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April 8, 2003  
VIA HAND DELIVERY

**RECEIVED**

APR 8 2003

Oil Conservation Division

David Brooks, Esq.  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

Re: ***NMOCD Case No. 13004; Application of the New Mexico Oil Conservation Division, Through the Environmental Bureau Chief, for an Order Determining the Responsible Party or Parties and Ordering the Responsible Party or Parties to Conduct Division-Approved Corrective Action With Respect to a Hydrocarbon Release; Lea County, New Mexico.***

Dear Mr. Brooks:

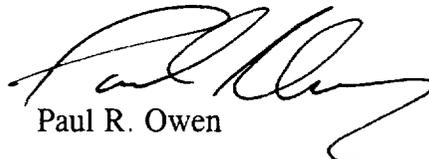
Pursuant to our telephone conversation this afternoon, enclosed please find the Stipulated Conditional Dismissal which all parties have agreed to execute and present to the Division.

Consistent with your request this afternoon, I have added a new sentence to paragraph 5, in which the parties agree to split the cost of re-publication.

At your earliest convenience, please sign the document and submit it for entry by the Division.

We appreciate your cooperation in this matter.

Very truly yours,



Paul R. Owen

cc: Arnold J. Johnson, Esq. (via facsimile)  
J. Scott Hall, Esq. (via facsimile)  
W. Thomas Kellahin, Esq. (via facsimile)  
✓ Mr. Michael Stogner (via hand delivery)

**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**APPLICATION OF THE NEW MEXICO  
OIL CONSERVATION DIVISION,  
THROUGH THE ENVIRONMENTAL  
BUREAU CHIEF, FOR AN ORDER  
DETERMINING THE RESPONSIBLE  
PARTY OR PARTIES AND ORDERING  
THE RESPONSIBLE PARTY OR  
PARTIES TO CONDUCT DIVISION-  
APPROVED CORRECTIVE ACTION  
WITH RESPECT TO A HYDROCARBON  
RELEASE; LEA COUNTY, NEW  
MEXICO.**

**CASE NO. 13004**

**STIPULATED CONDITIONAL DISMISSAL**

The responding parties, Samedan Oil Corporation, Occidental Permian Ltd., and Shell Exploration and Production Company, all by and through undersigned counsel, submit this Stipulated Conditional Dismissal. Based on one party's commitment to commencing site investigation, this matter should be dismissed and re-filed if the matter is not voluntarily resolved:

The parties stipulate as follows:

1. Within seven (7) days of the Division's entry of this Stipulated Conditional Dismissal, Samedan Oil Corporation will submit to the Environmental Bureau of the New Mexico Oil Conservation Division ("Bureau") a plan to investigate the extent of contamination ("site investigation plan") associated with the mobile home site identified by the Bureau in the field notes taken by Mr. Bill Olson of the Bureau on January 25, 2000, and attached hereto as Exhibit "A."

2. Within 21 days of the Bureau's approval of the site investigation plan, Samedan will perform such work as is necessary to implement the site investigation plan.

3. Within 28 days of the Bureau's approval of the site investigation plan, Samedan will submit the results of the site investigation plan to the Bureau.

4. If, within 90 days of the Division's receipt of the results of the site investigation plan, one or all of the parties have not initiated such steps to remediate any hydrocarbon contamination revealed by the results of the site investigation plan, then this case may be re-filed.

5. If any of the steps required in paragraphs 1 through 4 herein are not taken within the time specified, or within such additional time as agreed to by the Bureau, this case may be re-filed by the Bureau. In the event that this case is refiled, Samedan, Occidental Permian, and Shell agree to pay (with each party paying an equal share) any costs incurred by the Division associated with re-publication of notice in relation to that re-filing.

6. This Stipulated Conditional Dismissal, and Samedan's agreement to formulate and implement the site investigation plan herein, are not an agreement by Samedan or any other party to take any steps to remediate the alleged contamination associated with the mobile home site identified in Exhibit A.

7. This Stipulated Conditional Dismissal, and any party's taking any steps as outlined herein, are not assumptions of responsibility for any alleged contamination or responsible person status by any party hereto.

8. No party shall use this Stipulated Conditional Dismissal, or any party's taking any steps as outlined herein, as evidence of any other party's responsibility for any alleged contamination or responsible person status.

9. The results of the site investigation plan shall not be binding on any party to determine any party's responsibility for any alleged contamination or responsible person status.

10. This Stipulated Conditional Dismissal is in the best interests of all parties for the following reasons:

a. It allows for the gathering of additional data to supplement the incomplete study commenced by the Environmental Bureau;

b. It may resolve what may otherwise be a lengthy, time consuming and extremely expensive contested hearing;

c. Despite the Environmental Bureau's stated intention that this case not establish a precedent, it may do so unless the case is dismissed without prejudice;

d. It will allow the Division Examiner to maintain jurisdiction and allow the Environmental Bureau to supervise, if necessary, the gathering of additional data, without the perceived bias to any party that may result from continuing the current case; and,

e. It demonstrates to the public that the Division is causing this case to move toward a conclusion.

**IT IS THEREFORE ORDERED THAT:**

Case No. 13004 is hereby Dismissed WITHOUT PREJUDICE to the Bureau to re-file this case under the conditions set forth herein.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

LORI WROTENBERY  
Director

S E A L

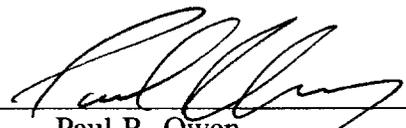
**STIPULATED CONDITIONAL DISMISSAL**

AGREED AND STIPULATED:

NEW MEXICO OIL CONSERVATION  
DIVISION

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KELLAHIN & KELLAHIN

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ATTORNEY FOR OCCIDENTAL  
PERIMIAN LTD.

AGREED AND STIPULATED:

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NEW MEXICO OIL CONSERVATION  
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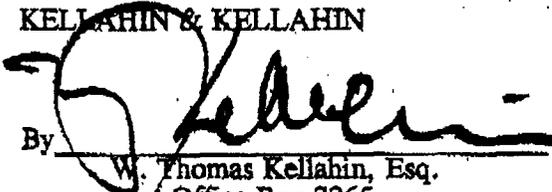
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CORPORATION

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ATTORNEY FOR OCCIDENTAL  
PERIMIAN LTD.

MILLER, STRATVERT, P.A.

By J. Scott Hall 7-8-03

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(505) 989-9614  
ATTORNEY FOR SHELL  
EXPLORATION AND PRODUCTION  
COMPANY

Gery Johnson Well (Hish, NM)

arrived at 0940 with Roger Anderson  
Lynne Price } OCD  
Tedd Ford }  
Doree Williams }

met with Gery Johnson (landowner) about complaint  
+ spoke in property, rental to description  
water well in south west corner of property  
seen tank bottom spread on surface  
lighter photos (1-5) of  
hit for oil in face of hole in old  
asphalt pad for tank battery

Alturas wells adjacent to site (Spring #6)  
One well - North Hobbs (GSA) Unit  
# 28-332

Unit G, Sec 28, T16S, R38E

Sampled water well  
Sample - id 000125095D

Samples - 802-1 (BTEX)  
- casing annular  
- metals

1/25/00

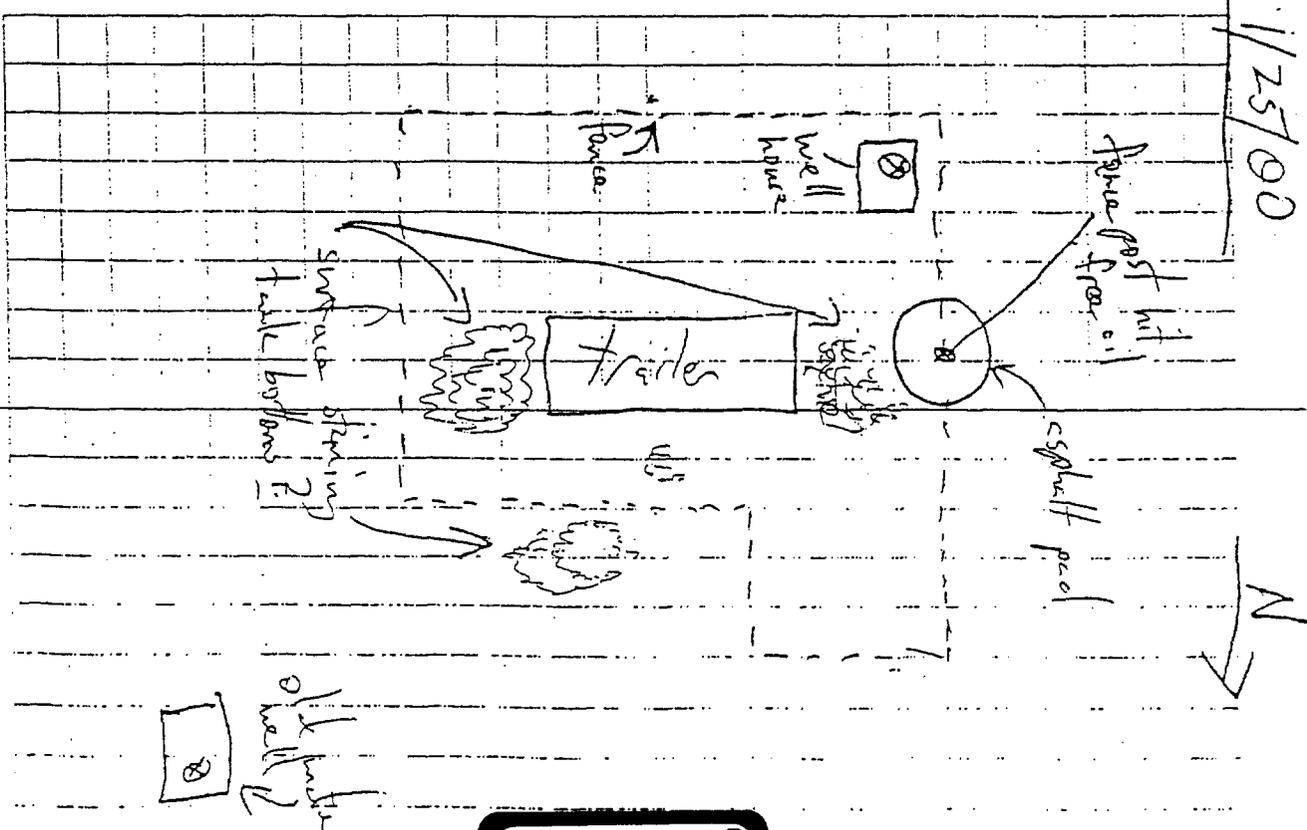


EXHIBIT A  
Stip. Condition  
Dismissal  
OCD Case #1300

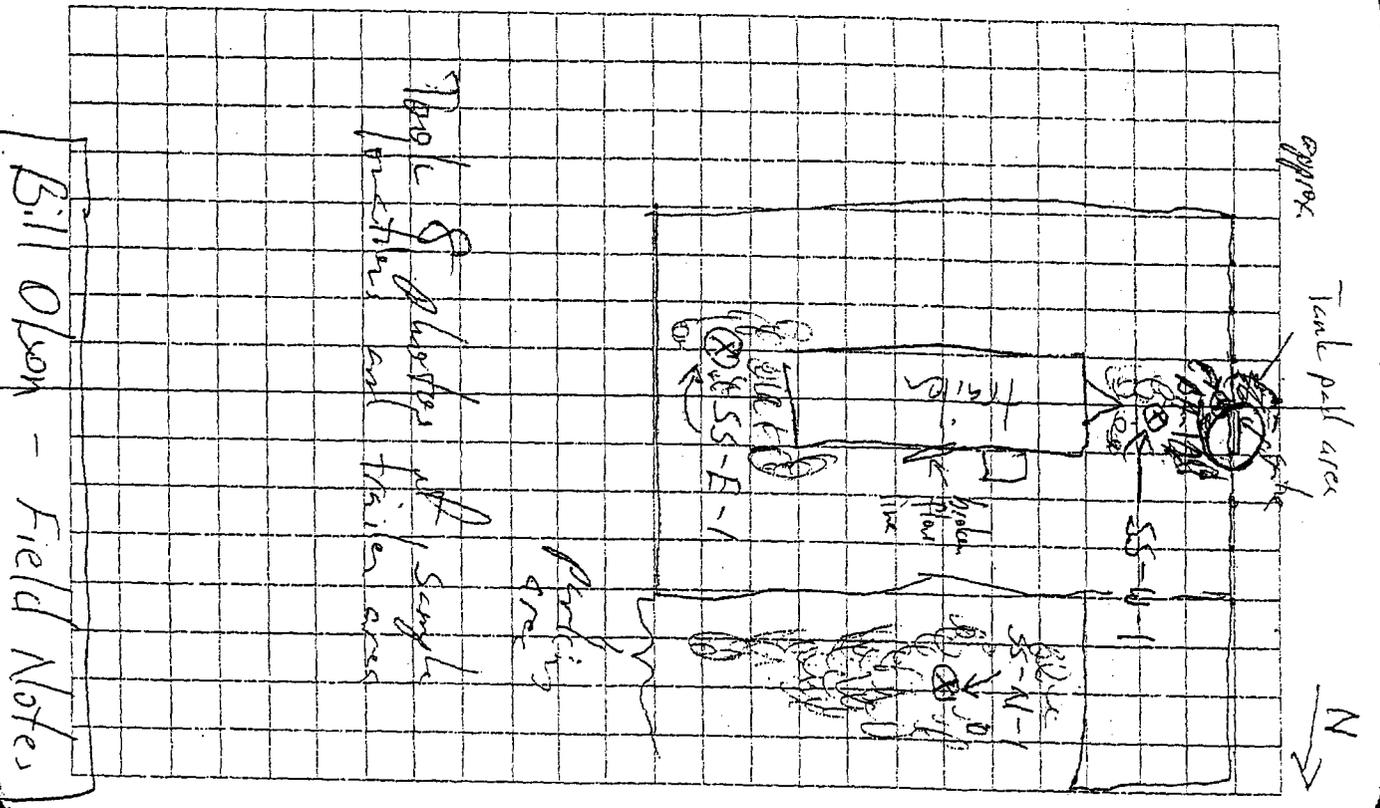
Bill Olson Field Book # 5

0/25/02 - Gary Johnson Residence

arrived at 11:00 AM with Gary Johnson  
 met with Mike Nawell, Sam Johnson, Nawell  
 District McAlhoun, Cox & McAlhoun  
 McAlhoun provided site visit photos of site  
 100% samples of surface contamination  
 from old tank battery on property

BH-1 - 6 inch  
 auger hole in area expected to be  
 heavily contaminated by Mr. Johnson  
 sample depth 6"  
 sample blocks, fancy sooty, He oven  
 sample id - 0206251150  
 samples - BT EX  
 TPI  
 metals

BH-1 - 1 ft  
 sample depth 1 ft  
 sample block, fancy, sooty, He oven  
 sample id - 0206251150  
 samples - BT EX  
 TPI  
 metals



Bill Olson - Field Notes

SS-W-1

West side of trail "

sample 1-2

sample block, asphalt, HC odor

sample id - 020625-1290

sample - BTFC

TPH

metals

SS-N-1

North side of trail in

sample 1-2 "

sample block, asphalt, HC odor

sample id - 020625-1305

SS-E-1

East side of trail "

sample 1-2

sample block, asphalt, HC odor

sample id - 020625-1250

samples - BTFC

TPH

metals