

Bratcher, Mike, EMNRD

From: brewer212@aol.com
Sent: Friday, August 29, 2008 4:04 PM
To: Bratcher, Mike, EMNRD
Subject: sandlott energy c-141 on daugherity # 1
Attachments: Final_NMOCD_Form_C-141.pdf

Mike,

Attached is the plan from Enviromental Plus INC on the daugherity # 1 This lease I retained, Is not envoled in the Canterra 60/40 sell

Awaiting cost est. from David @ Enviromental Plus Will know more on Tuesday as David is out of the office
If you have any question call me at 575-631-4592

[Get the MapQuest Toolbar.](#) Directions, Traffic, Gas Prices & More!

This inbound email has been scanned by the MessageLabs Email Security System.

District I
1625 N. French Dr. Hobbs, NM 88240
District II
1301 W Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S St Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-141
Revised October 10, 2003

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action

OPERATOR Initial Report Final Report

Name of Company: Sandlot Energy <u>154329</u>	Contact: Jackie Brewer
Address: P.O. Box 711, Lovington, NM 88260	Telephone No.: (575) 631-4592 (cellular)
Facility Name: Daugherty State #001	Facility Type: Active Production Wellhead

Surface Owner: NMSLO	Mineral Owner:	API No.: 30-015-02587
-----------------------------	-----------------------	------------------------------

30-015-02589

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
D	04	18S	28E	315	North	945	West	Eddy

Latitude: N 32° 46' 58.43" **Longitude:** W 104° 11' 10.30"

NATURE OF RELEASE

Type of Release: Historical	Volume of Release: Unknown	Volume Recovered: Unknown
Source of Release: Accumulated historical releases from an active production wellhead	Date and Hour of Occurrence: N/A	Date and Hour of Discovery: N/A
Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required	If YES, To Whom? N/A	
By Whom? N/A	Date and Hour: N/A	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse: Not Applicable	

If a Watercourse was Impacted, Describe Fully.* Not Applicable

Depth to Groundwater: >100 feet below ground surface (bgs)

Describe Cause of Problem and Remedial Action Taken.* Accumulated historical releases from an active production wellhead

Describe Area Affected and Cleanup Action Taken.* The impacted area around the wellhead will be delineated via soil boring(s). Upon receipt of Laboratory Analytical results, a Remediation Proposal will be drafted and presented to the NMOCD for approval.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" 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 a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

OIL CONSERVATION DIVISION

Signature:

Printed Name: Jackie Brewer

Approved by District Supervisor: *T. Gandy*
60

Remediation Actions to be completed and Final C-141 submitted with confirmation analyses/documentation on or before the Expiration Date.

Title: Owner

Approval Date: 10-10-08

Expiration Date: 12-10-08

E-mail Address: Brewer212@AOL.com

Conditions of Approval: STIPULATIONS

Attached

Date: 8-27-08

Phone: (575) 631-4592 (cell)

Within 30 days, on or before 11-10-08, completion of a remediation work plan based on delineation should be finalized and submitted for approval to the Division summarizing all actions taken and/or to be taken to mitigate environmental damage.

2RP - 248

* Attach Additional Sheets If Necessary

Notify OCD 48 hours prior to obtaining samples where analyses are to be presented to OCD

Information and Metrics		Incident Date: Historical	NMOCD Notified: Historical
Site: Daugherty State #001		Assigned Site Reference : API # 30-015-02587	
Company: Sandlot Energy			
Street Address:			
Mailing Address: P.O. Box 711			
City, State, Zip: Lovington, New Mexico 88260			
Representative: Jackie Brewer			
Representative Telephone:			
Telephone: (575) 631-4592 (cellular)			
Fluid volume released (bbls): Unknown		Recovered (bbls): Unknown	
>25 bbls: Notify NMOCD verbally within 24 hrs and submit form C-141 within 15 days. (Also applies to unauthorized releases >500 mcf Natural Gas)			
5-25 bbls: Submit form C-141 within 15 days (Also applies to unauthorized releases of 50-500 mcf Natural Gas)			
Leak, Spill, or Pit (LSP) Name: Daugherty State #001			
Source of contamination: Active production wellhead			
Land Owner, i.e., BLM, ST, Fee, Other: NMSLO			
LSP Dimensions:			
LSP Area: ~ 200 square feet			
Location of Reference Point (RP):			
Location distance and direction from RP:			
Latitude: N 32° 46' 58.43"			
Longitude: W 104° 11' 10.30"			
Elevation above mean sea level: 3,662 feet			
Feet from North Section Line: 315			
Feet from West Section Line: 945			
Location- Unit or ¼: NW¼ of the NW¼		Unit Letter: D	
Location- Section: 04			
Location- Township: 18 South			
Location- Range: 28 East			
Surface water body within 1000' radius of site: None			
Domestic water wells within 1000' radius of site: None			
Agricultural water wells within 1000' radius of site: None			
Public water supply wells within 1000' radius of site: None			
Depth from land surface to groundwater (DG): >100feet			
Depth of contamination (DC): Unknown			
Depth to groundwater (DG - DC = DtGW): Unknown			
1. Groundwater	2. Wellhead Protection Area		3. Distance to Surface Water Body
If Depth to GW <50 feet: <i>20 points</i>	If <1000' from water source, or; <200' from private domestic water source: <i>20 points</i>		<200 horizontal feet: <i>20 points</i>
If Depth to GW 50 to 99 feet: <i>10 points</i>			200-1000 horizontal feet: <i>10 points</i>
If Depth to GW >100 feet: <i>0 points</i>	If >1000' from water source, or; >200' from private domestic water source: <i>0 points</i>		>1000 horizontal feet: <i>0 points</i>
Site Rank (1+2+3) = 0+0+0 = 0			
Total Site Ranking Score and Acceptable Concentrations			
Parameter	>19	10-19	0-9
Benzene ¹	10 ppm	10 ppm	10 ppm
BTEX ¹	50 ppm	50 ppm	50 ppm
TPH	100 ppm	1,000 ppm	5,000 ppm
¹ 100 ppm field VOC headspace measurement may be substituted for lab analysis			



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



CERTIFIED MAIL RETURN RECEIPT REQUESTED
7007 2560 0002 2222 8179

October 10, 2008

Sandlott Energy
ATTN: Jackie Brewer
PO Box 711
Lovington, NM 88260

RE: Daugherty State 001 30-015-02589
D-4-18S-28E Eddy County, New Mexico

Dear Operator:

This office is in receipt of your C-141 regarding the historic releases for the above stated facility.

NMOCD Rule 19.15.3.116 states in part, "...The responsible person must complete **division approved corrective action** for releases which endanger public health or the environment. Releases will be addressed in accordance with a **remediation plan** submitted to and approved by the division or with an abatement plan submitted in accordance with Section 19 of 19.15.1 NMAC."

A guide document intended to provide direction for remediation of soils and fresh waters contaminated as a result of leaks, spills, or releases of oilfield wastes and products is found on OCD's web site at the following link:

http://www.emnrd.state.nm.us/ocd/documents/7C_spill1.pdf

Within 30 days, **on or before November 10, 2008**, completion of remediation work plan should be finalized and submitted to the Division summarizing all actions taken or to be taken to mitigate environmental damage related to each leak, spill or release for approval.

The remediation work plan(s) must include:

- General site characteristics
- Site ranking score
- Soil remediation action levels
- Horizontal and vertical delineation of the spill by soil sampling. Delineation is required until contamination reaches background levels or a site specific acceptable



October 10, 2008

Page 2

level. Any constituent(s) of concern—to include but not limited to TPH, BTEX, and chlorides—are to be addressed in the delineation and remediation plan.

- A sketch of the site indicating where and at what depths the samples were taken.
- Laboratory results of sampling
- The work plan proposal for remediation, removal and/or clean up of contaminants that may be present at the site(s).

Notify the OCD 48 hours prior to obtaining samples where analyses of samples obtained are to be submitted to the OCD. Notification is to include date and time of sample event.

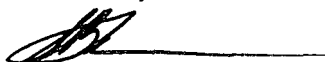
Remediation requirements may be subject to other federal, state, and local laws or regulations.

In the event that a satisfactory response is not received to this letter, further enforcement may occur. Such enforcement may include this office applying to the Division for an order summoning you to a hearing before a Division Examiner in Santa Fe. Such a hearing may result in imposition of civil penalties for your violation of OCD rules.

Please be advised that NMOCD acceptance and/or approval of documents or work plans 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 and/or approval of documents or work plans do not relieve the operator of responsibility for compliance with any other federal, state, local laws and/or regulations.

If I may be of further assistance with this matter or should you have any questions, please feel free to contact me.

Sincerely,



Sherry Bonham
NMOCD District II, Artesia
(505) 748-1283 ext 109
E-mail: sherry.bonham@state.nm.us