

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

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Range Operating New Mexico, Inc. 777 Main Street, Suite 800 Fort Worth, TX 76102

January 30, 2006

REMEDIATION WORK PLAN CONDITIONS OF APPROVAL - SOUTH CULEBRA BLUFF UNIT No. 3

Dear Operator:

A review of the remediation work plan submitted on January 27, 2006, by White Buffalo Environmental Services, Inc., for the South Culebra Bluff Unit #3 (30-015-22700) has been completed by this office. Conditions for approval are as follows:

- Highly Contaminated/Saturated Soils must be remediated by excavating to the maximum depth and horizontal extent practicable until a representative sample from the walls and bottom of the excavation is below the contaminant specific remediation level. Upon reaching this limit samples should be taken from the walls and bottom of the excavation to determine the remaining levels of soil contaminants. All soils removed from the location must be documented as to contaminants in the soils, contaminant levels, method of determining contaminant levels and disposition of the soils (OCD approved landfarm, centralized site, etc.).
 - Highly contaminated/saturated soils are defined as those soils which contain a free liquid phase or exhibit gross staining.
- Unsaturated Contaminated Soils may be excavated or may be remediated by treatment of soil in place, until a representative sample is below the contaminant specific remediation level. One time applications of contaminated soils may be landfarmed on location by spreading the soil in an approximately six inch lifts within a bermed area. Only soils which do not contain free liquids can be landfarmed. The soils should be disced regularly to enhance biodegradation of the contaminants. If necessary and upon approval by OCD, moisture and nutrients may be added to the soil to enhance aerobic biodegradation. Due to the site ranking score for this location, this is considered to be a high risk area and an impermeable liner is required to prevent leaching of contaminants into the underlying soil. Landfarming sites that will receive soils from more than one location are considered centralized sites and must be approved separately by the OCD prior to operation. All soils removed from the location must be documented as to contaminants in the soils, contaminant levels, method of determining contaminant levels and disposition of the soils (OCD approved landfarm, centralized site, etc.).
 - Unsaturated contaminated soils are defined as soils which are not highly contaminated/saturated but contain benzene, toluene, ethylbenzene and xylenes (BTEX) and total petroleum hydrocarbons (TPH) or other potential fresh water contaminants unique to the leak, spill or release (e.g. chlorides).
- Contaminated soils requiring remediation should be remediated so that residual contaminant concentrations are below the recommended soil remediation action level. Chloride levels should be remediated to naturally occurring background levels. If soil action levels cannot practicably be attained, a detailed evaluation of risk may be performed and provided in writing to OCD for approval showing that the remaining contaminants will not pose a threat to present or foreseeable beneficial use of fresh water, public health and the environment.

- Once the "most cost effective means of disposal or onsite bioremediation" has been determined, as outlined in the remediation work plan, a supplement to the remediation work plan describing the method of disposal or bioremediation must be submitted to the OCD District 2 Office for approval.
- If ground water is encountered during the soil/waste characterization, excavation or remediation of the impacted soils, a sample should be obtained to assess the potential impact on ground water quality and the OCD District 2 Office should be notified immediately.
- Notify OCD District 2 Office 24 hours prior to conducting work by Range Operating New Mexico, Inc., contractors or sub-contractors that is intended to excavate, wash, move or disturb (such as in tilling, blading, etc.) soils or contaminated materials for the purpose of remediation, or hauling any soils or contaminated materials into or out of the location covered under this remediation work plan. This notification is to ensure NMOCD personnel are able to monitor compliance with approved remediation work plans as required by the New Mexico Administrative Code. Therefore, if a reasonable schedule of work cannot be provided then a separate notification that work is to resume is required if work ceases at the location for more than 5 days.
- Notify OCD District 2 Office 24 hours prior to obtaining samples where analysis of samples will be submitted
 to OCD. ALL final delineation sample results must be submitted to the OCD whether or not the OCD actually
 witnesses those samples being taken.
- Upon termination of any required remedial actions, the area of a leak, spill or release may be closed, after
 obtaining approval for the closure from the OCD District 2 office, by backfilling any excavated areas,
 contouring to provide drainage, revegetating the area or other OCD approved methods. Upon completion of
 remedial activities a final report summarizing all actions taken to mitigate environmental damage related to the
 leak, spill or release will be provided to OCD for approval.

Acceptance of the remediation work plan does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of reports and work plans does not relieve the operator of responsibility for compliance with any other federal, state or local laws and/or regulations.

NMOCD District 2 Contact Person: Chris Beadle, Office: (505) 748-1283 x107 / Cell: (505) 626-0831 / Fax: (505) 748-9720 / E-mail: Chris.Beadle@state.nm.us

Thank you for your prompt attention to this matter and your efforts in helping to protect our environment and the infrastructure of the oil and gas industry.

Sincerely

Artesia OCD District Office

cc: Greg Swindle, WBSEI (unsigned copy via e-mail)