

1R - 498

APPROVALS

YEAR(S):

2010

Hansen, Edward J., EMNRD

From: Hansen, Edward J., EMNRD
Sent: Wednesday, June 23, 2010 4:07 PM
To: 'Bob Lang'
Cc: Leking, Geoffrey R, EMNRD; David Carlson; Gene Daniel; Billy Nievar; Altomare, Mikal, EMNRD
Subject: RE: Chaparral Resources Gladiola SWD Pipeline Release Sites - Further Investigation Plan Implementation Extension Approval

**RE: 'Further Investigation Plan Implementation Extension Request'
for the Chaparral Resources
Gladiola SWD Pipeline Release Sites
Lea County, New Mexico
Further Investigation Plan Implementation Extension Approval**

Dear Mr. Lang:

The New Mexico Oil Conservation Division (OCD) has reviewed your request for extension of the implementation of further site investigation for the above-referenced sites (including, but not limited to, 1R-1739 & 1R-498). The OCD hereby approves the request for extension of the implementation until Friday, July 23, 2010 with an investigation report due to the OCD by **Monday, August 23, 2010**. However, it is the Environmental Bureau's understanding that the change of operator is still pending (in accordance with 19.15.9.9 NMAC) and an agreed compliance order must be finalized prior to the change of operator being approved by OCD. Therefore, please promptly provide the additional information requested by me on June 17, 2010 so that the OCD and Chaparral can move forward with this process.

Please be advised that OCD approval of this extension does not relieve the owner/operator of responsibility should operations pose a threat to ground water, surface water, human health or the environment. In addition, OCD approval does not relieve the owner/operator of responsibility for compliance with any OCD, federal, state, or local laws and/or regulations.

If you have any questions regarding this matter, please contact me at 505-476-3489.

Edward J. Hansen
Hydrologist
Environmental Bureau

From: Bob Lang [mailto:bobl@chaparralenergy.com]
Sent: Wednesday, June 23, 2010 10:39 AM
To: Hansen, Edward J., EMNRD; Altomare, Mikal, EMNRD
Cc: Leking, Geoffrey R, EMNRD; David Carlson; Gene Daniel; Billy Nievar
Subject: Gladiola SWD Pipeline Release Site (1R-1739 & 1R-498) - Further Investigation Plan Implementation Extension Approval

Mr. Hansen,

Per our telephone conversation this morning, Chaparral Resources requests a thirty day extension on the need to start implementing investigation operations on the "Gladiola Saltwater Disposal System" saltwater release sites. We are still in the process of gaining ownership/operatorship of the Houston A-1 SWDW. We are still trying to decide what site is or is not related to the operations of the recent activity of the saltwater disposal system. It appears at least one site has been labeled as being a release site when in fact it is an old borrow pit left over by the NMDOT when the state highway was constructed. As soon as Chaparral gains the needed legal authority to operate the Houston A-1 SWDW we intend to have Whole Earth Environmental on the various sites to determine the lateral and vertical extent of any release and will have a preliminary report ready within thirty days thereafter. They will prepare a report for all parties to review.

If you have any questions, please feel free to contact me at 405-850-2732 (Cell) or 405-426-4330 (Office).

Sincerely,

Robert C. Lang IV

From: Hansen, Edward J., EMNRD [mailto:edwardj.hansen@state.nm.us]

Sent: Wednesday, May 19, 2010 17:30

To: DONNIE BROWN

Cc: Bob Lang; Betty Oxford; Leking, Geoffrey R, EMNRD

Subject: RE: Gladiola SWD Pipeline Release Site (1R-1739) - Further Investigation Plan Implementation Extension Approval

**RE: 'Further Investigation Plan Implementation Extension Request'
for the Purvis Operating Company's (Purvis)
Gladiola SWD Pipeline Release Site (1R-1739)
Unit Letter A, Section 25, T12S, R37E, NMPM, Lea County, New Mexico
Further Investigation Plan Implementation Extension Approval**

Dear Mr. Brown:

The New Mexico Oil Conservation Division (OCD) has reviewed your request for extension of the implementation of further site investigation for the above-referenced site (1R-1739). The OCD hereby approves the request for extension of the implementation until Monday, June 21, 2010 with an investigation report due to the OCD by **Wednesday, August 18, 2010**. However, it is the Environmental Bureau's understanding that the change of operator is still pending (in accordance with 19.15.9.9 NMAC) because the new operator is not in compliance with Subsection A of 19.15.5.9 NMAC regarding financial assurance nor in compliance with 19.15.25.8 NMAC regarding the proper abandonment of inactive wells. Please note that the investigation implementation date has been extended, but not the investigation report submittal date.

Please be advised that OCD approval of this extension does not relieve the owner/operator of responsibility should operations pose a threat to ground water, surface water, human health or the environment. In addition, OCD approval does not relieve the owner/operator of responsibility for compliance with any OCD, federal, state, or local laws and/or regulations.

If you have any questions regarding this matter, please contact me at 505-476-3489.

Edward J. Hansen
Hydrologist
Environmental Bureau

Hansen, Edward J., EMNRD

From: Hansen, Edward J., EMNRD
Sent: Wednesday, May 19, 2010 4:30 PM
To: Donnie E Brown
Cc: 'Betty Oxford'; bobl@chaparralenergy.com; Leking, Geoffrey R, EMNRD
Subject: RE: Gladiola NE Pipeline Release Site (1R-498) - Further Investigation Plan Implementation Extension Approval

**RE: 'Further Investigation Plan Implementation Extension Request'
for the Purvis Operating Company's (Purvis)
Gladiola NE Pipeline Release Site (1R-498)
Unit Letter O, Section 18, T12S, R38E, NMPM, Lea County, New Mexico
Further Investigation Plan Implementation Extension Approval**

Dear Mr. Brown:

The New Mexico Oil Conservation Division (OCD) has reviewed your request for extension of the implementation of further site investigation for the above-referenced site (1R-498). The OCD hereby approves the request for extension of the implementation until Monday, June 21, 2010 with an investigation report due to the OCD by **Wednesday, August 18, 2010**. However, it is the Environmental Bureau's understanding that the change of operator is still pending (in accordance with 19.15.9.9 NMAC) because the new operator is not in compliance with Subsection A of 19.15.5.9 NMAC regarding financial assurance nor in compliance with 19.15.25.8 NMAC regarding the proper abandonment of inactive wells. Please note that the investigation implementation date has been extended, but not the investigation report submittal date.

Please be advised that OCD approval of this extension does not relieve the owner/operator of responsibility should operations pose a threat to ground water, surface water, human health or the environment. In addition, OCD approval does not relieve the owner/operator of responsibility for compliance with any OCD, federal, state, or local laws and/or regulations.

If you have any questions regarding this matter, please contact me at 505-476-3489.

Edward J. Hansen
Hydrologist
Environmental Bureau

From: Betty Oxford [mailto:betty@purvisop.com]
Sent: Wednesday, May 19, 2010 9:20 AM
To: Hansen, Edward J., EMNRD
Cc: Donnie E Brown; bobl@chaparralenergy.com; Leking, Geoffrey R, EMNRD
Subject: Gladiola System - (1R-498) Further Investigation Plan Implementation Extension Approval

Dear Mr. Hansen:

Purvis Operating Co. requests another 30-day extension to submit further investigation implementation plans for the Gladiola SWD Pipeline release sites.

Purvis and Chaparral have submitted a change of operator form to the NMOCD; however, NMOCD has not acted on the change of operator pending a delineation plan on the release site from Chaparral.

Chaparral has had Whole Earth Environmental, Inc. working on such a plan. I have read their recommendation and agree with it. It is almost the same if not the same as you have already approved from Purvis Operating Co.

Chaparral tells me they should be ready to submit the plan for your approval in the next 7 to 10 days.

We thank you in advance for your patience and consideration.

Donnie E. Brown
Petroleum Engineer
Purvis Operating Co.
432-682-7346

From: Hansen, Edward J., EMNRD [mailto:edwardj.hansen@state.nm.us]
Sent: Monday, March 15, 2010 4:14 PM
To: Betty Oxford; eng@purvisop.com
Cc: Leking, Geoffrey R, EMNRD; Johnson, Larry, EMNRD; Patrick B. McMahon
Subject: RE: Gladiola System - (1R-498) Further Investigation Plan Implementation Extension Approval

**RE: 'Further Investigation Plan Implementation Extension Request'
for the Purvis Operating Company's (Purvis)
Gladiola NE Pipeline Release Site (1R-498)
Unit Letter O, Section 18, T12S, R38E, NMPM, Lea County, New Mexico
Further Investigation Plan Implementation Extension Approval**

Dear Mr. Brown:

The New Mexico Oil Conservation Division (OCD) has reviewed your request for extension of the implementation of further site investigation for the above-referenced site (1R-498). The OCD hereby approves the request for extension of the implementation until Thursday, May 20, 2010 with an investigation report due to the OCD by Wednesday, August 18, 2010.

Please be advised that OCD approval of this extension does not relieve the owner/operator of responsibility should operations pose a threat to ground water, surface water, human health or the environment. In addition, OCD approval does not relieve the owner/operator of responsibility for compliance with any OCD, federal, state, or local laws and/or regulations.

If you have any questions regarding this matter, please contact me at 505-476-3489.

Edward J. Hansen
Hydrologist
Environmental Bureau

P.S.: Please forward this email to the appropriate representative of Chaparral (with cc to me).

From: Betty Oxford [mailto:betty@purvisop.com]
Sent: Monday, March 15, 2010 12:54 PM
To: Hansen, Edward J., EMNRD

Cc: Leking, Geoffrey R, EMNRD

Subject: Gladiola System

Dear Mr. Hansen:

This email concerns the following sites:

Gladiola No. 2 Release Site, T 12S R38E Section 30 Unit Letter D,
NMOCD Case # Not Assigned (Property owner: Tommy Burrus)

Gladiola SWD Release Site, T 12S R37E Section 25 Unit Letter A,
NMOCD Case # 1R- 1739 (Property owner: Tommy Burrus)

Gladiola NE Release Site, T 12S R38E Section 18 Unit Letter O,
NMOCD Case # 1R-498 (Property owner: Dean Kinsolving)

Gladiola SWD Section 26 Release Site T-12-S R-37-E Section 26 , Unit Letter J,
NMOCD #1RP 09-16-2366 (Property owner: Dean Kinsolving)

Gladiola SWD Section 26 Release Site T-12-S R-37-E Section 26
Unit Letter J, NMOCD # 1RP-09-9-2284 This is the same site as 2366 discussed above

Purvis Operating has resigned from the Gladiola Water Disposal System and Chaparral has taken over responsibility. Currently, Purvis and Chaparral are preparing a change of operator form for submission to NMOCD. Purvis, as the operator currently assigned to these sites, respectfully requests an extension of 30 days to submit the results of the ground water sampling results as specified in letters from Mr. Hansen. This extension should provide the time required to submit the change of operator form and schedule well drilling.

We thank you in advance for your consideration .

Donnie E. Brown
Petroleum Engineer
Purvis Operating Co.
432-682-7346

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Hansen, Edward J., EMNRD

From: Hansen, Edward J., EMNRD
Sent: Monday, March 15, 2010 3:14 PM
To: 'Betty Oxford'; eng@purvisop.com
Cc: Leking, Geoffrey R, EMNRD; Johnson, Larry, EMNRD; 'Patrick B. McMahon'
Subject: RE: Gladiola System - (1R-498) Further Investigation Plan Implementation Extension Approval

**RE: 'Further Investigation Plan Implementation Extension Request'
for the Purvis Operating Company's (Purvis)
Gladiola NE Pipeline Release Site (1R-498)
Unit Letter O, Section 18, T12S, R38E, NMPM, Lea County, New Mexico
Further Investigation Plan Implementation Extension Approval**

Dear Mr. Brown:

The New Mexico Oil Conservation Division (OCD) has reviewed your request for extension of the implementation of further site investigation for the above-referenced site (1R-498). The OCD hereby approves the request for extension of the implementation until Thursday, May 20, 2010 with an investigation report due to the OCD by Wednesday, August 18, 2010.

Please be advised that OCD approval of this extension does not relieve the owner/operator of responsibility should operations pose a threat to ground water, surface water, human health or the environment. In addition, OCD approval does not relieve the owner/operator of responsibility for compliance with any OCD, federal, state, or local laws and/or regulations.

If you have any questions regarding this matter, please contact me at 505-476-3489.

Edward J. Hansen
Hydrologist
Environmental Bureau

P.S.: Please forward this email to the appropriate representative of Chaparral (with cc to me).

From: Betty Oxford [mailto:betty@purvisop.com]
Sent: Monday, March 15, 2010 12:54 PM
To: Hansen, Edward J., EMNRD
Cc: Leking, Geoffrey R, EMNRD
Subject: Gladiola System

Dear Mr. Hansen:

This email concerns the following sites:

Gladiola No. 2 Release Site, T 12S R38E Section 30 Unit Letter D,
NMOCD Case # Not Assigned (Property owner: Tommy Burrus)

Gladiola SWD Release Site, T 12S R37E Section 25 Unit Letter A,
NMOCD Case # 1R- 1739 (Property owner: Tommy Burrus)

Gladiola NE Release Site, T 12S R38E Section 18 Unit Letter O,
NMOCD Case # 1R-498 (Property owner: Dean Kinsolving)

Gladiola SWD Section 26 Release Site T-12-S R-37-E Section 26 , Unit Letter J,
NMOCD #1RP 09-16-2366 (Property owner: Dean Kinsolving)

Gladiola SWD Section 26 Release Site T-12-S R-37-E Section 26
Unit Letter J, NMOCD # 1RP-09-9-2284 This is the same site as 2366 discussed above

Purvis Operating has resigned from the Gladiola Water Disposal System and Chaparral has taken over responsibility. Currently, Purvis and Chaparral are preparing a change of operator form for submission to NMOCD. Purvis, as the operator currently assigned to these sites, respectfully requests an extension of 30 days to submit the results of the ground water sampling results as specified in letters from Mr. Hansen. This extension should provide the time required to submit the change of operator form and schedule well drilling.

We thank you in advance for your consideration .

Donnie E. Brown
Petroleum Engineer
Purvis Operating Co.
432-682-7346

Hansen, Edward J., EMNRD

From: Hansen, Edward J., EMNRD
Sent: Wednesday, February 24, 2010 3:44 PM
To: 'eng@purvisop.com'
Cc: 'Betty Oxford'; Johnson, Larry, EMNRD; 'Patrick B. McMahon'
Subject: RE: Investigation Plan Approval - Amendment (1R-498) Gladiola NE Pipeline Release Site

**RE: "Investigation Proposal"
for the Purvis Operating Company's (Purvis)
Gladiola NE Pipeline Release Site (1R-498)
Unit Letter O, Section 18, T12S, R38E, NMPM, Lea County, New Mexico
Investigation Plan Approval - Amendment**

Dear Mr. Brown:

The Oil Conservation Division (OCD) has received the proposed amendment (below) to the Approval of the Investigation Plan for the Gladiola SWD Pipeline Release Site, dated February 18, 2010. OCD has completed a review of the amendment to the approval of the investigation plan and hereby conditionally approves the amendment:

1. Purvis shall install the ground water monitoring well(s) for the "regional" aquifer prior to installing the ground water monitoring wells for the "perched" zone to determine the thickness of the "perched" zone and the thickness of the aquitard beneath the "perched" zone.
2. Purvis shall ensure that the ground water monitoring well(s) screen is 10 feet below the static water level of the "perched" zone for a total screen length of 15 feet. However, a screen length of 5 feet below the static water level for a total screen length of 10 feet shall be used if the "perched" zone thickness is less than 10 feet. [In any case, the total depth bgs of the wells may be greater than 24 feet.]
3. Purvis shall ensure that the ground water monitoring well(s) screen is 15 feet below the static water level of the "regional" aquifer for a total screen length of 20 feet* or if the aquifer is confined, the screen must be 15 feet of the top portion of the confined aquifer for a total screen length of 15 feet. [In any case, the "regional" aquifer must not be hydraulically connected to the "perched" zone by the installation of the well(s). *This may warrant a total screen length of less than 20 feet.]

Please be advised that OCD approval of this Amendment does not relieve the owner/operator of responsibility should operations pose a threat to ground water, surface water, human health or the environment. In addition, OCD approval does not relieve the owner/operator of responsibility for compliance with any OCD, federal, state, or local laws and/or regulations.

If you have any questions regarding this matter, please contact me at 505-476-3489.

Edward J. Hansen
Hydrologist
Environmental Bureau

From: Betty Oxford [mailto:betty@purvisop.com]
Sent: Wednesday, February 24, 2010 7:09 AM
To: Hansen, Edward J., EMNRD
Cc: eng@purvisop.com
Subject: Investigation Plan Approval (1R-498) Gladiola NE Pipeline Release Site

Mr. Hansen:

Thank you for your prompt response. We will schedule a drill rig shortly and coordinate efforts with the surface owners. With respect to the following condition of approval (for both sites), we require some clarification:

1. Purvis shall ensure that the ground water monitoring well(s) screen is 10 feet below the static water level of the "perched" zone (not 15 feet as proposed).

Our proposal recommended 15 feet of screen below the water level in the "regional" (deep) zone. If this is the zone that you intended in your comment instead of the "perched" zone we will be glad to comply.

Our proposal to install only 5 feet of screen in the "perched" (shallow) zone is due to our concern of fully penetrating the lower confining formation of the "perched" zone and allowing known contaminants from the "perched" zone water to impact what may be an uncontaminated lower zone. We believe that we can safely install 5 feet of screen in the "perched" zone without compromising the integrity of the lower confining formation and still be able to recover samples representative of the "perched" zone water.

Donnie E. Brown
Petroleum Engineer
Purvis Operating Co.
432-682-7346

From: Hansen, Edward J., EMNRD [mailto:edwardj.hansen@state.nm.us]
Sent: Thursday, February 18, 2010 6:45 PM
To: eng@purvisop.com
Cc: Johnson, Larry, EMNRD; Patrick McMahon
Subject: Investigation Plan Approval (1R-498) Gladiola NE Pipeline Release Site

RE: "Investigation Proposal"
for the Purvis Operating Company's (Purvis)
Gladiola NE Pipeline Release Site (1R-498)
Unit Letter O, Section 18, T12S, R38E, NMPM, Lea County, New Mexico
Investigation Plan Approval

Dear Mr. Brown:

The Oil Conservation Division (OCD) has received the "Investigation Proposal" for the Gladiola SWD Pipeline Release Site, dated February 9, 2010. OCD has completed a review of the investigation plan and hereby conditionally approves the plan:

1. Purvis shall ensure that the ground water monitoring well(s) screen is 10 feet below the static water level of the "perched" zone (not 15 feet as proposed).
2. Purvis shall use +/- 10% readings for stabilization determination when using low flow sampling.

3. Purvis may use EPA Modified Method 8015D for both soils and ground water provided that compounds with carbon numbers ranging from C₅ through C₃₆ are included in the range of carbon compounds to be analyzed.
4. Purvis shall ensure that the casing surveys are conducted with a horizontal accuracy of 0.1 foot and a vertical accuracy of 0.01 foot.
5. Purvis shall ensure that all ground water elevation measurements are conducted with a vertical accuracy of 0.01.
6. Purvis shall include an appropriate number of maps and cross-sections to demonstrate that it has delineated the subsurface impacts.

Please be advised that OCD approval of this Plan does not relieve the owner/operator of responsibility should operations pose a threat to ground water, surface water, human health or the environment. In addition, OCD approval does not relieve the owner/operator of responsibility for compliance with any OCD, federal, state, or local laws and/or regulations.

If you have any questions regarding this matter, please contact me at 505-476-3489.

Edward J. Hansen
Hydrologist
Environmental Bureau

P.S.: Please be advised that Purvis will remain the operator of record for this remediation plan (1R-1739) until such time as a 'new' operator has acknowledged responsibility for this plan.

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Hansen, Edward J., EMNRD

From: Hansen, Edward J., EMNRD
Sent: Thursday, February 18, 2010 5:45 PM
To: 'eng@purvisop.com'
Cc: Johnson, Larry, EMNRD; 'Patrick McMahon'
Subject: Investigation Plan Approval (1R-498) Gladiola NE Pipeline Release Site

**RE: "Investigation Proposal"
for the Purvis Operating Company's (Purvis)
Gladiola NE Pipeline Release Site (1R-498)
Unit Letter O, Section 18, T12S, R38E, NMPM, Lea County, New Mexico
Investigation Plan Approval**

Dear Mr. Brown:

The Oil Conservation Division (OCD) has received the "Investigation Proposal" for the Gladiola SWD Pipeline Release Site, dated February 9, 2010. OCD has completed a review of the investigation plan and hereby conditionally approves the plan:

1. Purvis shall ensure that the ground water monitoring well(s) screen is 10 feet below the static water level of the "perched" zone (not 15 feet as proposed).
2. Purvis shall use +/- 10% readings for stabilization determination when using low flow sampling.
3. Purvis may use EPA Modified Method 8015D for both soils and ground water provided that compounds with carbon numbers ranging from C₅ through C₃₆ are included in the range of carbon compounds to be analyzed.
4. Purvis shall ensure that the casing surveys are conducted with a horizontal accuracy of 0.1 foot and a vertical accuracy of 0.01 foot.
5. Purvis shall ensure that all ground water elevation measurements are conducted with a vertical accuracy of 0.01.
6. Purvis shall include an appropriate number of maps and cross-sections to demonstrate that it has delineated the subsurface impacts.

Please be advised that OCD approval of this Plan does not relieve the owner/operator of responsibility should operations pose a threat to ground water, surface water, human health or the environment. In addition, OCD approval does not relieve the owner/operator of responsibility for compliance with any OCD, federal, state, or local laws and/or regulations.

If you have any questions regarding this matter, please contact me at 505-476-3489.

Edward J. Hansen
Hydrologist
Environmental Bureau

P.S.: Please be advised that Purvis will remain the operator of record for this remediation plan (1R-1739) until such time as a 'new' operator has acknowledged responsibility for this plan.