

NM OCD

From: The Waters[SMTP:watersfam@carlsbadnm.com]
Sent: Tuesday, June 10, 1997 11:41 PM
To: nmocd
Cc: Ben Stone
Subject: Salty Bill SWD Well (Grace Oil Co.) on City of Carlsbad Property

At the suggestion of our local NMOCD office (Artesia), I am requesting that the NMOCD suspend the permit on this well (last renewed in 1991) on the grounds that the status of the lease granted by the NM State Land Office is in question by the City of Carlsbad.

This lease is a brine mining lease, not a right to commercially inject on our property (please review your records). Also, the "permission slip" submitted by Corine Grace in 1981 and 1991 are the same as the original one submitted by Grace Oil in 1971. As indicated by our inquiries to your Santa Fe and Artesia offices since 1984, the City has expressed extreme concern and opposition to this operation continuing under an illegal lease issued by the State Land Office.

It is the City of Carlsbad's formal request that your Department suspend the permit granted to Grace Oil for the operation of this facility until the question of the legality of the lease has been resolved.

Sincerely, John P. Waters, Registered Environmental Manager
Environmental Services Manager,
City of Carlsbad

887-1191

OIL CONSERVATION DIVISION
ARTESIA, NEW MEX. 88210

TO: DAVID

FROM: TIM

DATE: 6-13-97

NUMBER OF SHEETS (INCLUDING TRANSMITTAL SHEET) 4

IF YOU HAVE ANY PROBLEMS WITH THIS TRANSMISSION, PLEASE CALL 505-748-1283.

FAX NUMBER (505) 748-9720

OIL CONSERVATION DIVISION
MECHANICAL INTEGRITY TEST SCHEDULE

OPERATOR: CORINNE GRACE
P.O. BOX 1418
CARLSBAD NM 88220

DATE AND TIME OF TEST: 8/03/95 @ 8 AM

NUMBER OF WELLS: 1

POOL NAME: S. CARLSBAD

MEETING PLACE: FIRST WELL ON LIST

```
=====
LEASE-NAME          WH X UL SE TN RG
=====
SALTY BILL          1  C  36 22  26 Active - 500-OK
```

NEW MEXICO OIL CONSERVATION DIVISION
CASING---BRADENHEAD TEST

OPERATOR: CORINNE GRACE
 POOL: S. CARLSBAD
 LEASE NAME: SALTY HILL WELL NO 1 UNIT LTR C
 FOOTAGE N/S 460/N SECTION 36 TOWNSHIP 22 RANGE 24
 FOOTAGE E/W 1980/W PRESS LMT 1100 TYPE LEASE S TYPE WELL SWD
 ORDER NO./DATE SWD 110 5/71 DATE INJ. BEGAN 3/72

=====

TEST DATE	7/15/93 @ 9:	TEST TYPE	RH	PASS/FAIL	PASS
OPERATOR REF:	JOHNSON			OCD REP	JOHN R.
CASING	SIZE	SET AT TOP	CMT	CEMENTED	PRESSURE
SURFACE	13 3/8	364	0	400 0	PUFF
INTERM	0	0	0	0	0
PROD	7 7/8	1948	0	200 0	0
LINER	0	0	0	0	0
TUBING	2 7/8	2124	0	660	0

REMARKS: ACTIVE/OK

REPAIR LETTER DATE: 0 DATE REPAIRED

=====

TEST DATE	6/14/94 @ 10:	TEST TYPE	BHS	PASS/FAIL	PASS
OPERATOR REF:	JOHNSON			OCD REP	GARY W.
CASING	SIZE	SET AT TOP	CMT	CEMENTED	PRESSURE
SURFACE	13 3/8	364	0	400 0	0
INTERM	0	0	0	0	0
PROD	7 7/8	1948	0	200 0	0
LINER	0	0	0	0	0
TUBING	2 7/8	2124	0	650	0

REMARKS: ACTIVE/OK

REPAIR LETTER DATE: 0 DATE REPAIRED

0 SNC

0

=====

TEST DATE/TIME	2/03/95 @ 8 AM	TEST TYPE	BHS-MIT	PASS/FAIL	PASS
OPERATOR REF:				OCD REP	

CASING	SIZE	SET AT TOP	CMT	CEMENTED	PRESSURE	REMARKS
SURFACE	13 3/8	364	0	400		

INTERM	0	0	0	0		
--------	---	---	---	---	--	--

PROD	7 7/8	1948	0	200		
------	-------	------	---	-----	--	--

LINER	0	0	0	0		
-------	---	---	---	---	--	--

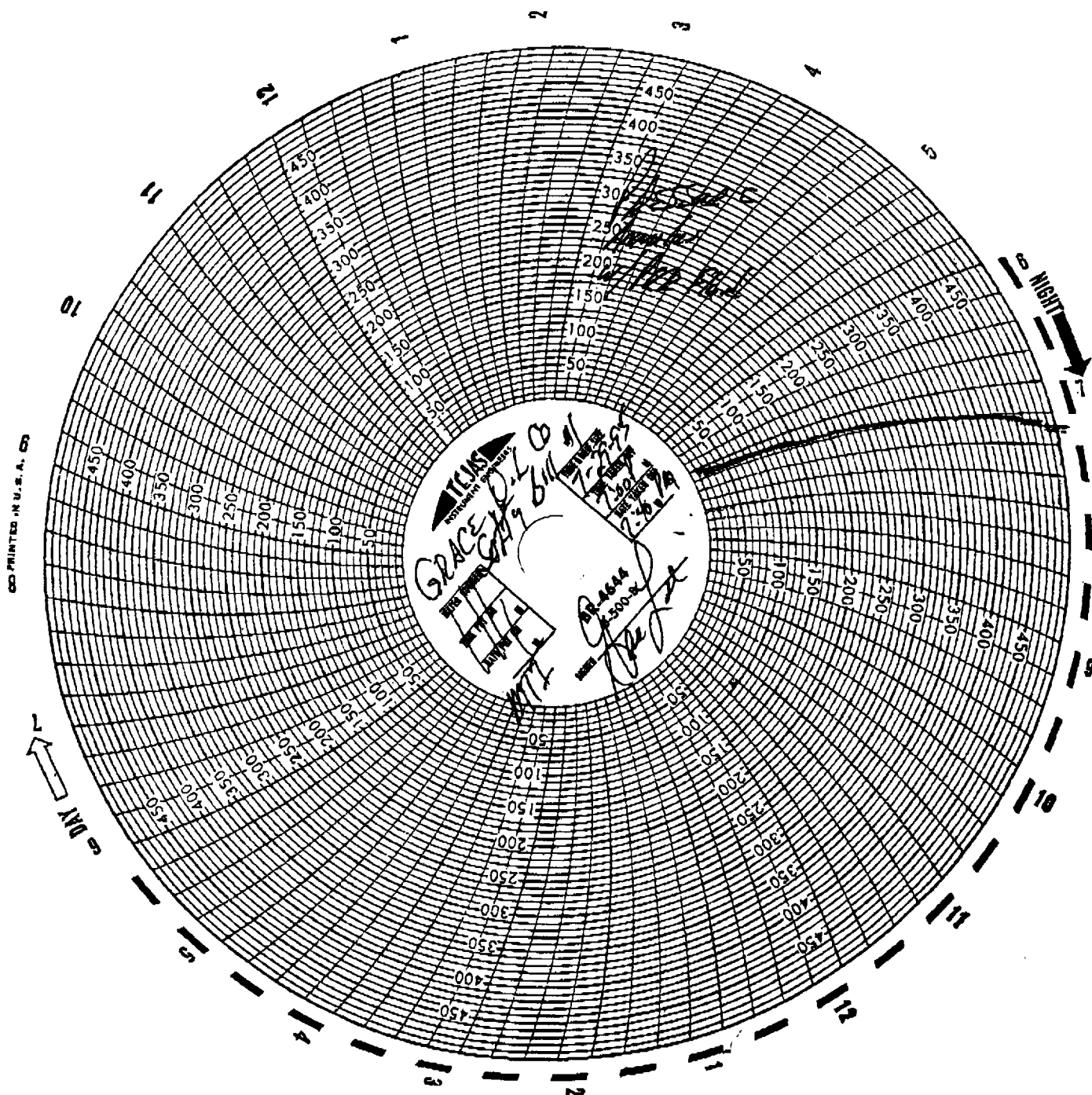
TUBING	2 7/8	2124	0			
--------	-------	------	---	--	--	--

REPAIR LETTER DATE:

DATE REPAIRED

SNC

REMARKS: Active-OK





NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

June 17, 1997

Corinne B. Grace
P.O. Box 1418
Carlsbad, New Mexico 88220

Attention: Ms. Corinne B. Grace

Re: Salty Bill Well No.1
Unit C, Section 36, T-22S, R-26E,
Eddy County, New Mexico

Dear Ms. Grace:

In an effort to update our records concerning the Salty Bill Well No. 1, the Division is requesting that you supply the following described information:

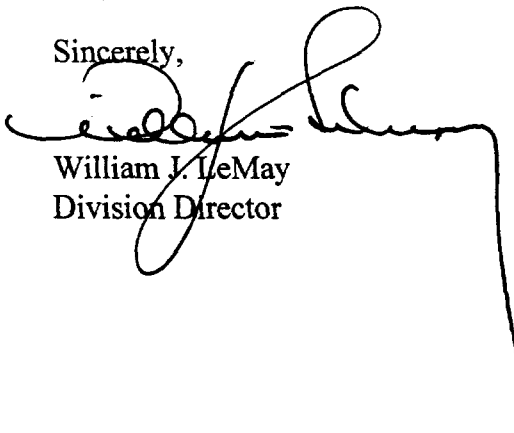
A description and analysis of the fluid being injected into the commercially operated Salty Bill Well No. 1. This includes an analysis of each and every water source and a description of its point of origin (i.e. San Andres produced water from the Grayburg-Jackson Pool). In addition, this includes water delivered to the well by pipeline and truck.

Division and Federal UIC Rules and Regulations require that all operators of disposal wells provide source water analysis at reasonable frequency. Our information indicates that the Salty Bill No. 1 was permitted by Corinne Grace in May, 1971. Our information further indicates that there is no source water analysis on file for this well.

Please provide the information requested within 60-days from the date of this letter. If you need additional time, or you wish to discuss the matter further, please contact Mr. David Catanach at (505) 827-8184.

Failure to comply may result in the imposition of fines and/or the termination of injection authority.

Sincerely,

A handwritten signature in black ink, appearing to read 'William J. LeMay', with a long, sweeping vertical line extending downwards from the end of the signature.

William J. LeMay
Division Director

xc: File-SWD-118 /
OCD-Artesia
UIC Enforcement File

Corinne B. Grace

POST OFFICE BOX 1418
3722 NATIONAL PARKS HWY.
CARLSBAD, NEW MEXICO 88220

(505) 887-5581

20

August 18, 1997

Mr. David Catanach
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, NM 87505

Re: Salty Bill Well No. 1
Unit C, Section 36, T-22S, R-26E,
Eddy County, New Mexico

Dear Mr. Catanach:

Enclosed find an analysis of 4 samples taken over a 2 week period on the above captioned well. The following is a description of their points of origin:

Sample #1 is Delaware produced water from the Russell Pool.

Sample #2 is Strawn produced water from the Mosley Canyon Pool.

Sample #3 is Morrow produced water from the Burton Flats Pool.

Sample #4 is Morrow produced water from the South Carlsbad Pool.

If you should have any questions, please feel free to contact us.

Very truly yours,



Mitchell Morris

MM/
Enclosure



PHONE (815) 873-7001 • 2111 BEECHWOOD • ABILENE, TX 79603

PHONE (505) 393-2328 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
GRACE OIL
ATTN: MITCHELL MORRIS
P.O. BOX 1418
CARLSBAD, NM 88220
FAX TO: 505-885-8497

Receiving Date: 08/11/97
Reporting Date: 08/16/97
Project Number: NOT GIVEN
Project Name: NOT GIVEN
Project Location: NOT GIVEN

Sampling Date: 08/11/97
Sample Type: PRODUCTION WATER
Sample Condition: COOL & INTACT
Sample Received By: BC
Analyzed By: BC/GP

LAB NUMBER	SAMPLE ID	Na (mg/L)	Ca (mg/L)	Mg (mg/L)	K (mg/L)	Conductivity (umhos/cm)	T-Alkalinity (mgCaCO3/L)
ANALYSIS DATE:		08/14/97	08/13/97	08/13/97	08/13/97	08/14/97	08/13/97
H3121-1	SAMPLE #1	63273	10650	3090	4.3	180900	236
H3121-2	SAMPLE #2	63	13	3	1.5	698	56
H3121-3	SAMPLE #3	17730	2807	<1	253	73100	158
H3121-4	SAMPLE #4	19900	2847	666	94	84700	308
Quality Control		NR	48	54	NR	1429	NR
True Value QC		NR	50	50	NR	1413	NR
% Accuracy		NR	96	108	NR	101	NR
Relative Percent Difference		NR	0	0	NR	0.4	NR
METHODS:		SM3500-Ca-D	3500-Mg-E		8049	120.1	310.1

		Cl ⁻ (mg/L)	SO4 (mg/L)	CO3 (mg/L)	HCO3 (mg/L)	pH (s.u.)	TDS (mg/L)
ANALYSIS DATE:		08/11/97	08/13/97	08/14/96	08/14/96	08/14/97	08/15/97
H3121-1	SAMPLE #1	109966	910	72	142	8.49	210758
H3121-2	SAMPLE #2	90	3	0	68	6.84	243
H3121-3	SAMPLE #3	32490	<1	0	190	5.38	60084
H3121-4	SAMPLE #4	37490	105	0	376	7.10	76972
Quality Control		480	105	NR	NR	7.02	NR
True Value QC		500	100	NR	NR	7.00	NR
% Accuracy		96	105	NR	NR	100	NR
Relative Percent Difference		0	0	NR	NR	0.2	NR
METHODS:		SM4500-Cl-B	375.4	310.1	310.1	150.1	160.1

Samples # 3 & 4 contain Iron.

Gayle A. Potter
Gayle A. Potter, Chemist

08/16/97
Date

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. Cardinal shall not be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise.



State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL P.O. BOX 1148

SANTA FE, NEW MEXICO 87504-1148

(505) 827-5760
FAX (505) 827-5766

RAY POWELL, M.S., D.V.M.
COMMISSIONER

October 15, 1997

Ms. Corinne Grace
P.O. Box 1418
Carlsbad, New Mexico 88241

RE: *Salty Bill SWD Well No. 1, NE/4NW/4, S36, T.22S, R.26E, Eddy County*

Dear Ms. Grace:

Our records indicate that you are the lessee of Salt Mining Lease No. M-15549 and Oil and Gas Lease No. K6290-1, both covering the NE/4NW/4 of Section 36, Township 22 South, Range 26 East in Eddy County, New Mexico. Information available to us also indicates that you are the operator of the referenced commercial salt water disposal well on the subject acreage.

Under the terms of your salt lease, you have the right to access the lease acreage "for the sole and only purpose of exploring for, mining and removing chloride of sodium". Likewise, your oil and gas lease gives you access "for the sole and only purpose of exploration, development and production of oil or gas ... and any and all rights and privileges necessary, incident to or convenient for the economical operation of said land, for oil and gas ...".

Please be advised that neither of these leases gives you the right to operate a commercial salt water disposal facility on the subject acreage or to otherwise dispose of any salt water that is not produced by the oil and gas wells on Oil and Gas Lease No. K6290-1. Any such right must be granted from the owner of the surface, the City of Carlsbad.

Sincerely,



Lawrence Kehoe

Assistant Commissioner for Oil, Gas and Minerals

pc: Mr. Jon R. Tully, City of Carlsbad
Mr. William LeMay, Oil Conservation Division



GARY L. PERKOWSKI
MAYOR

Post Office Box 1569
Carlsbad, NM 88221-1569
(505) 887-1191
1-800-658-2713

JON R. TULLY
CITY ADMINISTRATOR

October 15, 1997

Corinne B. Grace
P.O. Box 1418
3722 National Parks Highway
Carlsbad, New Mexico 88220

Dear Ms. Grace:

The City of Carlsbad is the surface owner of the property at the NE 1/4 of NW 1/4 of Section 36, Township 21S, Range 26E. Our investigation reveals that the City of Carlsbad has never given permission to you or anyone to operate a commercial disposal well on this property. We have determined that the salt-mining lease issued by the State Land Office (M-15549) does not authorize this type of operation and that you are, therefore, trespassing on public property.

The City requires that you immediately cease all operations on City property and remove all equipment and structures associated with the commercial disposal well no later than December 1, 1997. By December 15, 1997, the surface must be completely free of brine-contaminated soil and landscaped with either a grass lawn or gravel and desert flora. See Carlsbad City Code, Section 34-68(c).

Upon inspection of your commercial disposal well facility, the City has determined that you are in violation of numerous City Code sections. These violations include:

- Section 34-61 damage to streets and alleys;
- Section 34-67 practices and standards;
- Section 34-68 cleanliness and sanitation;
- Section 34-69 surface equipment, storage tanks;
- Section 34-70 fences with locking gates; and
- Section 34-73 changing agents for service of process.

COUNCILORS

Ward 1
TOM QUINTELA
JOE FLOREZ

Ward 2
DALE JANWAY
FRED BESS

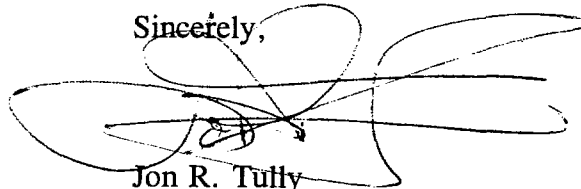
Ward 3
DAN P. KUNCHESS
SHIRLEY WIGGERS

Ward 4
TOM STANBARK
JOHN J. STANBARK

Corinne B. Grace
Page 2
October 15, 1997

Questions concerning environmental issues may be directed to City Environmental Manager John Waters at 887-1191, Ext. 112. All other questions may be directed to me, but please be advised that the City will pursue legal remedies should you fail to comply as specified herein.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jon R. Tully', is written over a large, stylized, and somewhat abstract scribble or flourish.

Jon R. Tully
City Administrator

:pjl

cc: Commissioner Ray Powell, New Mexico Commissioner of Public Lands
Marcy Leavitt, Chief, Groundwater Protection Bureau, New Mexico
Environmental Department
David Catanach, New Mexico Oil Conservation Division, New Mexico
Department of Energy, Minerals, & Natural Resources
Ray Leissner, United States Environmental Protection Agency

ILLEGIBLE

*City of Carlsbad
New Mexico
Fax Transmission Cover Sheet
Environmental Services Dept.*

TO: David Catanach, Ben Stone; NM OCD

Fax Number: (505) 827-1389

FROM: John Waters, Environmental Services Manager *90*

DATE: October 27, 1997

NUMBER OF PAGES (incl. cover): 5

RE: Salty Bill Problem

These are the results of our VOC & Metals analysis of surface water ponds and TPH of contaminated soil onsite from the first week of October. Local NMED officials were present while samples were collected. In addition, the NMED Secretary and District Manager also visited the polluted site.

We have a water well 3/4 of a mile from this mess. You can probably see our problem with this well. The well has shown contamination for nitrate and carbon tetrachloride in recent NMED Safe Drinking Water Act sampling. No agriculture, septic tanks, or industry is nearby to account for the contamination. This kind of mess is commonplace for Salty Bill. It is important to note that the ponds and site were not created by rainfall (it had not rained for at least 10 days) and had yellowish-brown crystals growing across the surface of the grey water. I took several interesting photos of the site which illustrate this and the other deplorable conditions of Salty Bill.

The City would like the OCD to 1. Shut the facility down immediately and 2. To sample all onsite storage tanks at three zones (top, middle, and bottom) for the following contaminants: VOC's, Metals, Pesticides, Nitrates, and Nitrites. If the OCD cannot do the latter, please give the authority to the City to sample and analyze (at SLD, AEN, or a lab of your choice) the tank's contents. The City wants to know what is contaminating our well and what Ms. Grace has REALLY been flushing down the hole at Salty Bill. In addition, CERCLA language is rather all-encompassing when it come to who has the liability for superfund sites. As the City has been against this large-scale operation from the moment it was discovered, we want none of the liability. If you have any problems with this transmission or need additional information, please give me a call at (505) 887-1191, extension 115. Thank you for your assistance.

ILLEGIBLE

ANALYTICAL REPORT

Kim McNeill
AEN - Albuquerque
2709-D Pan American Fwy NE
Albuquerque, NM 87107

10/23/1997
Job No.: 97.02750

Page: 2

Project Name: 710346-02 City of Carlsbad
Date Received: 10/17/1997

Sample Number Sample Description
88513 AQ Sample (710346-02)

PARAMETERS	METHOD	RESULTS	REPORT LIMIT	UNITS	DATE ANALYZED	FLAG
ICP/AA Digestion - Water	ICP	-			10/20/1997	
Antimony, ICP	6010	ND	0.05	ng/L	10/20/1997	DIL,Q
Arsenic, ICP	6010	0.071	0.05	ng/L	10/20/1997	DIL,Q
Beryllium, ICP	6010	ND	0.02	ng/L	10/20/1997	DIL,Q
Cadmium, ICP	6010	ND	0.02	ng/L	10/20/1997	DIL,Q
Chromium, ICP	6010	0.13	0.05	ng/L	10/20/1997	DIL,Q
Copper, ICP	6010	0.14	0.05	ng/L	10/20/1997	DIL,Q
Lead, ICP	6010	0.13	0.05	ng/L	10/20/1997	DIL,Q
Mercury Prep (W)	7470	-			10/20/1997	
Mercury, CV (W)	7470	0.026	0.002	ng/L	10/23/1997	DIL,Q
Nickel, ICP	6010	0.092	0.05	ng/L	10/20/1997	DIL,Q
Selenium, ICP	6010	ND	0.05	ng/L	10/20/1997	DIL,Q
Silver, ICP	6010	ND	0.05	ng/L	10/20/1997	DIL,Q
Thallium, ICP	6010	ND	0.1	ng/L	10/20/1997	DIL,Q
Zinc, ICP	6010	1.5	0.05	ng/L	10/20/1997	DIL,Q

A sample result of ND indicates the parameter was Not Detected at the reporting limit.

American Environmental Network, Inc. (503) 684-0447 (503) 620-0393 FAX
17400 SW Upper Boones Ferry Rd., Suite 270, Portland, OR 97224

Sample
SALTY BILL

Lamay

American Environmental Network, Inc.

ILLEGIBLE

GC/MS RESULTS

TEST : VOLATILE ORGANICS EPA METHOD 8260 EXTENDED
 CLIENT : CITY OF CARLSBAD AEN I.D. : 710346
 PROJECT # : (none) DATE RECEIVED : 10/10/97
 PROJECT NAME : (none)

SAMPLE ID #	CLIENT ID	MATRIX	DATE SAMPLED	DATE EXTRACTED	DATE ANALYZED	DIL. FACTOR
710346-02	AQ SAMPLE	AQUEOUS	Unknown	N/A	10/15/97	1
PARAMETER	DET. LIMIT	UNITS				

Dichlorodifluoromethane	1.0	< 1.0	ug/L
Chloromethane	1.0	< 1.0	ug/L
Vinyl Chloride	1.0	< 1.0	ug/L
Bromomethane	1.0	< 1.0	ug/L
Chloroethane	1.0	< 1.0	ug/L
Trichlorofluoromethane	1.0	< 1.0	ug/L
Acetone	10	720 (D50)	ug/L
Acrolein	5.0	< 5.0	ug/L
1,1-Dichloroethane	1.0	< 1.0	ug/L
Iodomethane	1.0	< 1.0	ug/L
Methylene Chloride	1.0	< 1.0	ug/L
Acrylonitrile	5.0	< 5.0	ug/L
cis-1,2-Dichloroethane	1.0	< 1.0	ug/L
Methyl-t-butyl Ether	1.0	< 1.0	ug/L
1,1,2,1,2,2-Trichlorotrifluoroethane	1.0	< 1.0	ug/L
1,1-Dichloroethane	1.0	< 1.0	ug/L
trans-1,2-Dichloroethane	1.0	< 1.0	ug/L
2-Butanone	10	80	ug/L
Carbon Disulfide	1.0	< 1.0	ug/L
Bromochloromethane	1.0	< 1.0	ug/L
Chloroform	1.0	< 1.0	ug/L
2,2-Dichloropropane	1.0	< 1.0	ug/L
1,2-Dichloroethane	1.0	< 1.0	ug/L
Vinyl Acetate	1.0	< 1.0	ug/L
1,1,1-Trichloroethane	1.0	< 1.0	ug/L
1,1-Dichloropropane	1.0	< 1.0	ug/L
Carbon Tetrachloride	1.0	< 1.0	ug/L
Benzene	1.0	2.4	ug/L
1,2-Dichloropropane	1.0	< 1.0	ug/L
Trichloroethane	1.0	< 1.0	ug/L
Bromodichloromethane	1.0	< 1.0	ug/L
2-Chloroethyl Vinyl Ether	10	< 10	ug/L
cis-1,3-Dichloropropene	1.0	< 1.0	ug/L
trans-1,3-Dichloropropene	1.0	< 1.0	ug/L
1,1,2-Trichloroethane	1.0	< 1.0	ug/L
1,3-Dichloropropene	1.0	< 1.0	ug/L
Dibromomethane	1.0	< 1.0	ug/L
Toluene	1.0	1.3	ug/L
1,2-Dibromoethane	1.0	< 1.0	ug/L
4-Methyl-2-Pentanone	10	< 10	ug/L
2-Hexanone	10	< 10	ug/L
Dibromochloromethane	1.0	< 1.0	ug/L
Tetrachloroethane	1.0	< 1.0	ug/L
Chlorobenzene	1.0	< 1.0	ug/L
Ethylbenzene	1.0	< 1.0	ug/L
1,1,1,2-Tetrachloroethane	1.0	< 1.0	ug/L
m&p Xylenes	1.0	< 1.0	ug/L
o-Xylene	1.0	< 1.0	ug/L

American Environmental Network, Inc.

ILLEGIBLE

GC/MS RESULTS

TEST : VOLATILE ORGANICS EPA METHOD 8260 EXTENDED
 CLIENT : CITY OF CARLSBAD AEN I.D. : 710346
 PROJECT # : (none) DATE RECEIVED : 10/10/97
 PROJECT NAME : (none)

SAMPLE ID #	CLIENT ID	MATRIX	DATE SAMPLED	DATE EXTRACTED	DATE ANALYZED	DIL. FACTOR
710346-02	AQ SAMPLE	AQUEOUS	Unknown	N/A	10/15/97	1
PARAMETER	DET LIMIT		UNITS			
Styrene	1.0	< 1.0	ug/L			
Bromoform	1.0	< 1.0	ug/L			
1,1,2,2-Tetrachloroethane	1.0	< 1.0	ug/L			
1,2,3-Trichloropropene	1.0	< 1.0	ug/L			
Isopropyl Benzene	1.0	< 1.0	ug/L			
Bromobenzene	1.0	< 1.0	ug/L			
trans-1,4-Dichloro-2-Butene	1.0	< 1.0	ug/L			
n-Propylbenzene	1.0	< 1.0	ug/L			
2-Chlorotoluene	1.0	< 1.0	ug/L			
4-Chlorotoluene	1.0	< 1.0	ug/L			
1,3,5-Trimethylbenzene	1.0	< 1.0	ug/L			
tert-Butylbenzene	1.0	< 1.0	ug/L			
1,2,4-Trimethylbenzene	1.0	< 1.0	ug/L			
sec-Butylbenzene	1.0	< 1.0	ug/L			
1,3-Dichlorobenzene	1.0	< 1.0	ug/L			
1,4-Dichlorobenzene	1.0	< 1.0	ug/L			
p-Isopropyltoluene	1.0	< 1.0	ug/L			
1,2-Dichlorobenzene	1.0	< 1.0	ug/L			
n-Butylbenzene	1.0	< 1.0	ug/L			
1,2-Dibromo-3-chloropropane	1.0	< 1.0	ug/L			
1,2,4-Trichlorobenzene	1.0	< 1.0	ug/L			
Naphthalene	1.0	< 1.0	ug/L			
Hexachlorobutadiene	1.0	< 1.0	ug/L			
1,2,3-Trichlorobenzene	1.0	< 1.0	ug/L			

SAMPLE WAS COLLECTED IN AN UNPRESERVED PLASTIC CONTAINER WITH APPROX. 1/3 OF HEADSPACE
 (D50) = 50 X DILUTION. ANALYZED ON 10/17/97

SURROGATE % RECOVERY

1,2-Dichloroethane-d4 105
 (80 - 120)
 Toluene-d8 101
 (88 - 110)
 Bromofluorobenzene 102
 (88 - 116)

American Environmental Network, Inc.

ILLEGIBLE

GENERAL CHEMISTRY RESULTS

418.1

CLIENT : CITY OF CARLSBAD AEN I.D. : 710346
PROJECT # : (none) DATE RECEIVED : 10/10/97
PROJECT NAME : (none)

SAMPLE	DATE	DATE	DATE	DIL.		
ID. #	CLIENT I.D.	MATRIX	SAMPLED	EXTRACTED	ANALYZED	FACTOR
01	SOIL SAMPLE	NON-AQ	Unknown	10/16/97	10/16/97	100
PARAMETER	DET. LIMIT	UNITS	01			
PETROLEUM HYDROCARBONS, IR	20	MG/KG	29000			

CHEMIST NOTES:

N/A



**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

**OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131**

November 5, 1997

CERTIFIED MAIL
RETURN RECEIPT NO. P-326-936-361

Ms. Corinne B. Grace
P.O. Box 1418
3722 National Parks Hwy.
Carlsbad, N.M. 88220

**RE: Inspection Report
Salty Bills Water Disposal Facility
NE/4, NW/4 of Section 36, Township 22 South, Range 26 East, NMPM
Eddy County, New Mexico**

Dear Ms. Grace:

The New Mexico Oil Conservation Division (OCD), inspected Salty Bill Water Disposal Facility (Salty Bill) located in the NE/4 NW/4 of Section 36, Township 22 South, Range 26 East, NMPM Eddy County, New Mexico on October 28, 1997. During the facility inspection the OCD found oil field waste being managed in pits without a surface waste management permit and several facility housekeeping deficiencies.

Surface waste management facilities must be permitted pursuant to Rule 711 (as amended 1-1-96). In addition, pursuant to the OCD Order R-8952, all tanks exceeding 16 feet in diameter and all exposed pits and ponds shall be screened, netted or covered unless rendered non-hazardous to migratory birds. Order R-3221, as amended, prohibits the disposal of water produced in conjunction with the production of oil and gas in unlined pits or ponds where such disposal may impact fresh water supplies of the state of New Mexico. Therefore, all discharges into the unauthorized, lined and unlined pits must cease.

Attachment 1 lists the permit deficiencies found at Salty Bill during the inspection. Attachment 2 contains photographs taken during the inspection on October 28, 1997. Attachment 3 is a location map of the facility. The Salty Bill facility is classified as a commercial surface waste management facility, and as such must obtain a permit pursuant to OCD Rule 711. As part of the permit application Salty Bill must submit a pit closure plan and facility soil remediation plan to the Santa Fe OCD office and a copy to the Artesia and Hobbs District offices. Included in the closure plan must be a plan for determining the nature and extent of contamination that has left the pit and tank areas and how far the contamination has migrated. Salty Bill shall include a reasonable time

table of when each of the deficiencies listed in attachment 1 will be completed. For your use please find enclosed a copy of the Order amending Rule 711, a permit application (Form C-137) and OCD's pit closure guidelines. **A response is required by Salty Bill Water Disposal Facility to these deficiencies by November 17, 1997.**

Failure to respond to this notice of violation by November 17, 1997 may result in a show cause hearing against Salty Bill, requiring Salty Bill to appear and show cause why it should not be ordered to close these pits and why it should not also be assessed civil penalties.

If you have any questions please do not hesitate to contact me at (505) 827-7153.

Sincerely,

Martyne J. Kieling
Environmental Geologist

Attachments

xc: Artesia OCD Office
Hobbs OCD Office
John P. Waters, Carlsbad, Environmental Services
Marcy Leavitt, NMED GWQB



**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

November 19, 1997

CERTIFIED MAIL
RETURN RECEIPT NO. P.326-936-365

Mr. Ernest L. Padilla
Padilla Law Firm, PA
1512 St. Francis Drive
Santa Fe, NM 87501

Re: Salty Bills Water Disposal Facility
NE/4, NW/4 of Section 36, Township 22 South, Range 26 East, NMPM
Eddy County, New Mexico

Mr. Padilla:

I have received your letter dated November 12, 1997 requesting an extension from the November 17, 1997 deadline to November 21, 1997 for the above referenced location. The extension request is hereby granted.

If you have any questions please do not hesitate to contact me at (505) 827-7153.

Sincerely,

A handwritten signature in cursive script, reading "Martyne J. Kieling".

Martyne J. Kieling
Environmental Geologist

Attachments

xc: Artesia OCD Office
Hobbs OCD Office
Ms. Corinne B. Grace, P.O. Box 1418, 3722 National Parks Hwy., Carlsbad, N.M. 88220

Roger Anderson

From: John Waters[SMTP:jwaters@carlsbadnm.com]
Sent: Monday, December 01, 1997 9:08 AM
To: RANDERSON
Subject: Salty Bill Results

The City is interested in the progress of the Salty Bill Investigation. We had assumed from our conversations, that we would be kept up to date on the situation.

Over the past two weeks, calls have been made from the City to David Catanach and Bill Olsen. Messages were left and have yet to be returned. I did finally contact Martyne Kieling. Ms. Kieling had stated that she had "received negative results on the nitrogen analysis, which was what we were interested in." I stated that the City was concerned about all of the results and that it was my understanding that the City would be provided with all of the information as it became available.

AEN cannot release these results to us, but they have indicated that at least some of the results (ten days ago) have been faxed to Bill Olsen.

A couple of weeks after your visit the NMED Haz Mat Bureau sampled from the tanks on site. The City has received results on the tanks on both sides of the gunbarrel tank (which you sampled) and BOTH showed substances which are NOT in produced water. These results are available for your review.

Please call me at (505) 887-1191 or email me at jwaters@carlsbadnm.com or get in touch with us next week. (week of Dec. 1)

Thank you for your attention to this.

Sincerely, John Waters
Environmental Services Manager
City of Carlsbad