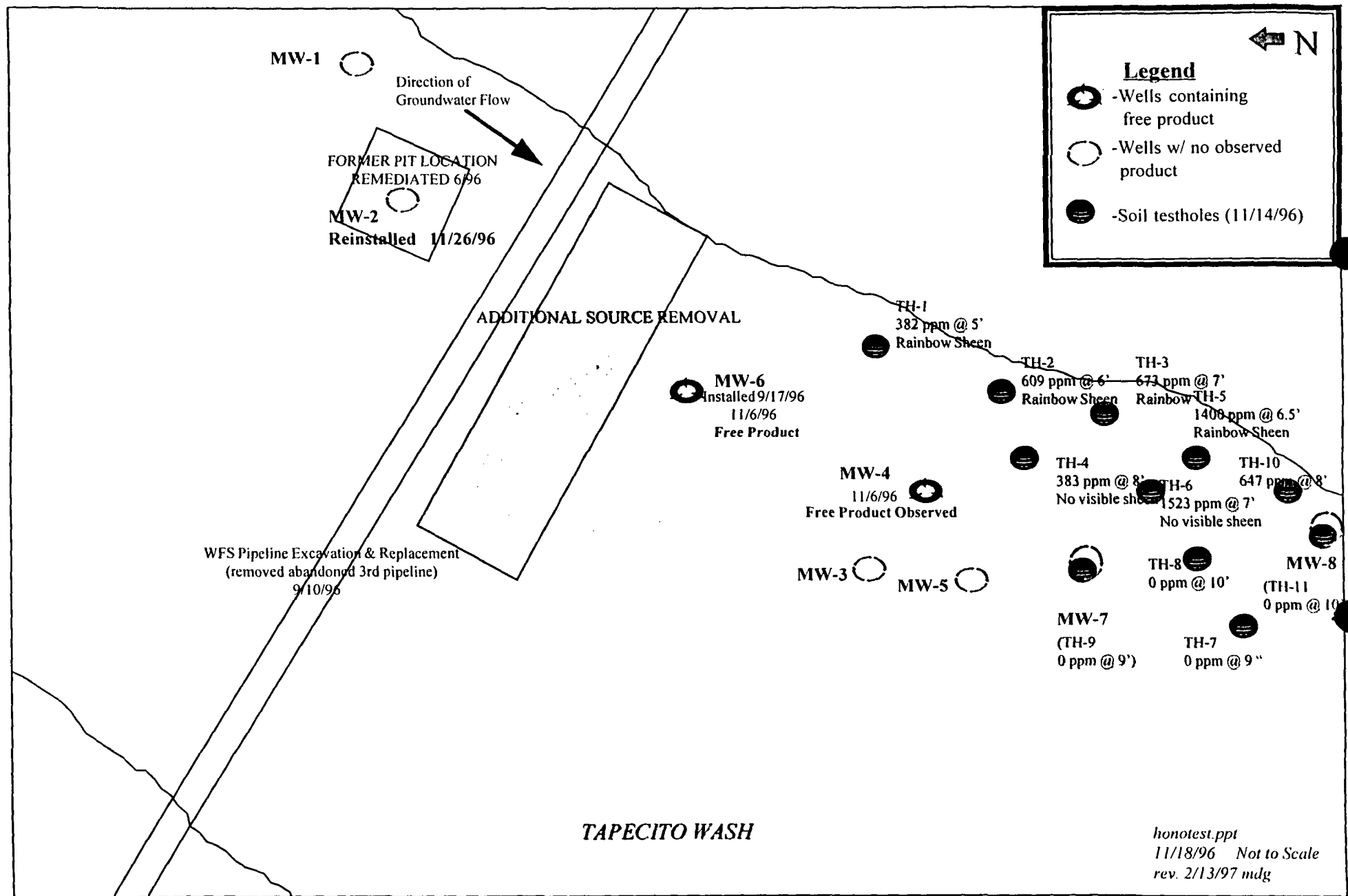


Table 4. Water/Product Level Measurements at the Honolulu Loop Line Drip

	6/20/96	7/25/96	8/13/96	11/6/96	11/14/96	11/26/96	12/23/96	1/21/96
Well	Depth to Water.ft	Depth to Water.ft	Depth to Water.ft	Depth to Water/ Product.ft (inches of product)	Depth to Water/ Product.ft (inches of product)	Depth to Water/ Product.ft (inches of product)	Depth to Water/ Product.ft (inches of product)	Depth to Water/ Product.ft (inches of product)
MW-1	9.77	10.01	10.16	10.24/NA	10.07/NA	10.04/NA	9.96/NA	9.83/NA
MW-2	10.45	10.71	10.85	NA/NA	NA/NA	NA/NA	12.25/NA	12.07/NA
MW-3	11.11	11.49	11.62	11.64/NA	11.45/NA	11.41/NA	11.31/NA	11.19/NA
MW-4	10.56	10.93	11.08	NA/10.88(3)*	11.04/10.80(2.88)	11.11/10.72(4.68)	10.89/10.68(2.52)	10.73/10.57(1.92)
MW-5	-	10.96	10.96	10.95/NA	10.72/NA	10.66/NA	10.56/NA	10.43/NA
MW-6	-	-	-	NA/10.62(2.5)*	10.45/10.44(0.12)	10.41/10.40(0.12)	10.34/NA	10.18/NA
MW-7	-	-	-	-	-	9.79/NA	9.72/NA	9.60/NA
MW-8	-	-	-	-	-	8.9/NA	8.85/NA	8.71/NA

NOTES

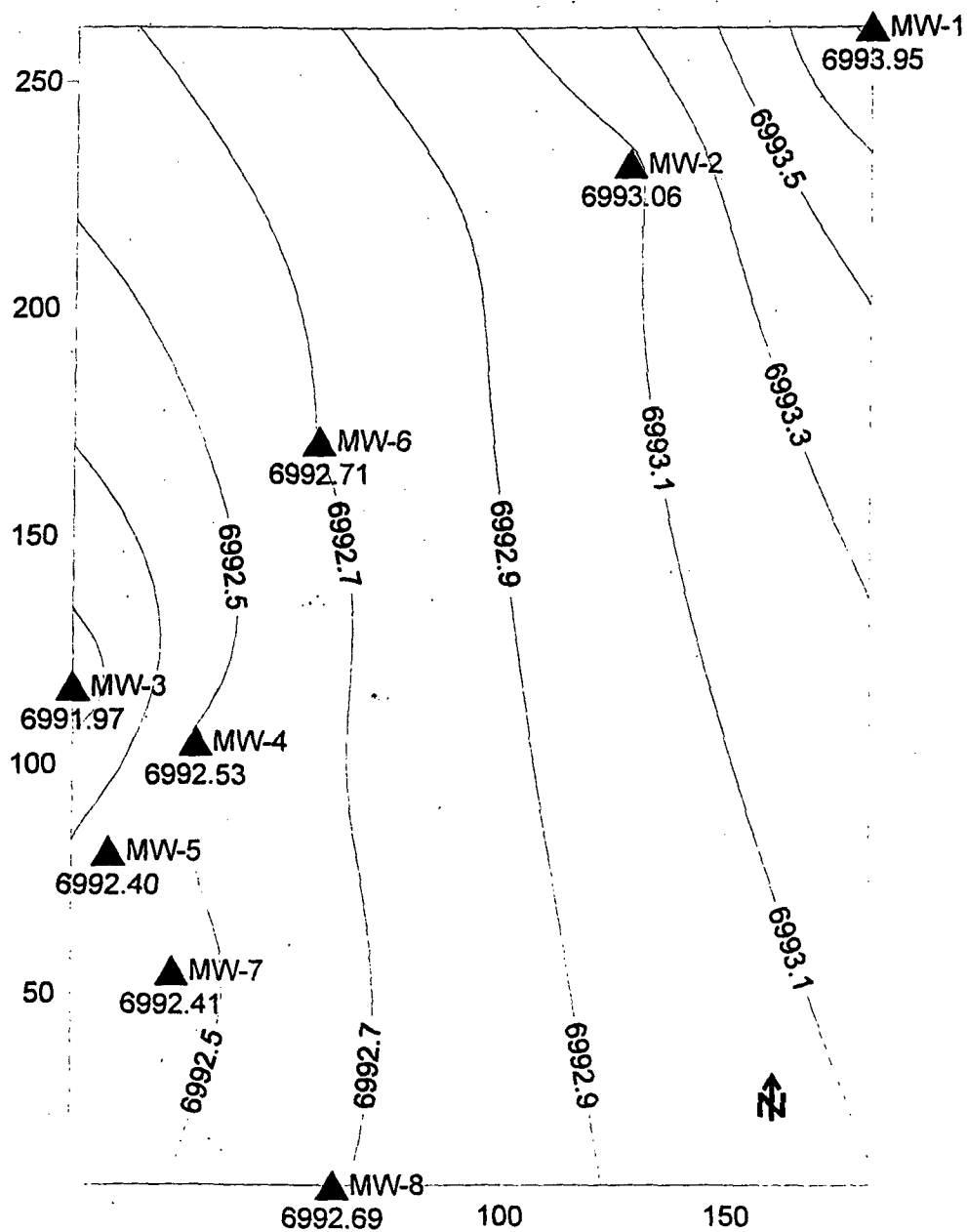
* : Water levels not taken because of presence of free product and lack of a product/water level probe. Inches of product gauged visually.

- : Well not yet installed.

NA : Not applicable- no measureable product.

Bold : Indicates product detected in monitoring well.

Figure 4. Honolulu Loop-line Drip Groundwater Contour Map (January 1997)



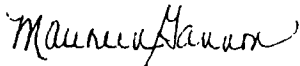
groundwater contour map for the site. Current groundwater gradient (taken from 1/21/97 data) indicates groundwater flows from northeast to southwest beneath the site.

PNM recently obtained a sample of the product in MW-4 and contracted with a laboratory to conduct a fuel analysis of the sample. Based upon the laboratory results (provided as attachment 1), the product has the appearances of slightly weathered drip liquid from a gas or drip pipeline. This is consistent with the product appearing in MW-4 and MW-6 which is downgradient of the area where WFS recently excavated and replaced their gas pipeline.

In March of 1997, PNM will conduct quarterly groundwater sampling at the site. We will also take water level measurements and gauge the free product level in MW-6 (and any other wells which may contain product at that time). As demonstrated by the data presented in tables 1 and 2, we are seeing a downward trend in BTEX concentrations in groundwater monitoring wells contaminated with **only** dissolved-phase BTEX, and therefore, expect to continue to see decreasing concentrations in MW-2, MW-3, MW-5, MW-6 (if the free product is truly gone), and MW-8. In MW-4, it is difficult to judge decreasing contaminant levels other than by gauging the product thickness in the well.

To address the source of the free product discovered in MW-4 and MW-6, PNM plans to conduct a soil vapor survey. For the survey, we will use a soil vapor probe, portable gas chromatograph and photoionization detector (PID) in an attempt to trace soil contamination back to a possible source where free product may have been released. When we have a definite work schedule, we will contact you. In the meantime, if you have any questions, please call me at (505)241-2974.

Sincerely,



Maureen Gannon
Project Manager

mdg/man02ltr.doc

Attachment

cc: Colin Adams, PNM
Denver Bearden, PNMGS
Ron Dedrick, PNMGS
Robin Prisk, WFS
Toni Ristau, PNM

**Attachment 1. Honolulu Loop Line Drip
Fuel Analysis of Free Product Sample from MW-4**



HOUSTON LABORATORY
8888 INTERCHANGE DRIVE
HOUSTON, TEXAS 77064
PHONE (713) 660-0901

Certificate of Analysis No. H9-9612C51-01

On Site Technologies
612 East Murray
Farmington, NM 87401
ATTN: David Cox

P.O.#
5422
DATE: 01/08/97

PROJECT: Run 12-51, Fingerprint
SITE: Honolulu Loop Line Drip
SAMPLED BY: On Site Technologies RD
SAMPLE ID: 9612190900 MW-4

PROJECT NO: PMN1002
MATRIX: PRODUCT
DATE SAMPLED: 12/19/96 09:00:00
DATE RECEIVED: 12/24/96

ANALYTICAL DATA				
PARAMETER	RESULTS	DETECTION LIMIT	UNITS	
Detection of leaded gasoline additive GC METHOD Analyzed by: JL Date: 12/26/96	N.D.		ppm/wt	
Biodegradation, Ageing, matching fuels GC METHOD Analyzed by: JL Date: 12/27/96	ENCLOSURE			
Oxygenates ASTM D4815 Analyzed by: JH Date: 12/26/96	NO MTBE			

ND - Not detected.
NOMTBE - Defined in COMMENTS below.

ENCLOSURE - Defined in COMMENTS below

Notes:

COMMENTS: 13188-5422

Handwritten: HLD
Dup of MW4

QUALITY ASSURANCE: These analyses are performed in accordance with ASTM, UOP, or GPA guidelines for quality assurance.

Handwritten signature: Fred DeAngelo

Fred DeAngelo, Laboratory Manager



HOUSTON LABORATORY
9880 INTERCHANGE DRIVE
HOUSTON, TEXAS 77054
PHONE (713) 660-0901

Certificate of Analysis No. 9612C51-01A

Company: On Site Technologies, Inc.
ID: 9612190900 MW-4 Honolulu Loop Line Drip Run 12-51
13188 5422
Date: 12/19/96 @ 09:00
ATTN: Mr. David Cox

COLOR: Light Straw
SP. GR. 0.7272
@ 60 F

ODOR: Gasoline
API 63.07
@ 60 F

CARBON RANGE C₄ - C₁₄

PARAFFIN 22.785 Wt. %
ISOPARAFFINS 31.498 Wt. %
NAPHTHENICS 38.176 Wt. %
AROMATICS 5.601 Wt. %
OLEFINS 1.914 Wt. %
UNKNOWN 0.026 Wt. %
2,2,4-TRI ND
METHYL.PENTANE

MAJOR RANGE C₆ - C₈

N-HEXANE 7.828 Wt. %
BENZENE 0.334 Wt. %
ETHYL BENZENE 0.164 Wt. %
TOLUENE 2.484 Wt. %
META XYLENE 1.306 Wt. %
PARA XYLENE 0.598 Wt. %
ORTHO XYLENE 0.325 Wt. %
XYLENES 2.229 Wt. %

RESEARCH OCTANE 62.16
LEAD N/A
MTBE ND
C₁₇ NIL Wt. %
PRISTANE ND Wt. %
NAPHTHALENE ND Wt. %
1-METHYL ND Wt. %
NAPHTHALENE

EDB ND
EDC ND
ETHANOL ND
C₁₈ NIL Wt. %
PHYTANE ND Wt. %
2-METHYL ND Wt. %
NAPHTHALENE

— GASOLINE RANGE: C₄-C₁₃ INDICATORS: 2,2,4-TMP; MTBE; OLEFINS, LEAD
— DIESEL RANGE: C₇-C₂₀ INDICATORS: NO OLEFINS, PRISTANE, PHYTANE
— CONDENSATE RANGE: C₂-C₂₅+INDICATORS: NO OLEFINS, LIGHT & HEAVIES
— HEAVY OIL: C₂₀+

COMMENTS: Sample appears to be mostly Natural Gasoline with a trace of Butanes. Your samples 9612190900 and 9612190915 are very similar.

David H. Bunge



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 1510

Date 11/6/96

Originating Party

Merilee Gannon - PNM

Other Parties

Bill Olson - Envir. Bureau

Subject

Honolulu Line Drip

Discussion

Just discovered free phase product in site monitor wells
No product present in spot samplings
Williams recently replaced a drip line that crossed the site
May be from leak in Williams line
PNM ~~and~~ contacted Williams, Williams will investigate

Conclusions or Agreements

PNM will keep OCD informed

Distribution

f.le

Danny Foust - OCD After

Signed

Bill Olson

June 24, 1996

RECEIVED

JUN 25 1996

Environmental Bureau
Oil Conservation Division



Mr. William Olson
Hydrogeologist
Oil Conservation Division
2040 So. Pacheco
Santa Fe, New Mexico 87505

RE: NOTIFICATION OF GROUNDWATER CONTAMINATION AT THE HONOLULU LINE DRIP

Dear Bill:

Pursuant to New Mexico Water Quality Control Commission (WQCC) Regulations, section 1-203, PNM hereby provides written notification of groundwater contamination at the Honolulu Line Drip located on the Jicarilla Apache Reservation in section 25, township 26N, range 4W, unit letter B. This letter follows verbal notification provided to you on Tuesday, June 18, 1996 (M. Gannon, PNM to B. Olson, OCD, 6/18/96). On June 4, 1996, field personnel collected samples from groundwater in an excavation underneath the former pit location. At the time of excavation, groundwater was encountered at approximately 7 feet below ground surface. Groundwater samples were delivered to OnSite Technologies, Ltd., in Farmington, New Mexico, for laboratory analysis. Analytical results are provided below:

Component	Units	WQCC Stds.	Excavation Underneath Pit
Benzene	ppb	10	1,921.4
Toluene	ppb	750	5,671.0
Ethylbenzene	ppb	750	173.3
Xylenes	ppb	620	2,678.70

Boldtype indicates a WQCC exceedance.

A hardcopy of the analytical results are attached.

PNM will conduct further actions at the Honolulu Line Drip pursuant to PNMGS Groundwater Management Program: Unlined Surface Impoundment Closures approved by OCD in May of 1996. If you have any questions regarding the contents of this letter, please call me at (505) 241-2974.

Sincerely,
PNM

A handwritten signature in cursive script, appearing to read "Maureen D. Gannon".

Maureen D. Gannon
Project Manager

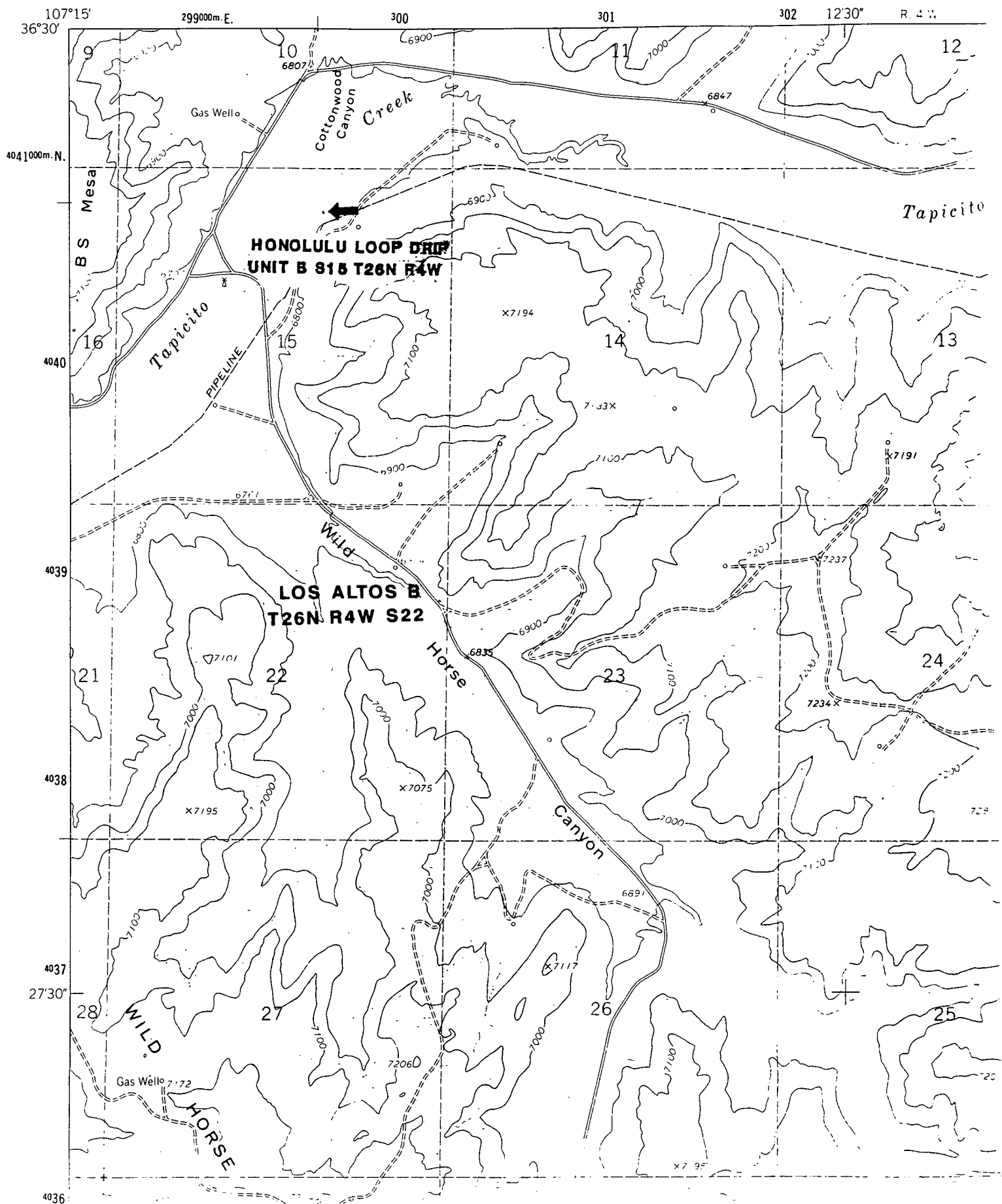
MDG/LULU01.LTR

Attachment

cc: Colin Adams, PNM
Denver Bearden, PNMGS
Denny Foust, OCD-Aztec Office
Leigh Gooding, WFS
Keith Manwell, Jicarilla Apache EPO
Toni Ristau, PNM

4557 III SE
VIGAS CANYON

4557 III SE
VIGAS CANYON



325
1245
240
11116
2-1000

OFF: (505) 325-8786

ON SITE
TECHNOLOGIES, LTD.

LAB: (505) 325-5667

AROMATIC VOLATILE ORGANICS

Attn: **Maureen Gannon**
Company: **PNM Gas Services**
Address: **Alevarado Square, Mail Stop 0408**
City, State: **Albuquerque, NM 87158**

Date: **8-Jun-96**
COC No.: **4676**
Sample No. **11116**
Job No. **2-1000**

Project Name: **PNM Gas Services - Honolulu Loop Line Drip**
Project Location: **9606041245**
Sampled by: **RD** Date: **4-Jun-96** Time: **12:45**
Analyzed by: **DC** Date: **7-Jun-96**
Sample Matrix: **Water**

Laboratory Analysis

Parameter	Result	Unit of Measure	Detection Limit	Unit of Measure
Benzene	1921.4	ug/L	0.2	ug/L
Toluene	5671.0	ug/L	0.2	ug/L
Ethylbenzene	173.3	ug/L	0.2	ug/L
m,p-Xylene	2137.3	ug/L	0.2	ug/L
o-Xylene	541.4	ug/L	0.2	ug/L
	TOTAL	10444.4		ug/L

Method - SW-846 EPA Method 8020 Aromatic Volatile Organics by Gas Chromatography

Approved by: *Ja-L*
Date: *6/8/96*

P. O. BOX 2606 • FARMINGTON, NM 87499

— TECHNOLOGY BLENDING INDUSTRY WITH THE ENVIRONMENT —



OFF: (505) 325-8786

LAB: (505) 325-5667

AROMATIC VOLATILE ORGANICS

Attn: **Maureen Gannon**
Company: **PNM Gas Services**
Address: **Alevarado Square, Mail Stop 0408**
City, State: **Albuquerque, NM 87158**

Date: **8-Jun-96**
COC No.: **4676**
Sample No. **11117**
Job No. **2-1000**

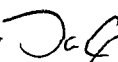
Project Name: **PNM Gas Services - Honolulu Loop Line Drip**
Project Location: **9606041248**
Sampled by: **RD**
Analyzed by: **DC**
Sample Matrix: **Water**

Date: **4-Jun-96** Time: **12:48**
Date: **7-Jun-96**

Laboratory Analysis

Parameter	Result	Unit of Measure	Detection Limit	Unit of Measure
Benzene	1793.0	ug/L	0.2	ug/L
Toluene	5426.5	ug/L	0.2	ug/L
Ethylbenzene	200.4	ug/L	0.2	ug/L
m,p-Xylene	2074.3	ug/L	0.2	ug/L
o-Xylene	520.4	ug/L	0.2	ug/L
TOTAL		10014.6	ug/L	

Method - SW-846 EPA Method 8020 Aromatic Volatile Organics by Gas Chromatography

Approved by: 
Date: **6/8/96**

P. O. BOX 2606 • FARMINGTON, NM 87499

— TECHNOLOGY BLENDING INDUSTRY WITH THE ENVIRONMENT —



OFF: (505) 325-8786

LAB: (505) 325-5667

Date Analyzed: 7-Jun-96

Internal QC No.: 0444-STD
 Surrogate QC No.: 0445-STD
 Reference Standard QC No.: 0355-STD

Method Blank

Analyte	Result	Unit of Measure
Average Amount of All Analytes In Blank	<0.2	ppb

Calibration Check

Analyte	Unit of Measure	True Value	Analyzed Value	% Diff	Limit
Benzene	ppb	20.0	19.9	1	15%
Toluene	ppb	20.0	20.3	1	15%
Ethylbenzene	ppb	20.0	20.3	2	15%
m,p-Xylene	ppb	40.0	40.1	0	15%
o-Xylene	ppb	20.0	19.9	0	15%

Matrix Spike

Analyte	1- Percent Recovered	2 - Percent Recovered	Limit	%RSD	Limit
Benzene	103	96	(39-150)	5	20%
Toluene	104	98	(46-148)	4	20%
Ethylbenzene	104	97	(32-160)	5	20%
m,p-Xylene	102	95	(35-145)	5	20%
o-Xylene	99	93	(35-145)	5	20%

Surrogate Recoveries

Laboratory Identification	S1 Percent Recovered	S2 Percent Recovered
Limit Percent Recovered	(70-130)	
11115-4675	100	

S1: Fluorobenzene

P. O. BOX 2606 • FARMINGTON, NM 87499

— TECHNOLOGY BLENDING INDUSTRY WITH THE ENVIRONMENT —

CHAIN OF CUSTODY RECORD

4676

ON SITE

Date: 6-4-96

Page 1 of 1

TECHNOLOGIES, LTD.

657 W. Maple • P. O. Box 2606 • Farmington NM 87499
LAB: (505) 325-5667 • FAX: (505) 325-6256

ATTN: Ron & Roy

Purchase Order No.:		Job No.:		Name: Maureen Gannon		Title:		
SEND INVOICE TO	Name: Denver Bearden		Company: PNM Gas Services		Mailing Address: Alverado Square, Mail Stop 0408			
	Company: PNM Gas Services		Dept. 324-3763		City, State, Zip: Albuquerque, NM 87158			
	Address: 603 W. Elm Street				Telephone No. 505-848-2974			
	City, State, Zip: Farmington, NM 87401				Telefax No.:			
Sampling Location: Honolulu Loop Line Drip				REPORT RESULTS TO	ANALYSIS REQUESTED			
Sampler: R. Dedrick								
SAMPLE IDENTIFICATION		SAMPLE			MATRIX		PRES.	
		DATE	TIME				LAB ID	
9606041245		6/4/96	1245		H₂O	HgCl₂	1	X
9606041248		6/4/96	1248		H₂O	HgCl₂	1	X
Relinquished by: Ronald A Dedrick		Date/Time: 6/6/96 0606		Received by: Ry Burnham		Date/Time: 6.6.96.0606		
Relinquished by:		Date/Time:		Received by: Ja		Date/Time: 6/6/96 1621		
Relinquished by:		Date/Time:		Received by:		Date/Time:		
Method of Shipment:				Rush	24-48 Hours	10 Working Days	Special Instructions:	
Authorized by: Ry Burnham Date: 6.6.96 (Client Signature Must Accompany Request)				Results to be sent to both parties.				



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

<input checked="" type="checkbox"/> Telephone <input type="checkbox"/> Personal	Time 1630 hrs.	Date 6/18/96
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Originating Party

Other Parties

Maureen Gannon - PNM

Bill Olson - Envir. Bureau

Subject

Honolulu Loop Line Drip Pit Ground Water Contamination

Discussion

Reporting discovery of ground water contamination at Honolulu Loop Line drip pit. Discovered during pit remediation. DTW = 6 feet

GW analysis - benzene = 1,900 ppb
Total BTEX = 10,444 ppb

Location - Unit B sec 25 T26N R4W

Conclusions or Agreements

Will follow up with written notification

Distribution

File
Denny Foust - OCD Asst

Signed

Bill Olson