



**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**

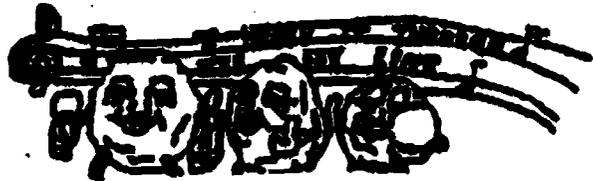
TO: Mike Stagner

FROM: Chris Williams

DATE: 9/5/97

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(INCLUDING COVER)

**WORLD FAX NUMBER: (808) 393-0720
IF YOU DO NOT RECEIVE A TRANSMISSION, CALL (808) 393-6161**



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Pursuant to 19 MAR 85

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Reply to Davis Paynes Remedics for Polaris Leases

- 1) **Begin Plugging wells by September 15, 1997 on Argo Leases at the rate of one well to be plugged every two months. To be completed by September 15, 1998. If not complete by September 15, 1998 a fine of \$1000.00/day/well until plugging complete.**
- 2) **Complete tear down of Pope Battery by April 30, 1998. Determine vertical extent of hydrocarbon damage in battery area by April 30, 1998. If damage impacts groundwater Polaris must determine lateral extent of damage and prepare a groundwater remediation plan. Polaris must contact OCD Environmental Bureau for directions for remediation. If Polaris does not provide a satisfactory and acceptable remediation plan by June 1, 1998, then a fine will be levied at \$1000/day.** *CONTAMINATION*
- 3) **Restore Priest #4 to production and repair gas leak by December 1, 1997 or sooner. If not complete by December 1, 1997 then a fine of \$1000/day/well will be levied.**
- 4) **I am not sure what he means by the Pope #6 being transferred to the North Denton Wolfcamp Unit unless he is saying that Polaris no longer operates this well. More research is needed.**
- 5) **Remove all equipment off Pacific Royalty Lease by February 28, 1998 and clean up according to OCD guidelines.**
- 6) **\$2000/mo will be spent per month in clean-up and improvement on all remaining leases until those leases meet OCD guidelines. Appearance is not the issue, environmental concerns, proper use and maintenance of production facilities is the overriding issue. Some sort of penalty should be imposed if the money is not spent or the work is not done. Throwing fresh dirt in the battery area is not considered proper clean up actions.**
- 7) **Restore to production or properly temporarily abandon remaining thirteen wells according to OCD rules beginning October 15, 1997 and to be completed by October 15, 1999. The District office will be notified 24 hours in advance for every P&A procedure, TA procedure so that they can be witnessed by appropriate district personnel.**
- 8) **Groundwater from nearby water wells will be sampled and analysis completed for possible hydrocarbon contamination for all leases. Polaris will provide this data to OCD by October 1, 1997.**

Copy review and write up as much as you can to be put in the Polaris order.

9) **WHEN SPILLS OCCUR FOLLOW ~~THE~~ RULE 116**

Chas. ~~XXXXXXXXXX~~

* REPORT SPILLS + LEAKS IN ACCORDANCE WITH RULE 116, AND ~~FILE~~ COMPLETE O.C.D. FORM C-141 IN A TIMELY MATTER.

* CHECK VERTICAL + HORIZONTAL EXTENT OF CONTAMINATION AT SHELTON TANK BATTERY AND ~~RE~~ REMEDIATE ACCORDING TO D.C.D. GUIDELINES.

* DETERMINE VERTICAL EXTENT OF HYDRO-CARBON DAMAGE ^{CONTAMINATION} ~~AT~~ POLARIS PRIEST + SHELTON TANK ~~BATTERY~~ BATTERY AREAS BY APRIL 30, 1998. IF DAMAGE IMPACTS ^{CONTAMINATION} GROUNDWATER POLARIS MUST DETERMINE ^{CONTAMINATION} ~~THE~~ LATERAL EXTENT OF DAMAGE + PREPARE A GROUNDWATER REMEDIATION PLAN. POLARIS MUST CONTACT O.C.D. ENVIRONMENTAL BUREAU FOR DIRECTIONS FOR REMEDIATION. IF POLARIS DOES NOT PROVIDE A SATISFACTORY AND ACCEPTABLE REMEDIATION PLAN BY JUNE 1, 1998, THEN A FINE WILL BE LEVIED AT \$1000/DAY.

referred to NMAA sub 1