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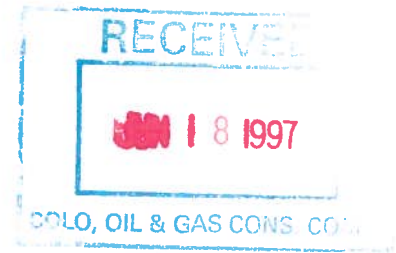


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**CHEMICAL APPLICATIONS & ENGINEERING, INC.** #63800

P.O. Box 1335, Lyons, CO 80540

June 13, 1997



Ms. Robin Reade  
Colorado Oil & Gas Conservation Commission  
1120 Lincoln Street - Suite 801  
Denver, CO 80203

Re: Land Farm Unit  
NARCO (previously Vessels) Wattenburg Hydrocarbon Plant

Dear Robin,

As you may be aware, Vessels Oil & Gas operated a +/- 2 acre land farm unit at the Wattenburg Hydrocarbon plant to bio - remediate stained soil wastes generated at the plant as the result of occasional accidental spills and leakage of plant equipment. When the North American Resources Company acquired the plant, the decision was made to continue the use of the land farm unit to accommodate stained soils generated solely at the plant.

Rather than co - mingle stained soils homogeneously over the entire surface of the land farm unit which was Vessel's method of remediation, NARCO desires to initiate the use of smaller bio - remediation pads or cells in this same area in order to recycle the remediated soils on a more frequent basis.


It was NARCO's desire to determine if the soils present at the site had been properly remediated and if so, to recycle those soils to beneficial use. To accomplish this purpose, I collected representative samples of the soils undergoing remediation as part of the Vessels operation; co - mingled those soil samples into one composite sample; and submitted the composite sample to Hydrologic Laboratories of Brighton, Colorado for analysis for Total Petroleum Hydrocarbons (TPH) concentration. The test results indicate that the subject soils exhibit a TPH concentration of 151 ppm which is well below the regulatory level.

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I would therefore advise you that it is our intention to collect and stockpile these remediated soils at the site for beneficial use in other NARCO construction related projects. I am enclosing a copy of the test results for your inspection. It is unclear whether the continued use of the site for a "bio - remediation facility" requires permitting as discussed in COGCC Rule 908 (e)(1). If a permit is required, please advise at your earliest convenience and I will prepare the necessary documents.

Thank you for your cooperation in this matter.

Yours Truly,

  
L. C. "Cliff" Roberts, ASCE  
Project Engineer

Attachments:            Hydrologic Laboratories Analysis

PC:                        Mr. Jeff Reale, NARCO  
                              Mr. Ted Nees, NARCO  
                              Mr. Wayne Bramblett, NARCO