

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

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30-015-33555

15-Nov-05

PURVIS OPERATING CO

3101 N. Pecos St. POB 51990 79710-1990 Midland TX 79705

LETTER OF VIOLATION - Inspection

Dear Operator:

The following inspection(s) indicate that the well, equipment, location or operational status of the well(s) failed to meet standards of the New Mexico Oil Conservation Division as described in the detail section below. To comply with standards imposed by Rules and Regulations of the Division, corrective action must be taken immediately and the situation brought into compliance. The detail section indicates preliminary findings and/or probable nature of the violation. This determination is based on an inspection of your well or facility by an inspector employed by the Oil Conservation Division on the date(s) indicated.

Please notify the proper district office of the Division, in writing, of the date corrective actions are scheduled to be made so that arrangements can be made to reinspect the well and/or facility.

INSPECTION DETAIL SECTION

ESPERANZA 22 STATE COM No.002

N-22-21S-27E

30-015-33555-00-00

Inspection Date

11/14/2005

Type Inspection Routine/Periodic Inspector

Violation?

*Significant Non-Compliance?

Corrective Action Due By:

Inspection No.

Chris Beadle

Yes

No

12/14/2005

iCLB0531853515

Violations

Surface Leaks/Spills

Failure to submit proper documentation (Rul

Comments on Inspection:

Water tank has overflowed impacting soils around un-bermed tank. Contamination has run off to the south east. Drilling pit remains open, oil is on the surface of fluids in the inner horse shoe, wood pallet and other debris are in the muds on east side of outer horseshoe. Liner breached in nothreast side of outer horseshoe, pit walls impacted by pit contents.

Remediation is required. All soil remediation activities that occur on location must comply with the soil remediation guidelines in OCD publication "Guidelines For Remediation of Leaks, Spills, and Releases". This document may be found on the NMOCD web site: www.emnrd.state.nm.us/ocd, under Publications> Environmental Handbook> Miscellaneous Guidelines> Remediation of Leaks, Spills and Releases.

Notify NMOCD District 2 Office 48 hours prior to any remediation work or prior to taking samples where results of the samples may be submitted to the OCD. Site remediation must begin prior to December 14, 2005.

The NMOCD District II office does not have on file an approved Form C-144 for the registration or closure of this pit as required by NMAC 19.15.2.50. Please have in this office on or before December 14, 2005, a C-144 detailing your closure plan. This plan must include at a minimum:

- 1. That all excavations are to be delineated for any constituents of concern. This delineation must determine the vertical and horizontal extent of any impacted areas.
- 2. The NMOCD District II office is to be notified 24 hours prior to commencement of pit closure activities, delineation work, remediation actions and obtaining samples where analysis of such samples are to be submitted to the NMOCD. Failure to notify may result in a requirement to resample.
- 3. Delineation operations are to commence no later than December 30, 2005.
- 4. Manner in which the pit will be closed.
- 5. Fully completed C-144.

A remediation work plan may be required depending on the results of delineation sampling. All oils liquids in this pit must be removed immediately. Notify NMOCD District 2 Office when oil has been removed.

In the event that a satisfactory response is not received to this letter of direction by the "Corrective Action Due By:" date shown above, further enforcement will occur. Such enforcement may include this office applying to the Division for an order summoning you to a hearing before a Divison Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon this well. Such a hearing may result in imposition of CIVIL PENALTIES for your violation of OCD rules.

Sincerely

Note: Information in Detail Section comes directly from field inspector data entries - not all blanks will contain data. *Significant Non-Compliance events are reported directly to the EPA, Region VI, Dallas, Texas.

ECO Notification

Date:

Monday, November 14, 2005

To:

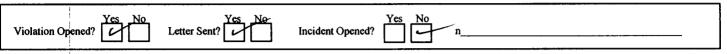
Environmental Compliance Officer, NMOCD District II

From:

Chris Beadle

Subject:

Esperanza 22 State Com 2 - 30-015-33555 - Purvis Operating



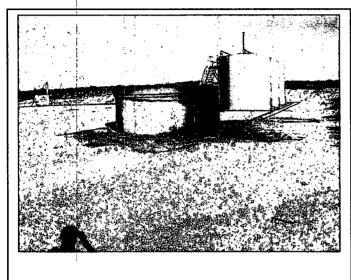


Photo of water tank, overflow and impacted soils.

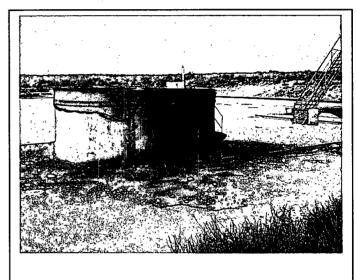


Photo of water tank, overflow and impacted soils.

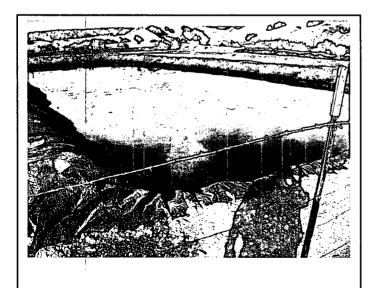


Photo of inner horseshoe of open drilling pit, oil on surface.

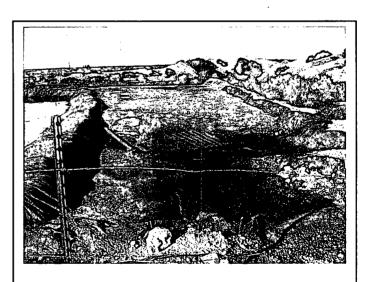


Photo of outer horseshoe, liner breached upper left, trash in contents.

Purvis Operating Co.

3101 North Pecos Street - Midland, 79705

E-mail: eng@purvisop.com Mailing: P. O. Box 51990 Midland, Texas 79710-1990

Phone: (432) 682-7346 Fax: (432) 683-9584

December 2, 2005

RECEIVED

OCD-ARTESIA

Mr. Chris Beadle Oil Conservation Division District II 1301 W. Grand Avenue Artesia, NM 88210

Re: Esperanza 22 State Com #2, Eddy County, New Mexico

Dear Mr. Beadle:

Attached please find the completed Form C-103 for Esperanza 22 State Com #2 well, Eddy County, New Mexico.

Very truly yours,

Donnie E. Brown

Dannie & Mouro

Petroleum Engineer

DEB\bao

Attachment

Submit 3 Copies To Appropriate District Office	State of New Mexico		•	Form C-103
District I	Energy, Minerals and Natural Resources		Revised March 25, 1999 WELL API NO.	
1625 N. French Dr., Hobbs, NM 88240 District II			30-015-33555	
1301 W. Grand Ave., Artesia, NM 88210	OIL CONSERVATION DIVISION		5. Indicate Type of Lease	
<u>District III</u> 1000 Rio Brazos Rd., Aztec, NM 87410	1220 South St. Francis Dr.		STATE X FEE	
District IV	Santa Fe, NM 87505		6. State Oil & Gas Lease No.	
1220 S. St. Francis Dr., Santa Fe, NM 87505			032697	
SUNDRY NOTICES AND REPORTS ON WELLS			7. Lease Name or I	Unit Agreement Name:
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH			Esperanza 22 State Com	
PROPOSALS.)		Esperanza	22 State Com	
1. Type of Well: Oil Well X Gas Well	Other	SECEIVED		
2. Name of Operator		DEC 5 2005	8. Well No. 2	
PURVIS OPERATING C	O		o. Wen no. 2	
3. Address of Operator	COUNTIEOR		9. Pool name or Wildcat	
P O BOX 51990, MIDLAND, TX 79710-1990			LONETREE DRAW (WOLFCAMP)	
4. Well Location				
Unit Letter L: 1980 feet from the South line and 660 feet from the West line				
Olite Detter For it of it the fine and for it of it the fine and for it of it the fine and for it of i				
Section 22		Range 27-E	NMPM EDDY	County
10. Elevation (Show whether DR, RKB, RT, GR, etc.) 3267kB				
11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data				
NOTICE OF INTENTION TO: SUB			SEQUENT REP	ORT OF:
PERFORM REMEDIAL WORK PLUG AND ABANDON REMEDIAL WORK			RK 🔲 /	ALTERING CASING 🗌
TEMPORARILY ABANDON	CHANGE PLANS	COMMENCE DRILLING OPNS. PLUG AND ABANDONMENT		
PULL OR ALTER CASING	MULTIPLE	CASING TEST AND		
_	COMPLETION	CEMENT JOB		
OTHER: TEST			PRODUCTION CAS	ING 🗌
12. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of				
starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompilation.				
recompitation.				
During workover operations, oil cut water was swabbed into the water tank. Spray of approximately 3 or 4 gallons discolored the pea gravel 4'-5' from the southeast side of the water tank.				
Remediation Plan is to replace the affected pea gravel with fresh pea gravel. The affected pea gravel will be taken to a land farm.				
I hereby certify that the information above is true and complete to the best of my knowledge and belief.				
SIGNATURE John	O Boren TITLE_	Petroleum Engine	eer DATE I	December 1, 2005
5.0.0.110.00	mcs_	1 cuoleum Engme	EL DATE I	December 1, 2005
Type or print name Donnie E. F.	rown		Telephone No	. 432-682-7346
(This space for State use)				
APPPROVED BY	TITLE		,	DATE
Conditions of approval, if any:			DATE	



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

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Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

Mr. Donnie E. Brown Purvis Operating Co. PO Box 51990 Midland, TX 79710 December 8, 2005

REMEDIATION WORK PLAN REQUEST - ESPERANZA 22 STATE COM NO 2

The New Mexico Oil Conservation Division District 2 Office is in receipt of your Form C-103 dated December 1, 2005 which provides information on the release at the Esperanza 22 State Com No 2 (30-015-33555). The Remediation Plan paragraph on this form is not sufficient for the NMOCD District 2 Office to assess this release and approve remediation work.

OCD Rule 19.15.3.116.D [NMAC] requires that the responsible person for a release must complete division approved corrective action and that releases will be addressed in accordance with a remediation work plan submitted to and approved by the division. This rule does not preclude the responsible person from taking appropriate actions to mitigate the impact of or contain a release prior to OCD approval but does require that site remediation activities be approved by the OCD.

To provide you with approval for corrective actions the OCD District 2 Office must first receive a remediation work plan that addresses the following:

- Site characterization, ranking, layout, and remediation action levels and to what levels remediation work will target at each phase (i.e. excavation, land farming, tilling);
- Release characterization including source, cause, prevention of future release, volumetric estimation of impacted area(s) and contaminant specific concerns;
- On site method of remediation including specific procedures for moisture/nutrients/additives to enhance biodegradation of the contaminants, specific to Highly Contaminated/Saturated Soils and Unsaturated Contaminated Soils;
- Off site remediation including sampling procedures for removed material, disposition of materials and documentation required;
- Notification to NMOCD of work/sampling and sampling procedures to be used for site characterization and final closure;
- General schedule of work to be performed including periodicity of repeated work such as tilling/moisture, etc; and,
- Site closure procedures (closure of excavations, reseeding, grading, etc).

Please provide a remediation work plan for this release to the OCD District 2 Office prior to December 28, 2005.

Please note that an extremely detailed report is not required for this release and all items listed above may not be specifically applicable to a small release. However, sufficient information to evaluate the impact of the release on the environment and to public safety is required. The OCD District 2 Office uses the "Guidelines For Remediation of Leaks, Spills, and Releases" to evaluate the adequacy of all remediation work plans submitted for approval. This guide may be found on our web site at: http://www.emnrd.state.nm.us/emnrd/ocd/EH-MiscGuidelines.htm.

Please feel free to contact me if I can be of further assistance in this matter.

Chris Beadle

Artesia OCD District Office

Purvis Operating Co.

3101 North Pecos Street - Midland, 79705

E-mail: land@purvisop.com Mailing: P. O. Box 51990 Midland, Texas 79710-1990 Phone: (432) 682-7346

Fax: (432) 683-9584

December 13, 2005

RECEIVED

Mr. Chris Beadle
Oil Conservation Division
District II
1301 W. Grand Avenue
Artesia, NM 88210

DEC 1 5 2005

Re: Esperanza 22 State Com #2, API No. 30-015-33555, Eddy County, NM

Dear Mr. Beadle:

During workover operations, oil cut water was swabbed into the water tank. Spray of approximately 3 or 4 gallons (I believe you estimated 2-3 barrels) discolored the pea gravel from the southeast side of the water tank.

Site characteristics obtained during site assessment indicate unsaturated contaminated pea gravel with ranking criteria as follows:

Depth to Ground Water Ranking Score = 10
Wellhead Protection Area Ranking Score = 0
Distance to Surface Water Body Ranking Score = 0
Total = 10

The affected area consists of 2 to 3 inches of pea gravel over 6 inches of compact caliche. Remediation Plans are to replace the pea gavel with fresh pea gravel. Take soil samples of the underlying caliche and test for BTAX and TPH. The affected pea gravel will be taken to a land farm.

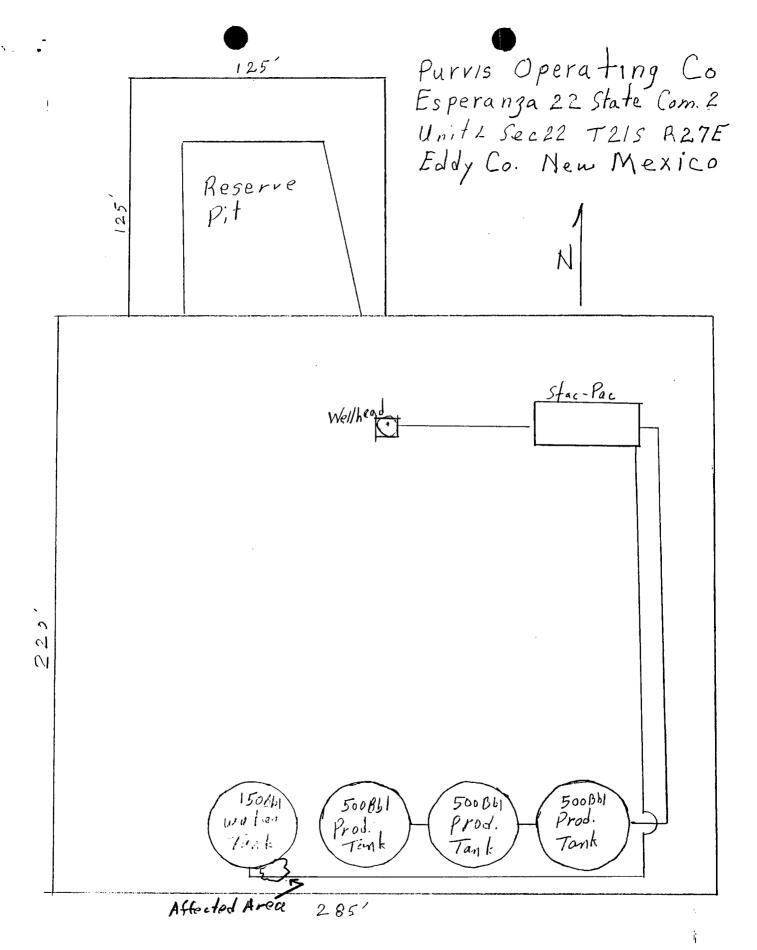
Remediation work will start immediately.

Very truly yours,

Donnie E. Brown, PE

DEB\bao

Attachments





NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

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Governor
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Mark E. Fesmire, P.E.
Director
Oil Conservation Division

Mr. Donnie E. Brown, PE Purvis Operating Company PO Box 51990 Midland, TX 79710-1990 December 23, 2005

REMEDIATION WORK PLAN APPROVAL - ESPERANZA 22 STATE COM NO 2

The New Mexico Oil Conservation Division District 2 Office is in receipt of your letter dated December 13, 2005 which provides an outline for work to remediate the release at the Esperanza 22 State Com No 2 (30-015-33555).

Your proposed method of remediation (hauling contaminated materials and replacing with clean material) is approved for this remediation under the following conditions:

- Contaminated soils requiring remediation should be remediated so that residual contaminant concentrations are
 below the recommended soil remediation action level. 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.
- If alternate methods of remediation are to be used, prior approval from the OCD District 2 Office is required prior to beginning any work using these alternate methods. A specific proposal outlining the alternate methods must be submitted in writing.
- 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 incidents 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 Purvis Operating, 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.
- 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.