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50 Road 4990
P.O. Box 159
Bloomfield, New Mexico 87413

505
632-8013

September 16, 1996

Mr. Frank Chavez
District Supervisor
New Mexico Oil Conservation Division
1000 Rio Brazos Road
Aztec, New Mexico 87410

RECEIVED
SEP 20 1996
OIL CON. DIV.
DIST. 3

Re: Braden Head Study; Enlargement of berm around Water Storage Tank

Dear Mr. Chavez:

Pursuant to the July 3, 1996 letter from your office, Giant Refining Company - Bloomfield Refinery is submitting this update of the investigation into the pressure buildup of gas on the Braden Head at Giant's injection well, WD-#1.

The investigation was initially postponed pending the availability of Mr. Paul Thompson, of Walsh Engineering and Production, who has been retained to analyze the problem. Mr. Thompson installed a gas meter on the Braden Head on August 27, 1996 to measure the flow of gas from the Braden Head. The plan is to leave the meter in place for one month to determine the volume of the release and to propose corrective action, if any, following that test.

During the time that the meter has been in place, slightly over 100 cubic feet of gas has flowed from the Braden Head. Initial reaction is that the amount of gas flowing is inconsequential. A complete report will be submitted on or before October 15, 1996.

Giant has been investigating potential paths for increasing the containment area around the wastewater storage tank located near the injection well pump building. The berm will be rebuilt to insure containment of one and one-third of the tank capacity during the month of October.

If you require additional information please contact me at (505) 632 8013.

Sincerely:

A handwritten signature in cursive script, reading "Lynn Shelton".

Lynn Shelton
Environmental Manager
Giant Refining Company - Bloomfield

TLS/tls

cc: John Stokes, Refinery Manager
Kim Bullerdick, Corporate Counsel