

**BW - 4**

**CONTINGENCY &  
CLOSURE PLANS**

## **Chavez, Carl J, EMNRD**

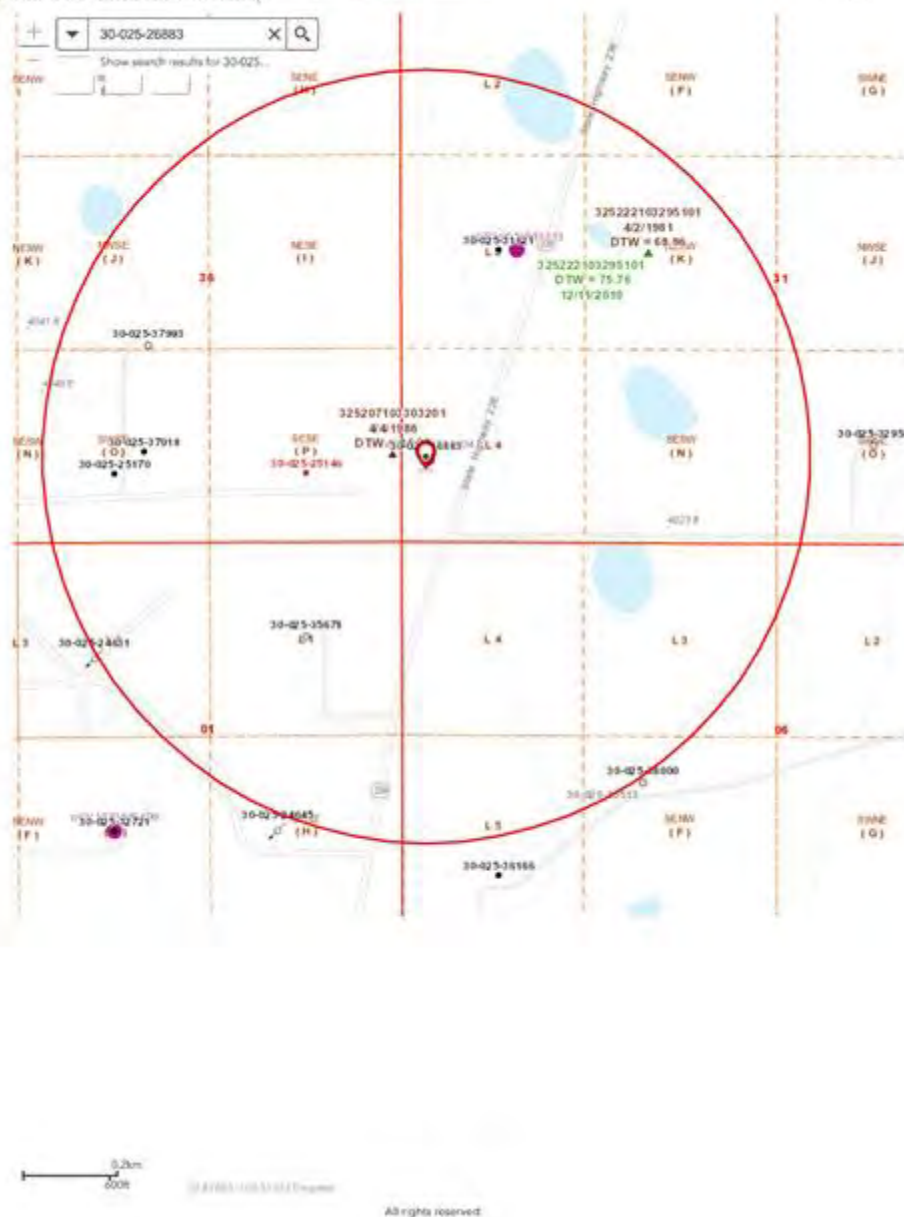
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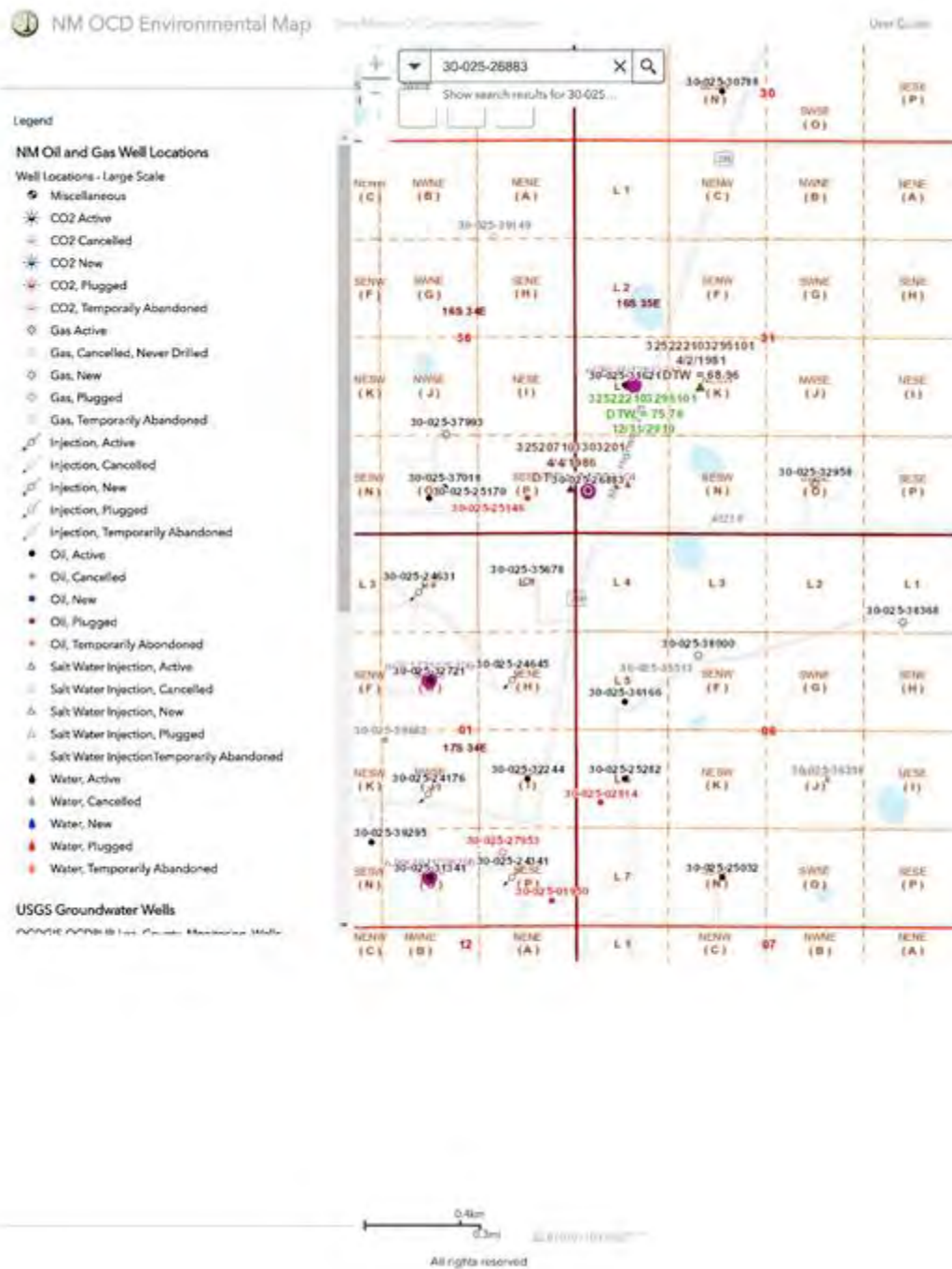
**From:** Chavez, Carl J, EMNRD  
**Sent:** Tuesday, April 23, 2019 10:16 AM  
**To:** 'Wayne Price'  
**Cc:** jonrgandy Gandy; Larry Gandy; Griswold, Jim, EMNRD  
**Subject:** RE: [EXT] BW-4 Admin. Complete Draft Public Notice Review

Wayne:

Re: BW-4 AOR 0.5 Mile

Good morning. I think there are oil and gas wells within the 0.5 mile AOR for BW-4 (see maps below).





I will discuss your “waiver” request for the subsidence monitoring methods with Jim Griswold and respond soon.

Thank you.

Mr. Carl J. Chavez, CHMM (#13099)  
 New Mexico Oil Conservation Division  
 Energy Minerals and Natural Resources Department  
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**“Why not prevent pollution, minimize waste to reduce operating costs, reuse or recycle, and move forward with the rest of the Nation?” (To see how, go to: <http://www.emnrd.state.nm.us/OCD> and see “Publications”)**

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**From:** Wayne Price <wayneprice@q.com>

**Sent:** Sunday, April 21, 2019 12:29 PM

**To:** Chavez, Carl J, EMNRD <CarlJ.Chavez@state.nm.us>

**Cc:** Wayne Price <wayneprice@q.com>; jonrgandy Gandy <JonRGandy@aol.com>; Larry Gandy <lgandy@gandycorporation.com>

**Subject:** Re: [EXT] BW-4 Admin. Complete Draft Public Notice Review

Dear Carl,

Pursuant to your request, please find an up-dated closure cost plan and a contingency plan.

Please note, on behalf of Wasserhund Inc. BW-04 operations, we are asking for a waiver of your current subsidence monitoring methods. Instead we would like for OCD to entertain the idea that this is an active site where personal is there daily. Any noticed issues will be reported immediately. Also, we perform quarterly monitoring and any subsidence issues will be noted.

We make this claim for the following reasons:

1. The current ROI of the cavern does not approach the adjacent highway and the site is remote.
2. The cavern is now being developed from the bottom and the top radius is limited in expanding any further.
3. There are no Oil & Gas wells in the AOR that would be impacted.
4. There is an on-site water well that would pick up any serious downhole issues.
5. The D/H ratio is very low.
6. The current well bore casing is in the salt section and logs show a good Rock roof.
7. There have been no collapses of Brine wells or subsidence issues where the Salado Salt formation is deep, such as this site in New Mexico.
8. This Site is located on State Land and the cost of installing and monitoring may expand beyond normal, and the current land owner may charge exorbitant fees.
9. This is not a sensitive area per se.
10. The injection pressure is limited to prevent salt fracturing.
11. The current OCD required monitoring plan is very subjective as there is no trigger limit to determine actually catastrophic collapse or minor subsidence, or influence from surrounding SWD wells, deleted wells etc. There is no documented experience or white paper that shows such monitoring will actually show a forth coming major collapse in this geological area.
12. The WQCC rules do not specifically include the OCD methods mentioned, other methods could be entertained.

**April 21, 2019**

**Contingency Plan for BW-04 (Permit Renewal)**  
***Shall be posted at the site.***

**Emergency Response Notification List:**

- Call 911
- Lea County Sherriff Department-24/7
- Phone: (575) 396-3611
  
- Wasserhund Inc. 24/7 575-396-4948
  
- Jon Gandy-575-369-9909 -cell
  
- Price LLC- 505-715-2809 - cell
  
- Hobbs OCD-OFFICE: (575) 393-6161  
EMERGENCY NUMBER - MOBILE: (575) 370-3186

**Releases:** All releases as defined in 19.15.2.7 R. will be conducted pursuant to OCD rule 19.15.29 NMAC (Releases).

**Discharge Permit Conditions:** All permit conditions that require immediate notification to OCD will be followed, unless approved by OCD otherwise.

This includes permit conditions, except in emergency situations, where such permit requirements would endanger the environment, the public at large, and on-site personnel.

Once the emergency condition is over, then OCD will be contacted to address such emergencies.

Permit Renewal  
BW-04 Wasserhund Inc. Closure Cost

Pulling Unit Rig	\$8,700
Halliburton Cement Job	\$6,000
Tank Removal, Pad Clean-Up	\$25,000
Total Estimate	\$39,700

\$50,000 Bond is in place