

BW - 5

**GENERAL
CORRESPONDENCE**

YEAR(S):

1991 → 1985

Equipment & Supplies
Fresh Water
Brine Supply Wells
Salt Water Disposal

B & E, INC.

South Y
P. O. Box 756
Carlsbad, N.M. 88220
Phone (505) 885-6663

OIL CONSERVATION DIVISION
RECEIVED

Vacuum Trucks
Winch Truck
Kill Truck
Frac Tanks

'91 DEC 23 AM 9 38

December 19, 1991

State of New Mexico
Oil Conservation Division
P.O. Box 2088
State Land Office Bldg.
Santa Fe, NM 87504

RE: Discharge Plan BW-5 (formerly DP-322)
Loco Hills Brine Station

OGR10 191149
PROP 28879

ATT: Kathy Brown

Attached please find information for requests for additional information on the brine renewal plan.

As I had previously stated Jim's Water Service has agreed to purchase the brine station. The original Agreement of Sale has been sent to Colorado for final signature.

If everything goes along as planned, Jim's Water Service should have possession of the brine station beginning the 1st of the new year (1992).

The 4th quarter report of 1991 will be provided to the OCD by B & E, Inc.

At the time of transfer of possession from B & E, Inc. to Jim's Water Service all commitments by B & E, Inc. should transfer to Jim's Water Service. A complete copy of all files will be given to Jim's upon closing of the transaction. I personally will make myself available to help with any reports and etc.

Jim's Water Service was made aware of the future construction around the brine loading area and leak detection.

The contacts you will have with Jim's Water Service are:

Jim's Water Service
P.O. Box 848
Artesia, NM 88210

Jim's Water Service of Co., Inc.
12630 WCR-4
Brighton, Colorado 80601

ATT: Mid Ray Clark
PH: 748-3152

ATT: Larry Wright

Equipment & Supplies
Fresh Water
Brine Supply Wells
Salt Water Disposal

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December 19, 1997

Page 2

We are hoping that the transition of possession will go as smoothly as possible. All parties have been very cooperative.


I apologize for just now getting the renewal plan finished and mailed. I had a personal medical emergency in New York and was gone for sometime.

If you have any further questions, please call me at 800-658-2739 and I will try to help finish this up.

Again, I certainly appreciate your helpfulness and consideration.

Thank you again.

Sincerely,


Valerie Lemon-Pierce
Asst. General Manager

Attachments

cc: OCD-Artesia District Office
file

1. Mechanical Integrity Testing

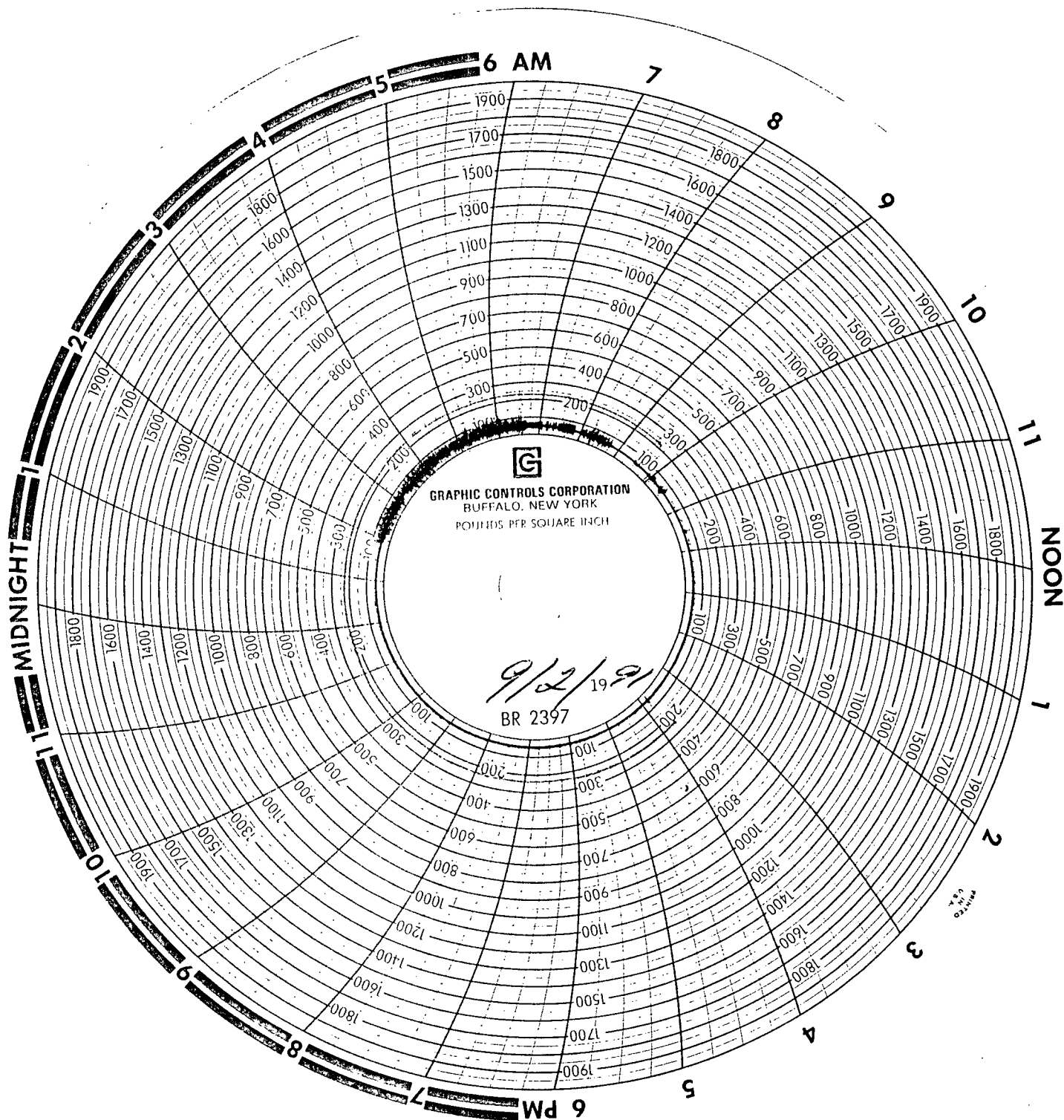
Pursuant to revised OCD guidelines for discharge plans at brine facilities, all wells must be pressure tested (open-hole) to 500 psi for 4 hours on an annual basis. A pressure test isolating the casing from the formation using either a bridge plug or a packer must be conducted at least once every 5 years or during well workovers. The last pressure test on file for the State 24 No. 1 Well at your Loco Hills Brine Facility was an open-hole test performed on March 2, 1988. The results from a current pressure test will be required prior to the approval of any brine facility discharge plan application or renewal. If the immediate test is performed using the open-hole method, than a pressure test isolating the casing from the formation is required within the next 1 1/2 years. Note that an OCD representative must be on site to witness all pressure tests and we request 10 days before the test to allow us to make arrangements. Submit a proposal for

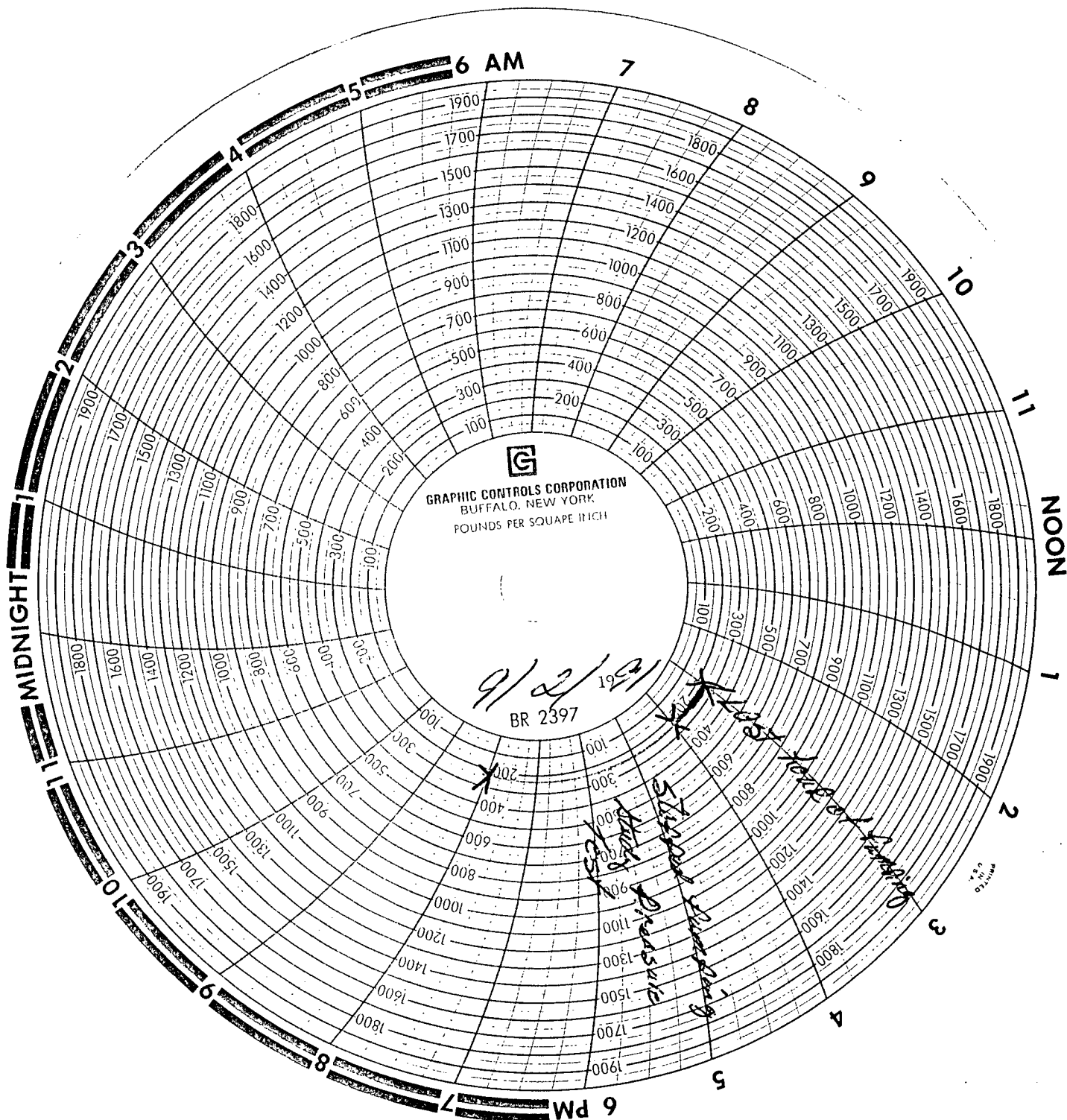
testing and ensuring the mechanical integrity of the well. Also, submit information on any buried brine pipelines including age and material of the lines.

Attached find the pressure test that was performed (previously sent)

The buried brine pipelines are 3" PVC pipe and are the original pipes from construction of the brine pond.

The casing is 7 5/8" from the well itself.





Loco Hills Brine Station.

Started test on Sept. 1, 1991 at 9:30 a.m.
Started injection with fresh water
pumping at $2\frac{1}{2}$ BBLS P/M at 100 PSI. Continued
rate & tubing pressure until 8 PM on same
date - at which time rate was increased
to $3\frac{1}{2}$ -4 BBLS P/M at 100 PSI injection - by which
time downhole pressure had increased to
80 PSI. Pumping rate & injection pressure
continued throughout night. By 10:30 PM
downhole pressure had increased to
150 PSI - By 2:00 PM Sept. 2, 250 PSI.
Pressure continued to hold with same
rate & injection pressure at 350 PSI.
Continued pumping until 3:00 PM on
Sept 2nd. Stopped pumping studied
chart 4 hr - pressure held at
250 PSI - rigged down.

Total water pumped downhole - 1954 BBLS

2. Transfer of Commitment

Notwithstanding the transfer of jurisdiction of brine wells to OCD, all prior commitments to EID concerning reporting and notification remain in effect. This includes the quarterly report listing of volume of fluids injected and produced, the quarterly report of inspection of your leak detection system, and the annual analyses of injected and produced waters. Note that all unauthorized discharges (ie. major leaks and spills), need to be reported to the OCD within 48 hours of the event (WQCC Rule 5-208).

*B & E, Inc. has fulfilled the commitment to the OCD
in the past concerning quarterly reporting.*

*Jim's Water Service being the new owners of the Loco
Hills Brine Station will need to make the same committ-
ments to the OCD starting in the new year 1992.*

*Also, they will need to make commitment to the OCD
to be notified within 48 hours of any major leaks
or spills.*

3. Brine Storage Pond

The OCD is concerned whether the leak detection system for your single-lined pond is adequate and we require additional information on the construction of the brine storage pond. What type of substrate underlies your leak detection laterals (1 1/4" perforated PVC pipe)? Is it the native substrate or a material transported to the site? What is the composition and permeability of this substrate? Was there any type of porous material (ie. sand) used to fill in the area between the leak detection laterals and the pond liner?

If your pond requires any major repairs in the future then the OCD requires that either the pond be double-lined with leak detection, or B&E provide evidence that the groundwater at your facility (225 feet deep) has a concentration greater than 10,000 mg/l Total Dissolved Solids.

Please see attached drawings and documents, They should answer the above questions that you have asked.

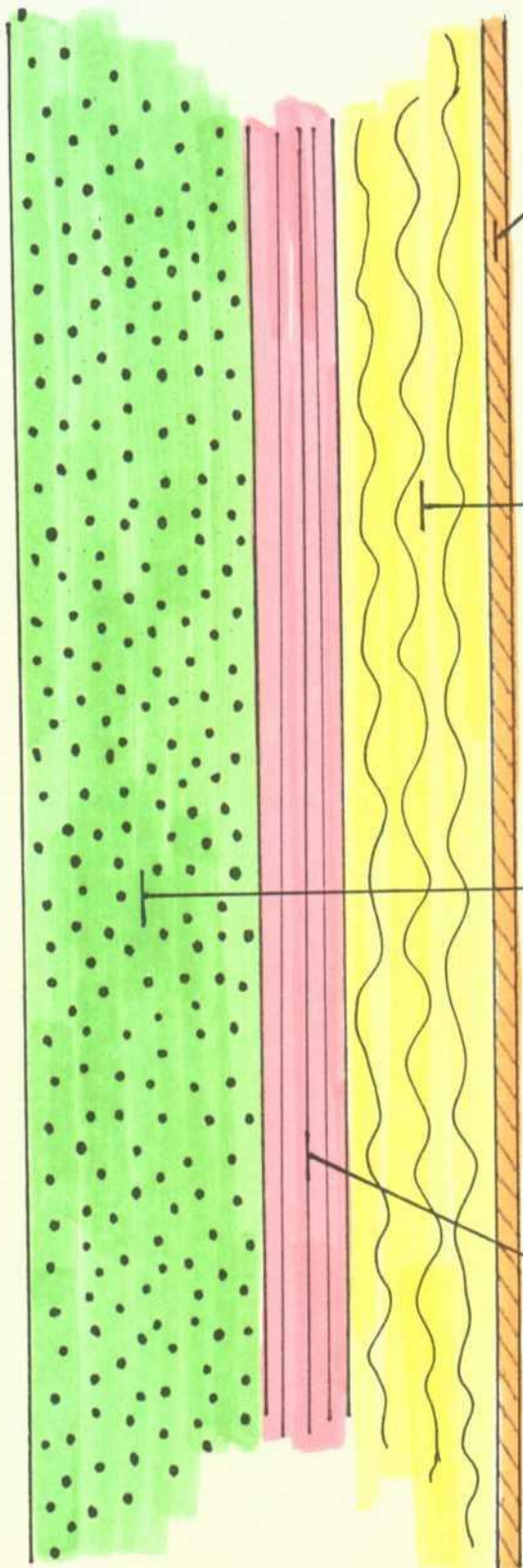
Chemically joined
30 mil reinforced
hypalon liner

6 - 8" depth cover
native sand

12" depth
 $\frac{1}{4}$ " pea gravel
riverbed (transported in)

Perforated
 $1\frac{1}{4}$ " PVC pipe
Leak Detection

Native Ground



4. Brine Loading Area

Past inspections of your brine facility by both the OCD and EID staff indicates brine spilled onto the ground surface in the brine loading area, specifically around the loading valves. This area must have containment to keep spilled brine off the ground surface. Submit a proposal to contain spills at your brine loading area. Provide an explanation and diagrams detailing how spilled brine is to be contained; include paving and curbing where appropriate and indicate where the spilled brine drains to. Note that all new underground tanks (ie. sumps) are required to have positive leak detection.

Jim's Water Service will provide a proposal to contain spills around the brine loading area. They are aware of the need for containment and leak detection.

5. Maximum Injection Pressure

Pursuant to WQCC Regulation Section 5-206, the maximum injection pressure at the wellhead shall not initiate new fractures or propagate existing fractures in the continuing zone. Your discharge plan application for renewal states that line pressure increases to about 125-130 psi when the freshwater pump is used. What is the maximum injection pressure at the wellhead when the pump is in use? Is the maximum pressure limited by the capacity of the pump or by a safety shut-off device? Submit a proposed maximum injection pressure, a measured and/or calculated fracture pressure for the zone being injected into, and a plan to ensure the fracture pressure value will not be exceeded.

The maximum injection pressure at the wellhead is 150 lbs.

The maximum pressure is limited by the capacity of the pump.

The measured or calculated fracture pressure is 350 PSI.

The fracture pressure valve will not be exceed because the pump capacity is only 150 lbs.

2-1-79
0600
116

6. Collapse and Subsidence Potential

Because of the relatively thin amounts of overburden rock at your location (400 feet), the OCD is concerned over the potential for collapse and/or subsidence of the strata overlying the salt cavity that B&E has created. Submit evidence that future brine extraction operations will not significantly increase the potential for collapse and/or subsidence. Include details on collapse and subsidence prevention and monitoring. Submit an estimate of the total brine produced to date so that the OCD can calculate the approximate size of the cavity.

From the records that are available the total amount of brine that has been produced is approximately 3,159,862 barrels. That figure has been derived from the meter readings each month.

Mr. Al Hickerson who originally drilled the brine well does believe that keeping the cavern full of fresh water and under pressure does give support. Although that is no positive guarantee.

The area in which the brine well is located is not populated and has no heavy above ground structures.

Visual inspection of surrounding area is done but again is no positive guarantee.

PERMIAN BRINE SALES & SERVICE, INC.

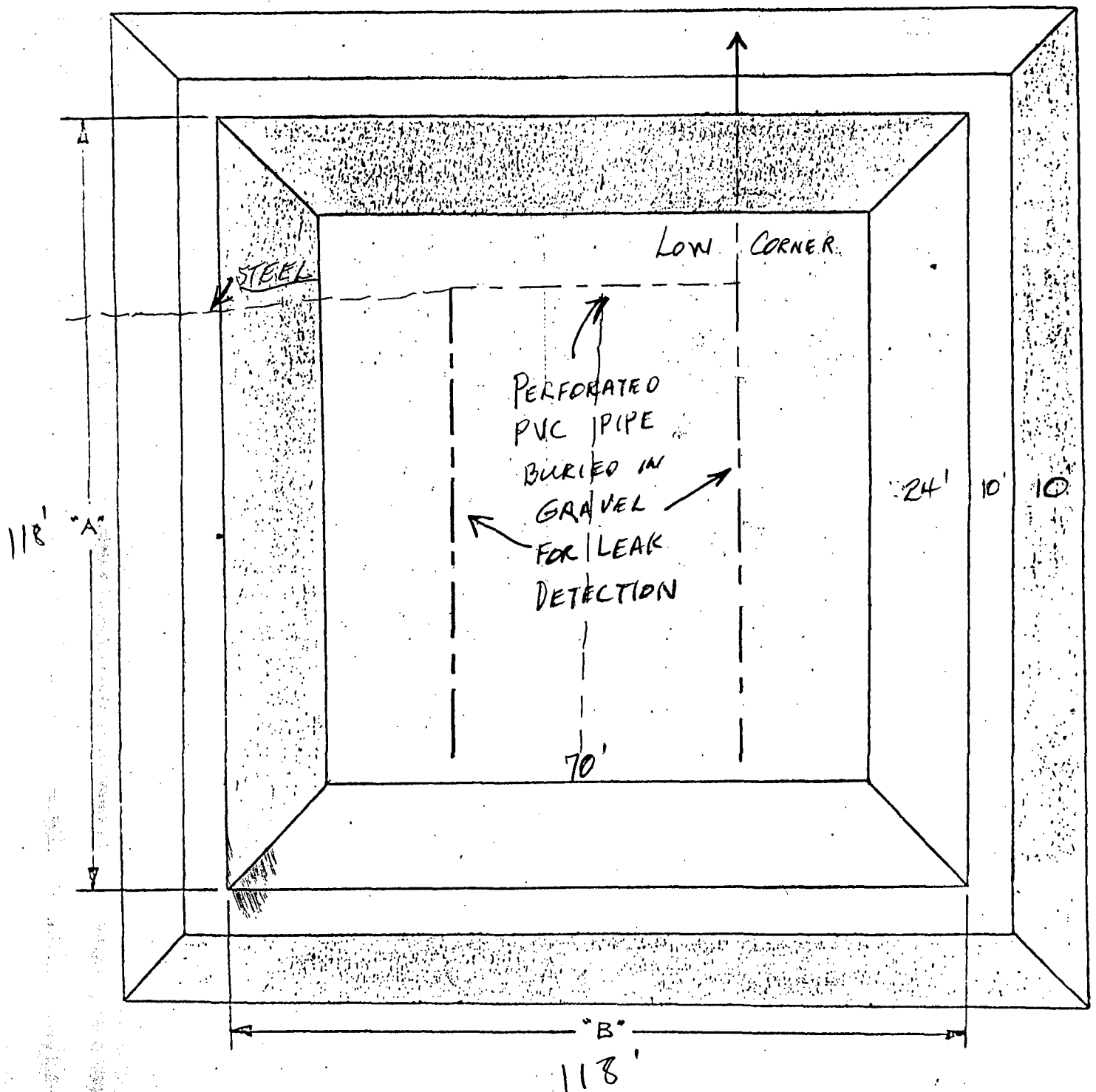
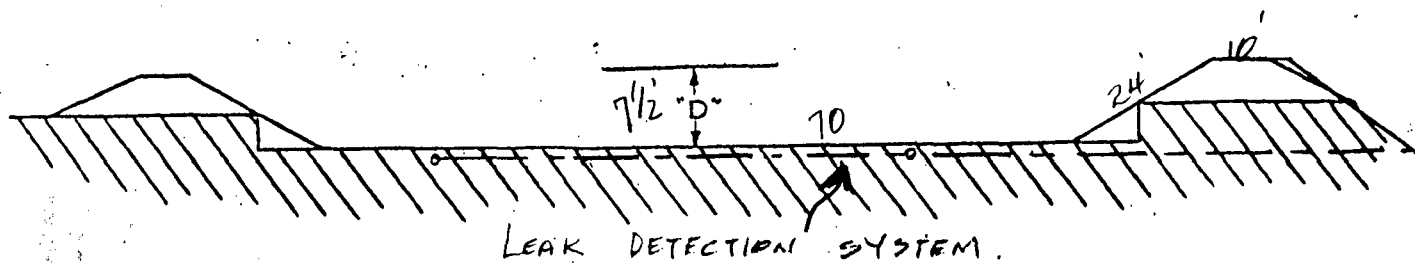
24-HOUR BRINE SERVICE THROUGHOUT THE PERMIAN BASIN

ODESSA, TEXAS

P. O. BOX 1591

79760

PHONE 332-0531



BRINE STORAGE PIT
EDDY COUNTY, NEW MEX.
Sec. 24 TWP 18S RGE. 28E



PERMAN BRINE SALES & SERVICE, INC.

NEW MEXICO STATE LAND OFFICE

APPRAISEMENT OF STATE INSTITUTIONAL LANDS
FOR right-of-way PURPOSES

To the Commissioner of Public Lands, Santa Fe, N. M.

SIR:

I have personally inspected the following described tract of land in Eddy County, New Mexico, and submit this appraisal report together with a statement of the natural character and conditions thereof:

Subdivision	Sec.	Twp.	Range	Acres
See Exhibit				

Attach Exhibit if more space is needed for entire description or to complete answers below

CHARACTER OF LAND

Answer the following questions in all appraisals:

State the best use for which the land may be adapted native pasture and wildlife habitat

State what other uses, if any, it may be or is being used for none

What is the general terrain or topography of the land? level to gently sloping

What type(s) of soil? gravelly fine sand loam Are there any signs of erosion? yes

If so, what type and to what extent? severe wind

What kind of vegetation is on the land, including grasses, if any? blue grama, black grama, side-oat

grama, little bluestem, Javelina, snakeweed, sand muhly, sand sagebrush, and mesquite

Is the land cultivated, grassland, or other? grassland

If cultivated, is it dry land or irrigated farm land? (state acreage involved) not cultivated

Are there natural streams, rivers, springs, ponds, and water holes on the land? If so, describe same none

State kind of merchantable timber, quality, and present condition, if any none

What irrigation ditches are on the land? If none, then distance of nearest one none

12 miles west to the Pecos River Valley

State the number of wells, depth, and type, on the land, whether used for domestic, irrigation, or other purposes none

State nearest distance to city, town, or village limits and name of municipality Artesia, New Mexico

12 miles northwest

Are there any existing or abandoned utility (electric, telephone, or telegraph) lines, railroads, public roads or highways, pipelines, borrow pits, material pits, cooperative irrigation ditches, reservoirs, airports, land strips, or trash dumps on the land? none If so, please describe and give approximate location none If any of the above

are found on the land, are they a benefit or detriment to the land? Explain none

List all improvements, their location, and value (including, but not limited to, houses, barns, stables, their sizes and how built; wells and their depth and description; windmills; fences, their amount, kind, and length; and all other improvements) none

Name and address of present owner of improvements is: none

State if any trespass or waste has been done to the land, or to any existing natural products thereon, and in what manner, by whom if known, and how it detracts from the value of the land only the trespass to graze cattle and operate oil wells

Does the land have any recreational potential, such as cabin sites, etc? Explain none

Answer the following questions in specific category for which application is made by applicant:

BUSINESS LEASE:

If known, what type of business is the land going to be used for by the applicant?

Or is the land being leased for speculative purposes, if known?

Estimate how much the parcel would lease for on a yearly basis for commercial purposes

List amounts for which parcels of fee land similarly situated lease for (monthly or annual rentals)

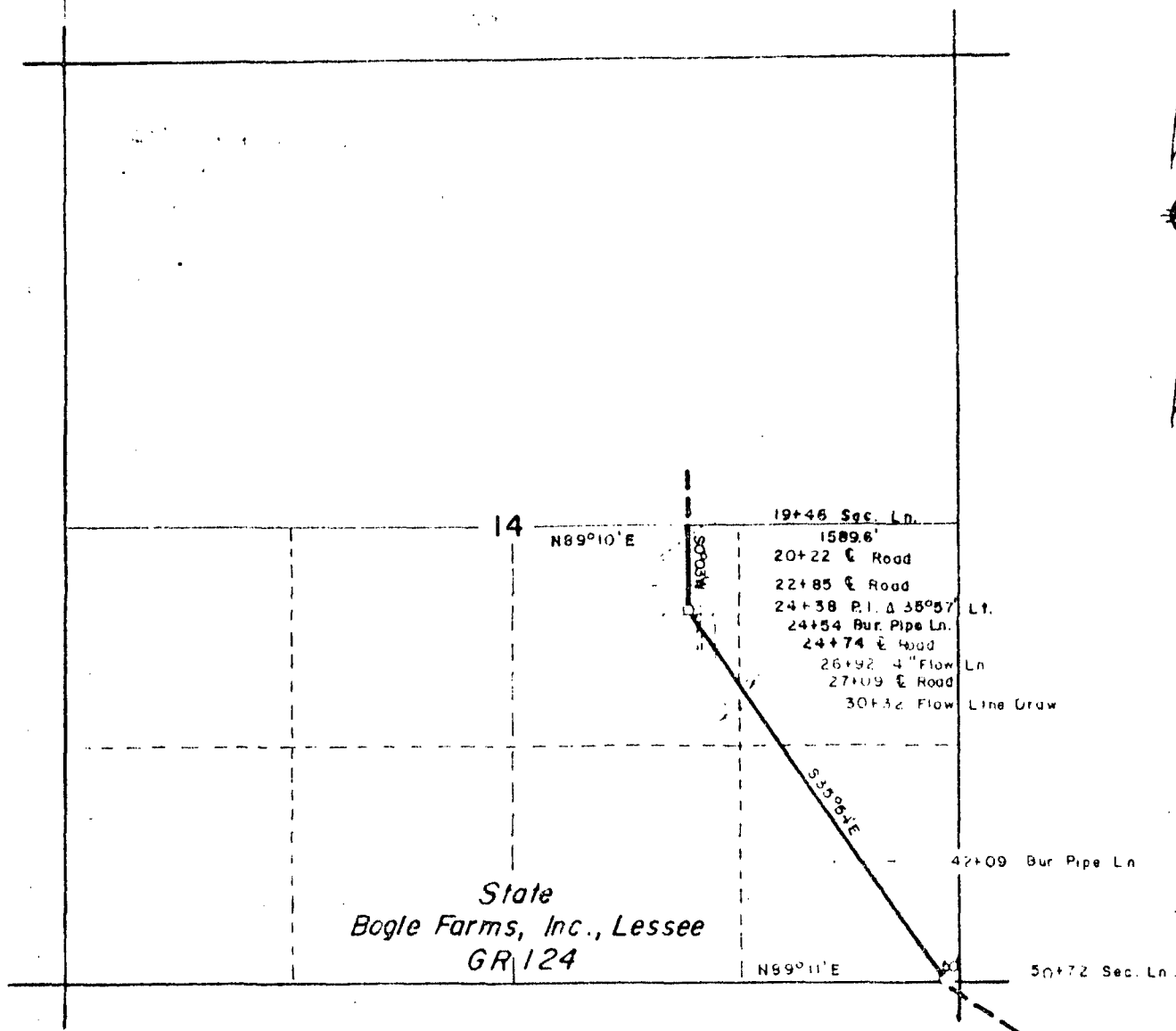
If land applied for is within municipal limits, state type and

EXHIBIT

Subdivision	Sec.	Twp.	Range	Acres
NW $\frac{1}{4}$ SE $\frac{1}{4}$	14	18S	28E	0.71
NE $\frac{1}{4}$ SE $\frac{1}{4}$	14	18S	28E	0.31
SE $\frac{1}{4}$ SE $\frac{1}{4}$	14	18S	28E	1.13
NE $\frac{1}{4}$ NE $\frac{1}{4}$	23	18S	28E	0.05
NW $\frac{1}{4}$ NW $\frac{1}{4}$	24	18S	28E	1.22
SW $\frac{1}{4}$ NW $\frac{1}{4}$	24	18S	28E	0.05
SE $\frac{1}{4}$ NW $\frac{1}{4}$	24	18S	28E	1.21
NE $\frac{1}{4}$ SW $\frac{1}{4}$	24	18S	28E	0.04
NW $\frac{1}{4}$ SE $\frac{1}{4}$	24	18S	28E	1.09
NE $\frac{1}{4}$ SE $\frac{1}{4}$	24	18S	28E	<u>0.23</u>
Sub-Total				6.04
NW $\frac{1}{4}$ NE $\frac{1}{4}$	14	18S	28E	0.43
SW $\frac{1}{4}$ NE $\frac{1}{4}$	14	18S	28E	<u>0.91</u>
Sub-Total				1.34
Total				7.38

SEC. 14, T18S, R28E, N.M.P.M.,

EDDY COUNTY, NEW MEXICO



DESCRIPTION OF RIGHT-OF-WAY

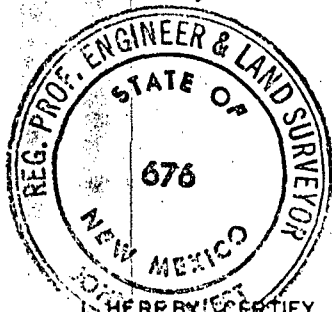
A strip of land 30 feet wide being 15 feet right and 15 feet left of the following described survey of centerline:

Beginning at Eng. Sta. 19+46, a point on the north boundary line of the south half of Section 14, Township 18 South, Range 28 East, N. M. P. M., Eddy County, New Mexico, from which the east quarter corner of the said Section 14 bears north 89°10' east a distance of 1589.6 feet; thence, south 00°03' west, crossing the State of New Mexico land a distance of 492 feet to Eng. Sta. 24+38; thence, south 35°54' east a distance of 2634 feet to Eng. Sta. 50+72, a point on the south boundary line of the said Section 14, from which the southeast corner of the said Section 14 bears north 89°11' east a distance of 50 feet.

The said tract of land contains 2.15 acres, more or less, all within the said Section 14, and is allocated by forties as follows:

NW $\frac{1}{4}$ SE $\frac{1}{4}$ 0.71 acres
NE $\frac{1}{4}$ SE $\frac{1}{4}$ 0.31 acres

SE $\frac{1}{4}$ SE $\frac{1}{4}$ 1.13 acres



I HEREBY CERTIFY THAT THIS PLAT WAS MADE FROM NOTES TAKEN IN THE FIELD IN A BONA FIDE SURVEY MADE UNDER MY SUPERVISION, AND THAT THE SAME IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

John W. West
JOHN W. WEST, N.M. P.E. & L.S. NO. 676
TEXAS R.P.S. NO. 1138

RONALD J. EIDSON, N.M. L.S. NO. 3239
TEXAS R.P.S. NO. 1883

PERMIAN BRINE SALES & SERVICE, INC.

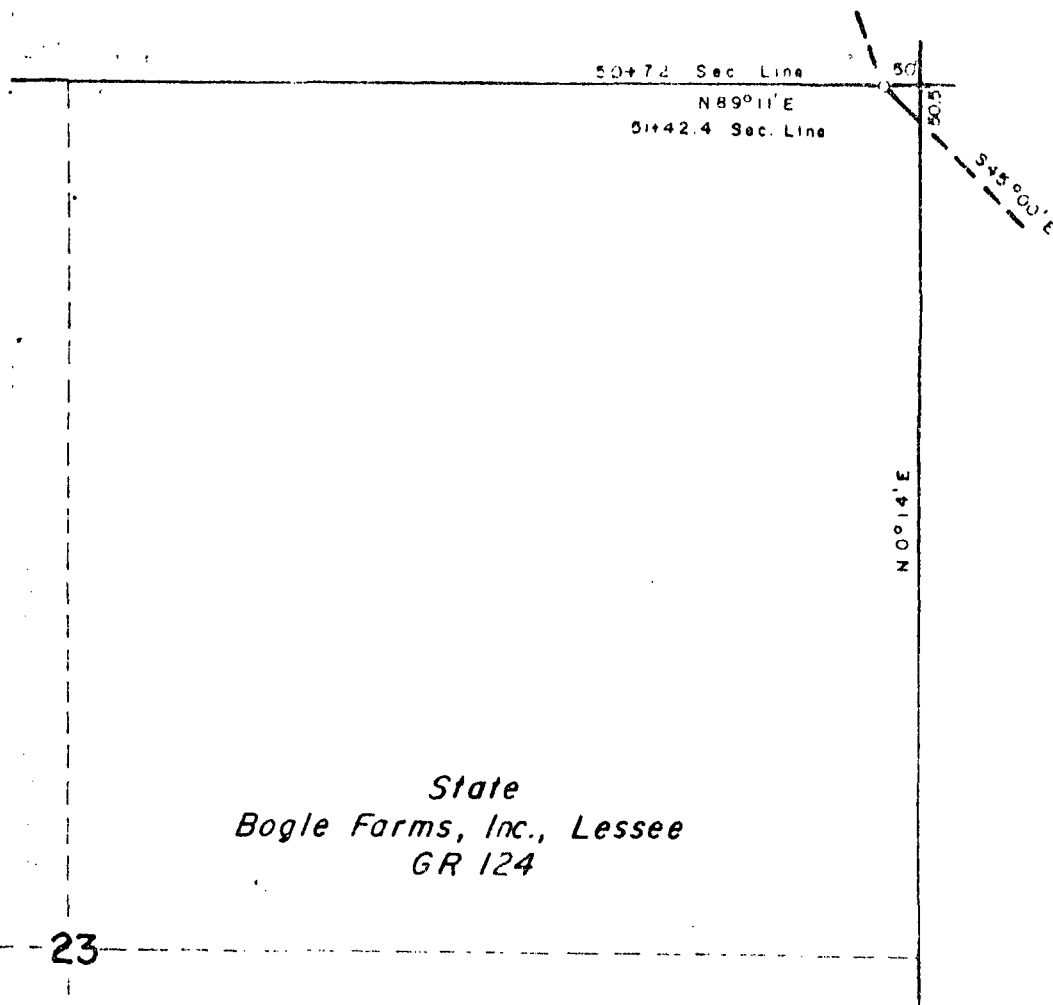
Proposed ~~water~~ water pipeline crossing the State of New Mexico land in Section 14, Township 18 South, Range 28 East, N. M. P. M., Eddy County, New Mexico.

JOHN W. WEST ENGINEERING COMPANY
CONSULTING ENGINEERS HOBBS, NEW MEXICO

Scale: 1" = 1000'	Drawn by: chb
Date: Sept. 7, 1978	Sheet 1 of 1 Sheets

SEC.23, T18S, R28E, N.M.P.M.,

EDDY COUNTY, NEW MEXICO



State
Bogle Farms, Inc., Lessee
GR 124

23

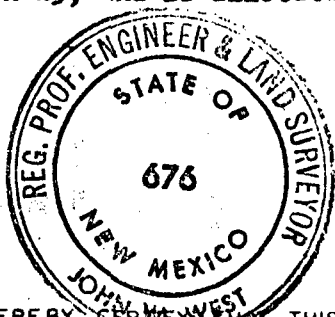
DESCRIPTION OF RIGHT-OF-WAY

A strip of land 30 feet wide being 15 feet right and 15 feet left of the following described survey of centerline:

Beginning at Eng. Sta. 50+72, a point on the north boundary line of Section 23, Township 18 South, Range 28 East, N. M. P. M., Eddy County, New Mexico, from which the northeast corner of the said Section 23 bears north 89°11' east a distance of 50 feet; thence, south 45°00' east, crossing the State of New Mexico land a distance of 70.4 feet to Eng. Sta. 51+42.4, a point of the east boundary line of the said Section 23, from which the northeast corner of the said Section 23 bears north 0°14' east a distance of 50.5 feet.

The said tract of land contains 0.05 acres, more or less, all within the said Section 23, and is allocated by forties as follows:

NE¹/₄ NE¹/₄ 0.05 acres



I HEREBY CERTIFY THAT THIS PLAT WAS MADE FROM NOTES TAKEN IN THE FIELD IN A BONA FIDE SURVEY MADE UNDER MY SUPERVISION, AND THAT THE SAME IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

JOHN W. WEST, N.M. P.E. & L.S. NO. 676
TEXAS R.P.S. NO. 1138

RONALD J. EIDSON, N.M. L.S. NO. 3239
TEXAS R.P.S. NO. 1883

PERMIAN BRINE SALES & SERVICE, INC.

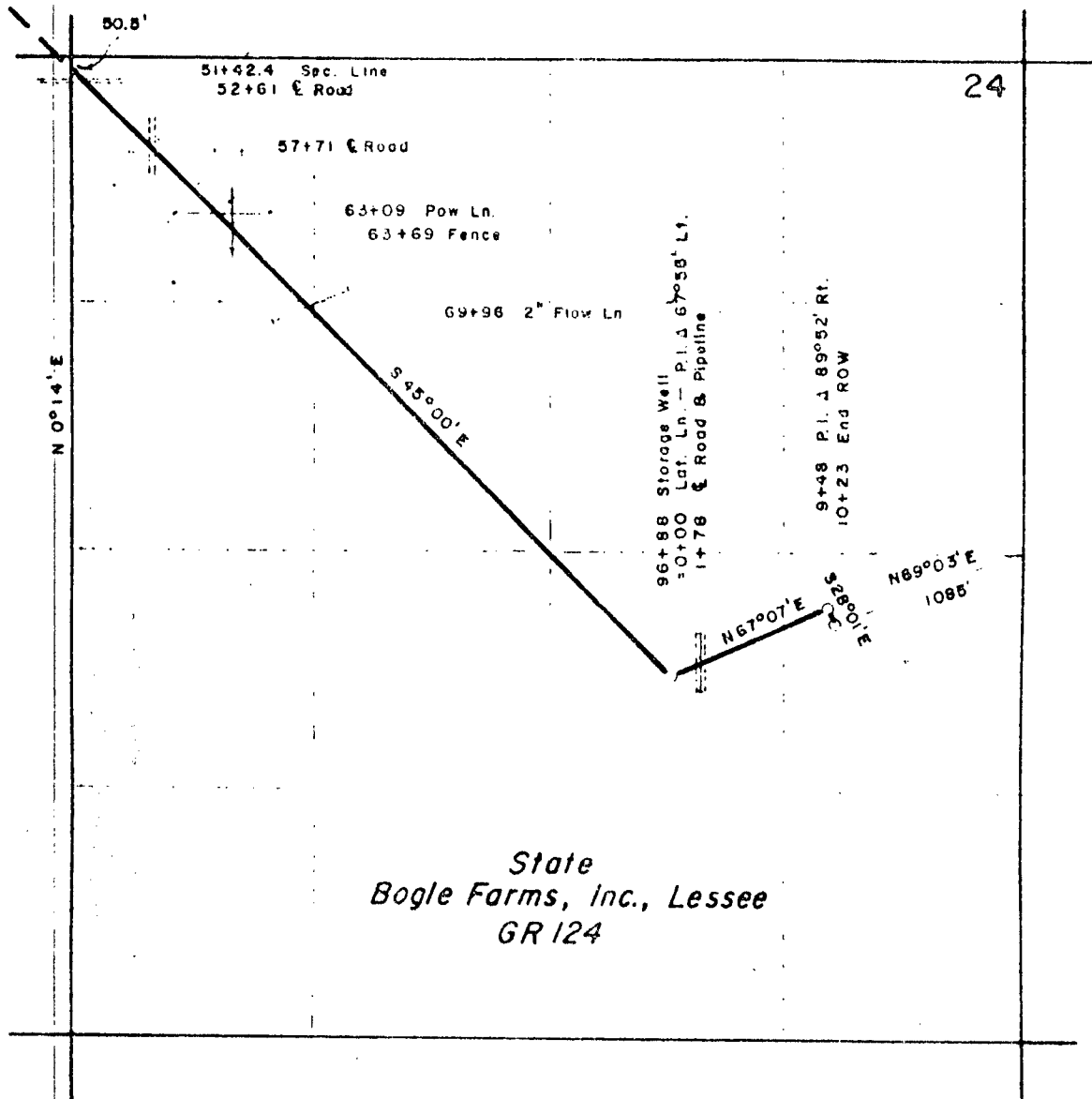
Proposed ~~water~~ water pipeline crossing the State of New Mexico land in Section 23, Township 18 South, Range 28 East, N. M. P. M., Eddy County New Mexico.

JOHN W. WEST ENGINEERING COMPANY
CONSULTING ENGINEERS HOBBS, NEW MEXICO

Scale: 1" = 300'	Drawn by: chb
Date: Sept. 7, 1978	Sheet 1 of 1 Sheets

SEC. 24, T18S, R28E, N.M.P.M.,

EDDY COUNTY, NEW MEXICO



State
Bogle Farms, Inc., Lessee
GR 124

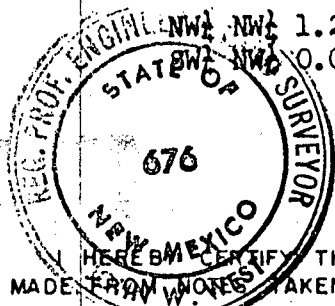
DESCRIPTION OF RIGHT-OF-WAY

A strip of land 30 feet wide being 15 feet right and 15 feet left of the following described survey of centerline:

Beginning at Eng. Sta. 51+42.4, a point on the west boundary line of Section 24, Township 18 South, Range 28 East, N. M. P. M., Eddy County, New Mexico, from which the northwest corner of the said Section 24 bears north 0°14' east a distance of 50.5 feet; thence, south 45°00' east, crossing the State of New Mexico land a distance of 4545.6 feet to Eng. Sta. 96+88 equals Eng. Sta. 0+00; thence, north 67°07' east a distance of 948 feet to Eng. Sta. 9+48; thence, south 28°01' east a distance of 75 feet to Eng. Sta. 10+23, ending this right-of-way, from which the east quarter corner of the said Section 24 bears north 69°03' east a distance of 1085 feet.

The said tract of land contains 3.84 acres, more or less, all within the said Section 24, and is allocated by forties as follows:

NW $\frac{1}{4}$ NW $\frac{1}{4}$ 1.22 acres	SE $\frac{1}{4}$ NW $\frac{1}{4}$ 1.21 acres	NW $\frac{1}{4}$ SE $\frac{1}{4}$ 1.09 acres
SW $\frac{1}{4}$ NW $\frac{1}{4}$ 0.05 acres	NE $\frac{1}{4}$ SW $\frac{1}{4}$ 0.04 acres	NE $\frac{1}{4}$ SE $\frac{1}{4}$ 0.23 acres



I HEREBY CERTIFY THAT THIS PLAT WAS MADE FROM NOTES TAKEN IN THE FIELD IN A BONA FIDE SURVEY MADE UNDER MY SUPERVISION, AND THAT THE SAME IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

JOHN W. WEST, N.M. P.E. & L.S. NO 676
TEXAS R.P.S. NO. 1138

RONALD J. EIDSON, N.M. L.S. NO 3239
TEXAS R.P.S. NO 1883

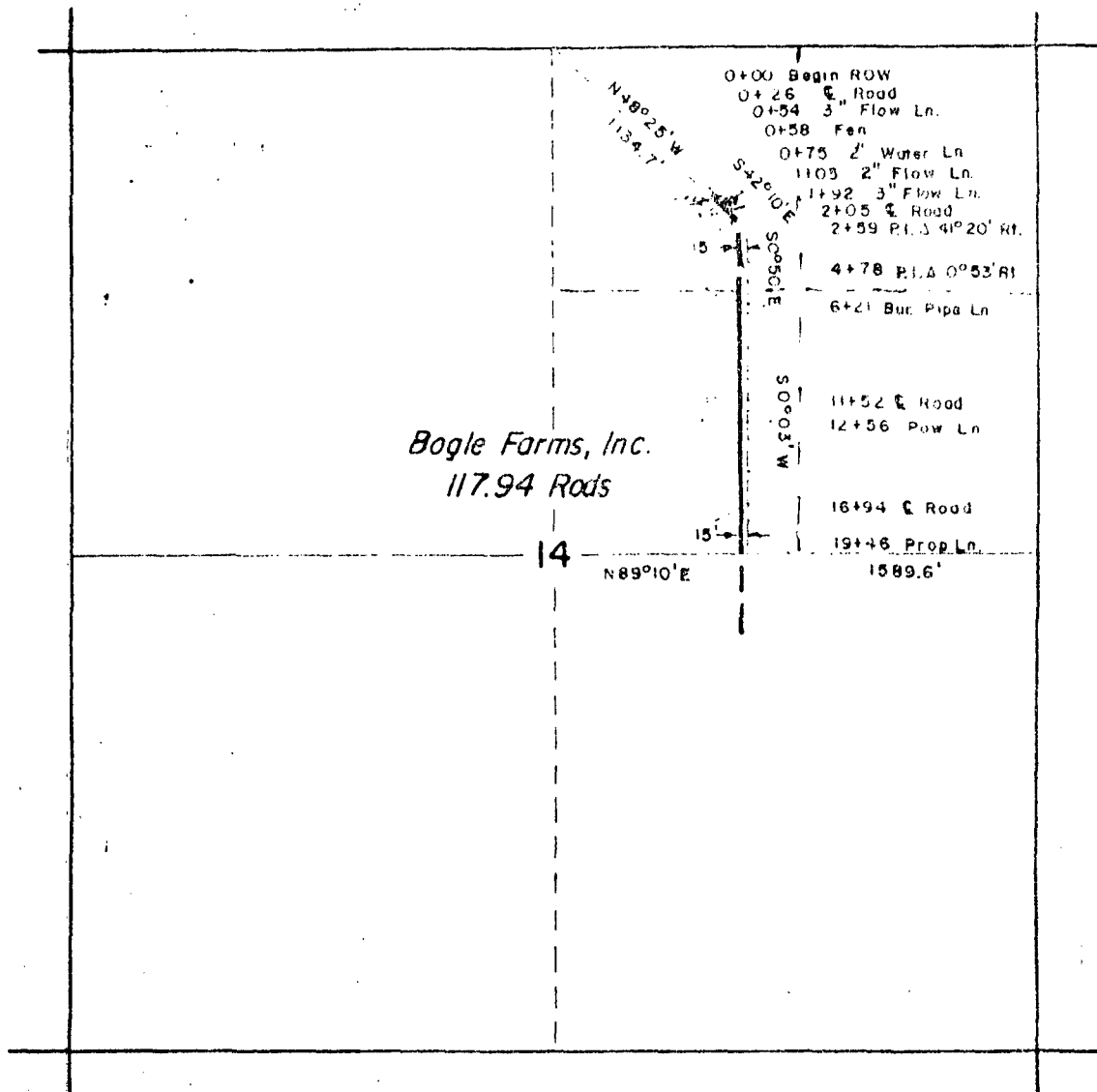
PERMIAN BRINE SALES & SERVICE, INC.

Proposed water pipeline crossing the State of New Mexico land in Section 24, Township 18 South, Range 28 East, N. M. P. M., Eddy County, New Mexico.

JOHN W. WEST ENGINEERING COMPANY
CONSULTING ENGINEERS HOBBS, NEW MEXICO

Scale: 1" = 1000'	Drawn by: chb
Date: Sept. 8, 1978	Sheet 1 of 1 Sheet

SEC. 14, T18S, R28E, N. M. P. M.,
EDDY COUNTY, NEW MEXICO



DESCRIPTION OF RIGHT-OF-WAY

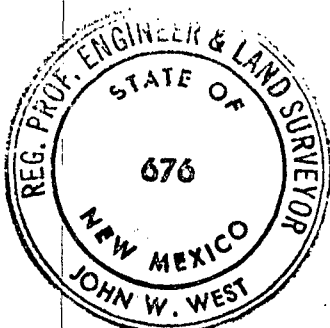
A strip of land 30 feet wide being 15 feet right and 15 feet left of the following described survey of centerline:

Beginning at Eng. Sta. 0+00, from which the north quarter corner of Section 14, Township 18 South, Range 28 East, N. M. P. M., Eddy County, New Mexico bears north 48°25' west a distance of 1134.7 feet; thence, south 42°10' east, crossing the Bogle Farms, Inc. property a distance of 259 feet to Eng. Sta. 2+59; thence, south 00°50' east a distance of 219 feet to Eng. Sta. 4+78; thence, south 00°3' west a distance of 1468 feet to Eng. Sta. 19+46, a point on the south boundary line of the north half of the said Section 14, from which the east quarter corner of the said Section 14 bears north 89°10' east a distance of 1589.6 feet.

117.94 Rods

The said tract of land contains 1.34 acres, more or less, all within the said section 14, and is allocated by forties as follows:

NW¼ NE¼ 0.43 acres
SW¼ NE¼ 0.91 acres



I HEREBY CERTIFY THAT THIS PLAT WAS MADE FROM NOTES TAKEN IN THE FIELD IN A BONA FIDE SURVEY MADE UNDER MY SUPERVISION, AND THAT THE SAME IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

John W. West
JOHN W. WEST, N.M. P.E. & L.S. NO. 676
TEXAS R.P.S. NO. 1138

RONALD J. EIDSON, N.M. L.S. NO. 3239
TEXAS R.P.S. NO. 1883

PERMIAN BRINE SALES & SERVICE, INC.

Proposed water pipeline crossing the Bogle Farms, Inc. property in Section 14, Township 18 South, Range 28 East, N. M. P. M., Eddy County, New Mexico.

JOHN W. WEST ENGINEERING COMPANY
CONSULTING ENGINEERS HOBBS, NEW MEXICO

Scale: 1" = 1000'	Drawn by: chb
Date: Sept. 7, 1978	Sheet 1 of 1 Sheet

TO UTILIZE A LINED

PIT

New Mexico Oil Conservation Commission

Name of Operator Permian Brine Sales & Service, Inc.Address P. O. Box 1591, Odessa, Texas 79760

Name of lease upon which evaporation pit will be located _____

Location of pit: Unit Letter _____ Section _____ Township _____ Range _____

Lease(s) which will be producing into pit DNAPool(s) which will be producing into pit DNAAnalysis of disposal water: Chlorides DNA ppm. Total dissolved solids DNA ppm.
(If more than one pool will be producing into pit, give water analysis for each pool.)Quantity of water to be disposed of into this pit DNA barrels per day.Water production from these same wells six months ago DNA bpd. Three months ago DNA bpd
(If more than one pool will be producing into pit, give water production data for each)Method of hydrocarbon entrapment to be employed: Settling tank DNA Header pit DNAIf settling tank is to be used, give size and number of barrels DNAIf header pit is to be used, give dimensions and depth DNAHeader pit lining material DNA Thickness DNADimensions of Brine Storage Evaporation Pit ("A" and "B" on diagram) 118' x 118'Number of square feet contained in above 13924Depth (Top of levee to floor of pit--"D" on diagram) 7.5 ft.Material to be used as liner Reinforced Hypalon Thickness 30 MilDoes manufacturer recommend protection of material from direct sunlight? Yes _____ No X

If yes, what means will be provided to so protect the material? _____

Is material resistant to hydrocarbons? Yes X No _____Is material resistant to acids and alkalis? Yes X No _____Is material resistant to salts? Yes X No _____Is material resistant to fungus? Yes X No _____Is material rot-resistant? Yes X No _____Will joints in material be fabricated in the field? Yes X No _____If yes, describe method to be used in joining material Chemical Joining

Attach manufacturer's brochure describing the qualities of the lining material.

Describe the leakage detection system to be used Drainage and sump method.

I hereby certify, that the information contained herein is true and complete to the best of my knowledge and belief, and further, that the subject evaporation pit and appurtenances, when installed, will be kept in good repair, and that all due diligence will be exercised in keeping the surface of the water free of oil and other debris.

Name _____ Title _____ Date _____

Approved by A. L. Hickerson Title President Date _____

APPLICATION FOR A SALT MINERAL LEASE
ON STATE LAND

To The Commissioner of Public Lands
Santa Fe, New Mexico

The undersigned, Permian Brine Sales & Service, Inc., whose P. O.
address is Box 1591, Odessa, Texas 79760, being a Texas
Corporation, hereby makes application for a lease for a period of Five (5) years, upon the
following described land, to-wit: (and as long thereafter as salt in paying quantities)
(shall be produced from said land,

The NW/4 of the SE/4 of Section 24, R18E, T28S, in
Eddy County, New Mexico

This application is made for the purpose of a lease for the mining or production of Salt (NaCl)
on State Lands, and purposes necessarily incidental thereto, in connection therewith, and the preparation thereof for the
market.

Twenty-five

Applicant tenders herewith the sum of (\$25.00) dollars, as the first annual rental, and the further sum
of Ten (\$10.00) Dollars (filing fee), and further agrees to pay said rental annually in advance for the full term of the
lease.

Applicant further offers and agrees to pay a royalty of 10 per cent, of the net proceeds derived from the sale
of salt (in brine) from said leased lands, at the station site ~~after treatment and transportation for use elsewhere~~

And in relation to this application, the applicant respectfully states and shows the following facts:

1. Discovery of Salt was made on said land on or about: April, 1955
2. The work done in connection with same is as follows: Nix & Curtis Gulf State No. 2
cable tool prospective oil well was drilled and rock salt
was encountered from 397 ft. to 680 ft.
3. The amount of salt produced on said land is as follows: None to Date
4. A brief description of the mode of occurrence of the deposit of Salt and the nature of the
same is as follows: Rock salt from 397 to 680 feet with intermittent
thin layers of anhydrite and shale.
5. The salt will be prepared for market in the following manner at an estimated cost of \$40,000
not including cost of production: for solution mining and selling in brine form.
6. The salt will be produced and marketed at: location on side of paved
road which crosses tract.
7. The estimated tonnage or amount to be produced and general plan of operations are as follows:
Estimated tonnage - 500 tons per month, or 9,000 bbls. of saturated
brine, containing 111 lbs. of salt per barrel.
8. Statement of any information not covered above, relating to operation of the lease applied for:
We plan to re-enter the plugged and abandoned Nix & Curtis Gulf State
#2 Well, set and cement another casing string at 397 ft., hang tubing
in open hole to 675 ft., and circulate fresh water to dissolve rock
salt for sale as brine.

I, A. L. Hickerson, do solemnly swear (or affirm) that the statements and
answers to questions in this application are true and correct, to the best of my knowledge and belief.

PERMIAN BRINE SALES & SERVICE, INC.

Signed A. L. Hickerson President

P. O. Box 1591, Odessa, Texas 79760

Subscribed and sworn to before me this 22nd day of June, 1978

Monas Deland
Notary Public for
E. T. C. (Carter) Tolson

Equipment & Supplies
Fresh Water
Brine Supply Wells
Salt Water Disposal

B & E, INC.

South Y
P. O. Box 756
Carlsbad, N.M. 88220
Phone (505) 885-6663

OIL CONSERVATION DIVISION
RECEIVED
'91 NOV 14 AM 8 44
Vacuum Trucks
Mech Truck
Kill Truck
Frac Tanks

November 12, 1991

State of New Mexico
Oil Conservation Division
P.O. Box 2088
State Land Office Bldg.
Santa Fe, New Mexico 87504

RE: Discharge Plan BW-5 (formerly DP-322)
B & E, Inc. Loco Hills Brine Station

ATT: Kathy Brown
Environmental Geologist

Attached please find description and charts pertaining to the Mechanical Integrity Test for the Loco Hills Brine Well.

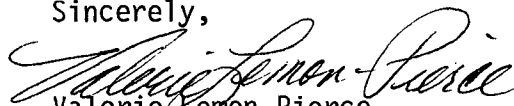
B & E, Inc. has sold the Loco Hills Brine (State 24 #1) to Jim's Water Service Company of Colorado. Our attorney; Ernie Yarbrow is in the process of working up the contract of sale, to be approved by both parties.

At which time the contract of sale is approved and signed B & E, Inc. will surrender all necessary paperwork to Jim's Water Service. Jim's Water Service is aware of the necessary construction work that needs to be done around the brine loading area. It is my understanding that they have talked to Southwest-Concrete of Artesia to do the work. Southwest did our work around our Eugenie Brine Station in Carlsbad so are aware of what procedures need to be done along with the required leak detection.

I'm also under the impression that Mid Ray Clark of Jim's Water Service has talked with the OCD in Santa Fe about the brine well.

If you have any questions just call us. (800-658-2739)

Sincerely,


Valerie Lemon-Pierce
Asst. General Manager

xc: file
Artesia-OCD

Attachments



UNITED STATES
DEPARTMENT OF THE INTERIOR
FISH AND WILDLIFE SERVICE
Ecological Services

Suite D, 3530 Pan American Highway, NE
Albuquerque, New Mexico 87107

OIL CONSERVATION DIVISION
RECEIVED

'91 AUG 14 AM 8 43

August 9, 1991

Mr. William J. Lemay, Director
New Mexico Energy, Minerals and
Natural Resource Department
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Dear Mr. Lemay:

This responds to the Public Notice dated July 1, 1991, regarding the affects of granting State of New Mexico groundwater discharge permits on fish, shellfish, and wildlife resources in New Mexico.

The U.S. Fish and Wildlife Service (Service) has determined there are no wetlands or other environmentally sensitive habitats that will be adversely affected by the brine water discharge permit BW-15; however, there is wildlife in the area that could be adversely affected.

BW-15 B & E Incorporated is an insitu extraction brine well facility located in the NW/4, SE/4, Section 24, T18S, R28E, Eddy County, New Mexico. Brine water extracted through well injection may contain certain inorganic elements at levels that potentially could be harmful to migratory birds that come in contact with the holding ponds. If the brine water ponds are found to pose a risk to wildlife, then the Service requests further consultation with the Oil Conservation Division before the granting of this permit.

Migratory birds are protected under the Migratory Birds Treaty Act (MBTA). If migratory birds become exposed to or accumulate harmful levels of contaminants, this constitutes "take" under the MBTA. The MBTA makes it unlawful for anyone at any time or in any manner to capture, transport, or kill any migratory birds unless permitted by regulations promulgated under the Act. The courts have stated that the MBTA can be constitutionally applied to impose penalties to persons, associations, partnerships, or corporations which did not intend to "kill" migratory birds and that the MBTA includes poisoning by any means. The MBTA holds that the unlawful killing of even one migratory bird is an offense (Olive, S. W., and R. L. Johnson. Environmental Contaminants: Selected Legal Topics. Fish and Wildlife Service Biological Report 87(1), November 1986). If any documented taking of migratory birds occurs from the effect of the brine water ponds subsequent to granting the discharge permit, then the Service will turn the case over to the proper authorities for review and possible prosecution under the MBTA.

If you have any questions concerning our comments, please contact Scott P. Hamilton-McLean or Richard Roy at (505) 883-7877.

Sincerely,

Michael J. Donahoe
for Jennifer Fowler-Propst
Field Supervisor

cc:

Director, New Mexico Department of Game and Fish, Santa Fe, New Mexico
Regional Administrator, Environmental Protection Agency, Dallas, Texas
Regional Director, U.S. Fish and Wildlife Service, Fish and Wildlife
Enhancement, Albuquerque, New Mexico
Assistant Regional Director, U.S. Fish and Wildlife Service, Division of Law
Enforcement, Albuquerque, New Mexico

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

July 26, 1991

CERTIFIED MAIL
RETURN RECEIPT NO. P-757-737-753

Mr. Phil Withrow
B&E, Incorporated
P. O. Box 756
Carlsbad, New Mexico 88220

RE: Discharge Plan BW-5 (formerly DP- 322)
B&E Inc., Loco Hills Brine Station

Dear Mr. Withrow:

The Oil Conservation Division (OCD) has received and is in the process of reviewing the above referenced discharge plan renewal application. The following comments and requests for additional information are based on review of the application, dated June 24, 1991. Please note that the new discharge plan number is BW-5, not BW-15 as stated in the public notice.

1. Mechanical Integrity Testing

Pursuant to revised OCD guidelines for discharge plans at brine facilities, all wells must be pressure tested (open-hole) to 500 psi for 4 hours on an annual basis. A pressure test isolating the casing from the formation using either a bridge plug or a packer must be conducted at least once every 5 years or during well workovers. The last pressure test on file for the State 24 No. 1 Well at your Loco Hills Brine Facility was an open-hole test performed on March 2, 1988. The results from a current pressure test will be required prior to the approval of any brine facility discharge plan application or renewal. If the immediate test is performed using the open-hole method, than a pressure test isolating the casing from the formation is required within the next 1 1/2 years. Note that an OCD representative must be on site to witness all pressure tests and we request 10 days before the test to allow us to make arrangements. Submit a proposal for

testing and ensuring the mechanical integrity of the well. Also, submit information on any buried brine pipelines including age and material of the lines.

2. Transfer of Commitment

Notwithstanding the transfer of jurisdiction of brine wells to OCD, all prior commitments to EID concerning reporting and notification remain in effect. This includes the quarterly report listing of volume of fluids injected and produced, the quarterly report of inspection of your leak detection system, and the annual analyses of injected and produced waters. Note that all unauthorized discharges (ie. major leaks and spills), need to be reported to the OCD within 48 hours of the event (WQCC Rule 5-208).

3. Brine Storage Pond

The OCD is concerned whether the leak detection system for your single-lined pond is adequate and we require additional information on the construction of the brine storage pond. What type of substrate underlies your leak detection laterals (1 1/4" perforated PVC pipe)? Is it the native substrate or a material transported to the site? What is the composition and permeability of this substrate? Was there any type of porous material (ie. sand) used to fill in the area between the leak detection laterals and the pond liner?

If your pond requires any major repairs in the future then the OCD requires that either the pond be double-lined with leak detection, or B&E provide evidence that the groundwater at your facility (225 feet deep) has a concentration greater than 10,000 mg/l Total Dissolved Solids.

4. Brine Loading Area

Past inspections of your brine facility by both the OCD and EID staff indicates brine spilled onto the ground surface in the brine loading area, specifically around the loading valves. This area must have containment to keep spilled brine off the ground surface. Submit a proposal to contain spills at your brine loading area. Provide an explanation and diagrams detailing how spilled brine is to be contained; include paving and curbing where appropriate and indicate where the spilled brine drains to. Note that all new underground tanks (ie. sumps) are required to have positive leak detection.

Mr. Phil Withrow
July 26, 1991
Page 3

5. Maximum Injection Pressure


Pursuant to WQCC Regulation Section 5-206, the maximum injection pressure at the wellhead shall not initiate new fractures or propagate existing fractures in the continuing zone. Your discharge plan application for renewal states that line pressure increases to about 125-130 psi when the freshwater pump is used. What is the maximum injection pressure at the wellhead when the pump is in use? Is the maximum pressure limited by the capacity of the pump or by a safety shut-off device? Submit a proposed maximum injection pressure, a measured and/or calculated fracture pressure for the zone being injected into, and a plan to ensure the fracture pressure value will not be exceeded.

6. Collapse and Subsidence Potential

Because of the relatively thin amounts of overburden rock at your location (400 feet), the OCD is concerned over the potential for collapse and/or subsidence of the strata overlying the salt cavity that B&E has created. Submit evidence that future brine extraction operations will not significantly increase the potential for collapse and/or subsidence. Include details on collapse and subsidence prevention and monitoring. Submit an estimate of the total brine produced to date so that the OCD can calculate the approximate size of the cavity.

Submission of the above requested information will allow the review of your application to continue. If you have any questions, please do not hesitate to call me at (505) 827-5824.

Sincerely,



Kathy M. Brown
Environmental Geologist

xc: OCD Artesia Office

INVENTORY OF SOLUTION MINING WELLS -- OIL CONSERVATION DIVISION, 1991

I. OPERATOR/LOCATION INFORMATION

Operator: B&E Incorporated Mr. Phil Withrow - Owner
Ms. Valerie Lemon - Secretary
 Address: South Y, P.O. Box 756
Loring Pecos Hwy. 1-800-658-2739
Carlsbad, Nm 88220 Phone: 885-6663
 Facility Loco Hills Brine Station - State 24th 1
 T. 18S R. 28E Sec. 24 NW 1/4 of SE 1/4 Unit J
 County: Eddy (Artesia Office) 1987.9' ESL, 1930.4' FEL
 Purpose of well (brine supply, LPG storage, potash dissolution) _____
Brine Supply

II. DRILLING/SITING INFORMATION

Contractor: Nix & Curtis No. 2 Gulf State
 Date drilling started 3-19-55 Date drilling completed 5-11-55
 Drilling method Cable 0-3009
 Ground Surface Elevation 3503 KB Elevation _____
 Total depth of hole 3009' TD, 740' PBTD
Worked over Brine well 740' PBTD
 Attach schematic of well, include open hole interval, perforations, etc.
 Type of drilling fluid _____
 Describe all casing tests performed to date 1-79 Tested csg closed hole to 170 psi, no chart
10-20-85 30 psi for 20 hours.
10-7-86: Unable to hold pressure @ 200 psi. ran tracer survey.
3-2-88: Held 75 psi for 2 hours, open-hole test.

CASING, TUBING AND CEMENTING RECORD

used
pipe →

From	To	Size of Hole	Size of Casing	Weight per Foot	Sacks of Cement	Estimated Top of cmt.
0'	to 416'	10"	8 $\frac{5}{8}$ "	24#	505x	surface
0'	to 660'	8"	2 $\frac{7}{8}$ "			hung, no packer

Is site within 1/2 mile of another well? Is so, explain. Yes.

① Morrow Gas Well; Heyco Travis St. 24, Com #1 ⇒ H-24-18-28

② SI Morrow Gas Well; Anadarko Prod, Turkey Track St. Com #2 ⇒ F-25-18-28

③ Anadarko Mobil St. #1 ⇒ F-24-18-28

Type of well-head equipment _____

Comments (include problems encountered while drilling, loss of circulation, deviation of hole from vertical, centralizers, used, tools lost or stuck, fracturing techniques used, etc.) 5-11-55: TD Nix, Gurn's Gulf State No. 2

5-14-55: P/A Well, plugs 3009'-2965', 2350'-2320', 420'-390'

12-18-78: Re-entered hole, found plug @ 1540'. Set new plugs

@ 1540'-1400' and 1000'-740'. Hung tubing to 660'. After

completion found hole in 8 $\frac{5}{8}$ " csg @ 42'. Squeezed hole w/ 100 sx
cement (3% CaCl₂) & filled annulus from top w/ 4 yd.s concrete.

Test csg & then formation to 170#.

III. FORMATION INFORMATION

Formation Record

From	To	Thickness	Formation (name, description)
0'	20'	20'	Caliche
20'	'	'	Sand & Gravel
62'	220'	158'	Red Beds & Gravel
220'	250'	30'	Sand & Gypsum (water 225'-245')
250'	397'	147'	Red Beds w/ some gypsum & shale
397'	680'	283'	Salt
680'	1785'	1105'	Anhydrite w/ some dolomite & lime
1785'	3009'	1224'	Lime w/ some sand.
	(TD)		Lots of water tests showing water through-out the lime.

Logs (specify type) None run. Offset Well to north

(Simms/Reese Gulf State #1 → 24-18-28) has gamma-ray -
neutron - TD 2324' logger

Identify where logs are on file _____

IV. AQUIFER INFORMATION

Aquifers in Immediate Area

From	To	Aquifer Description	Amount of Water entering hole	Quality of Water
225'	to ?	- EID Public notice Sand & Gypsum	—	Unknown

Note: If water quality analysis are available please attach.*

Source of aquifer description State of NM Engineers office (10-16-85) states no
freshwater wells within 3 miles of facility. Closest well is in

Source of water level and quality data NW/4, NE/4, Sec. 21, T18S, R28E, completed
in Artesia Group (mid Permian) with CI- of 134 ppm.

Depth water first encountered during drilling 225' to 245' sand & gypsum, quality
unknown

Direction of water gradient _____

Explain any evidence of water contamination _____

V. PRODUCTION/BRINE STORAGE INFORMATION

Method of production (describe fully) Water is injected down wellbore (80 psi)
(avg. 75 psi)
at pipeline pressure and brine is returned to the
(25 psi)
surface at 30 GPM. (btw. Double Eagle Valves & wellhead)
Booster pump available to increase
(125-130 psi)
injection pressure to 75 GPM. Water is then piped
to the pond. Meter water bought & brine sold & committed
* to quarterly reporting.

Was well used previously for some purpose other than brine supply _____

If so, explain _____

Use of brine oil field drilling & workover fluids (10 # bone)

Source of injection water (be specific) City of Carlsbad

(4-82 had 30 ppm Cl₂), Double Eagle Water System's
pipeline, 1.5 mi NW.

Date of first production _____

Volume of brine produced to date _____

Weight of salt removed to date _____

Calculated size and shape of cavity to date _____

Explain any evidence of subsidence and any subsidence monitoring _____

Brine storage facilities (describe) 11.8' x 11.8' x 7.5' brine storage pond
with 10,000 bbl. storage capacity. Lined with 30 mil
polyethylene film. Leak detection is 1"4" perforated
PVC pipe - 3' laterals attached to main pipe leading
to sump. Liner is 12 years old (installed ~1979)

(reinforced
hypalon)

Explain how brine storage pit is being monitored for leakage Will report
leaks according to OCD rule 1-203

Explain brine loading procedures 8⁽⁷⁺¹⁾ meters with locks
read & billed to customers monthly.

Explain fresh water loading procedures _____

VI. ABANDONMENT/PLUGGING RECORDS

Date well abandoned/plugged _____

Reason for well abandonment or plugging _____

Method of plugging or proposed plugging (describe fully, include amounts of cement,

etc. top, plug type, depth, etc.) P/A plan for B&E bone well entails

filling cavity with bone + cementing from surface to

4166' (csg shoe @ 416'). P&A bids less than \$5000.

List all conduits in the area of review. Include completion and plugging records.

12-78: Facility built by B&E+PBS

12-18-82: OCD approves DP # GWB-4 for Permian Brine (exp. 12-18-87)

VII. CHRONOLOGY OF EVENTS

1983: Change ownership from Permian Brine to B&E

9-18-85: EID letter to B&E requesting a discharge plan

11-1-85: B&E submits an Assurance of Discontinuance & additional info

11-26-85: EID revises the Assurance of Discontinuance (final 12-18-85)

4-17-86: EID requests additional DP info.

4-22-86: B&E agrees to comply w/ Permian's DP

8-5-86: B&E submits additional DP info

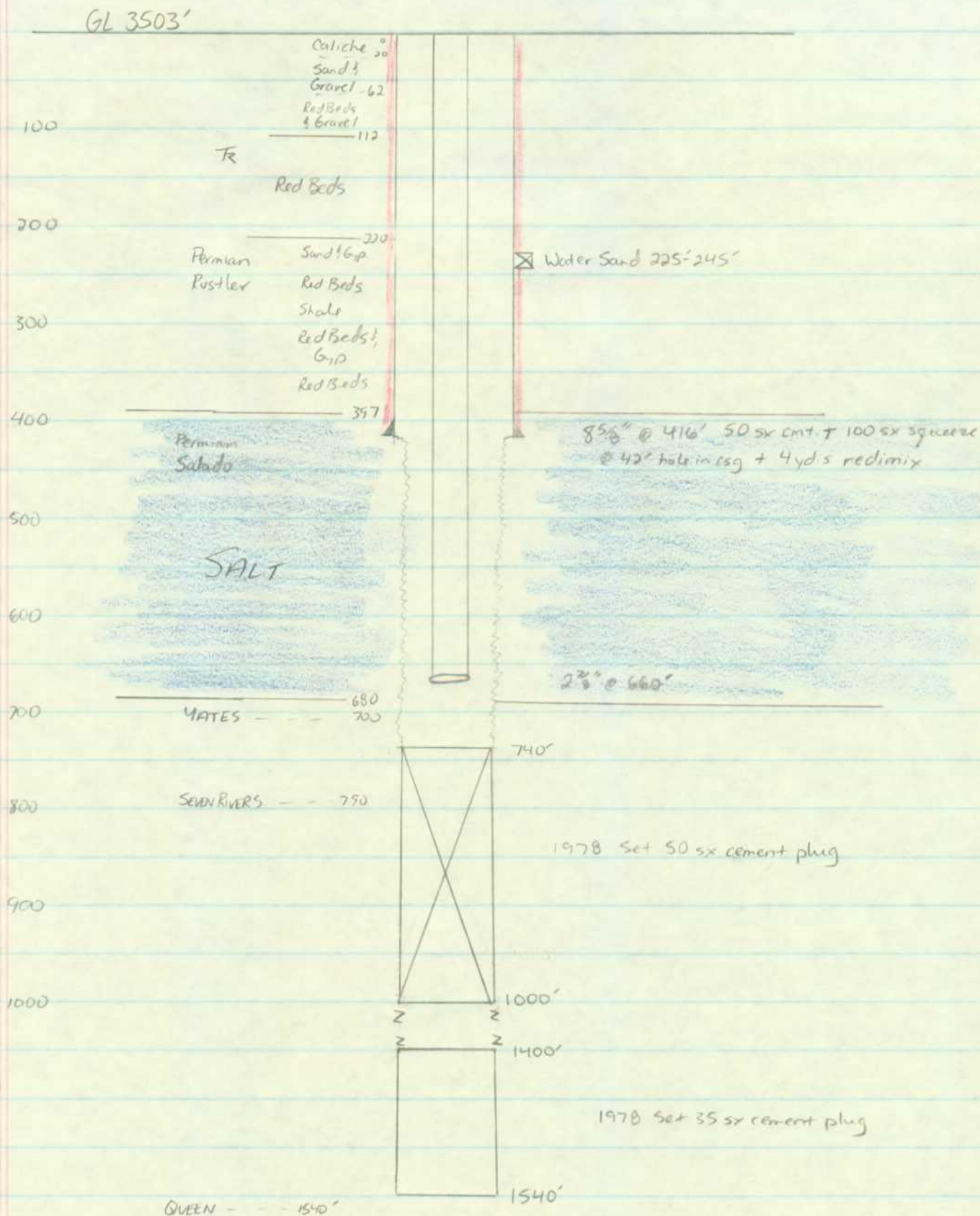
12-2-86: B&E commits to Cement bond log @ Quarterly vol. reports

(3) annual MIT & fw+bw analyses (4) daily leak detection monitor

12-19-86: EID approves DP-322; expires 12-19-91

9-11-89: OCD district office OK's pit net exception to Rule 8952

State 24 No. 1
Re-entry of Nix & Curtis Gulf State No. 2



NOTICE OF PUBLICATION

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

Notice is hereby given that pursuant to New Mexico Water Quality Control Commission Regulations, the following discharge plan renewal application has been submitted to the Director of the Oil Conservation Division, State Land Office Building, P. O. Box 2088, Santa Fe, New Mexico 87504-2088, Telephone (505) 827-5800:


(BW-15) - B&E Incorporated, Phil Withrow, P. O. Box 756, Carlsbad, New Mexico, 88220, has submitted a renewal application for the previously approved discharge plan for their insitu extraction brine well facility. The B&E Loco Hills Brine Station is located in the NW/4, SE/4, Section 24, Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico. Fresh Water is injected to an approximate depth of 456 feet and brine is extracted with an average total dissolved solids concentration of about 300,000 mg/l. Groundwater most likely to be affected by an accidental discharge is at a depth exceeding 225 feet with estimated total dissolved solids concentrations ranging from 600 mg/l to 6000 mg/l over a 5 mile radius. The discharge plan addresses how spills, leaks and other accidental discharges to the surface will be managed.

Any interested person may obtain further information from the Oil Conservation Division and may submit written comments to the Director of the Oil Conservation Division at the address given above. The discharge plan application may be viewed at the above address between 8:00 a.m. and 5:00 p.m., Monday through Friday. Prior to ruling on any proposed discharge plan or its modification, the Director of the Oil Conservation Division shall allow at least thirty (30) days after the date of publication of this notice during which comments may be submitted to him and public hearing may be requested by any interested person. Requests for public hearing shall set forth the reasons why a hearing should be held. A hearing will be held if the Director determines there is significant public interest.

If no public hearing is held, the Director will approve or disapprove the proposed plan based on information available. If a public hearing is held, the Director will approve or disapprove the proposed plan based on information in the plan and information submitted at the hearing.

GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 1st day of July, 1991. To be published on or before July 17, 1991.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY, Director

S E A L

NOTICE OF PUBLICATION
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ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

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STATE OF NEW MEXICO
OIL CONSERVATION DIVISION
WILLIAM J. WILSON, Director
Journal, July 16, 1991

STATE OF NEW MEXICO

County of Bernalillo

SS

OIL CONSERVATION DIVISION
RECEIVED

Thomas J. Smithson being duly sworn declares and says that he is National Advertising manager of the **Albuquerque Journal**, and that this newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Session Laws of 1937, and that payment therefore has been made or assessed as court costs; that the notice, a copy of which is hereto attached, was published in said paper in the regular daily edition,

for.....1.....times, the first publication being on the.....16.....day
of.....July....., 1991, and the subsequent consecutive
publications on....., 1991.

SPECIAL SEAL

DETTIE ORTIZ
PUBLIC-NEW MEXICO
SECRETARY OF STATE
12-18-93

Sworn and subscribed to before me, a Notary Public in
and for the County of Bernalillo and State of New
Mexico, this 20 day of July, 1991.

PRICE.....\$ 22.27.....

Statement to come at end of month.

CLA-22-A (R-12/91)

ACCOUNT NUMBER.....C 81184.....

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

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STATE OF NEW MEXICO
OIL CONSERVATION DIVISION
WILMA J. GAY, Director
Journal, July 16, 1991

STATE OF NEW MEXICO
County of Bernalillo

ss

OIL CONSERVATION DIVISION
RECEIVED

Thomas J. Smithson being duly sworn declares and says that he is National Advertising manager of the **Albuquerque Journal**, and that this newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Session Laws of 1937, and that payment therefore has been made or assessed as court costs; that the notice, a copy of which is hereto attached, was published in said paper in the regular daily edition,

for.....1.....times, the first publication being on the.....16.....day

of.....July....., 1991, and the subsequent consecutive

publications on....., 1991.

NOTARIAL SEAL

Madette Ortiz
ETTE ORTIZ
LIC-NEW MEXICO
SECRETARY OF STATE
12-18-93

Thomas J. Smithson
Sworn and subscribed to before me, a Notary Public in
and for the County of Bernalillo and State of New
Mexico, this 16th day of July, 1991.

PRICE.....\$ 22.27.....

Statement to come at end of month.

CLA-22-A (R-12/91)

ACCOUNT NUMBER.....C 81184.....

JUL 22 AM 9 20

Application

No. 13603

OF NEW MEXICO,

County of Eddy:

Gary D. Scott being duly sworn, says: That he is the Publisher of The Artesia Daily Press, a daily newspaper of general circulation, published in English at Artesia, said county and state, and that the hereto attached Legal Notice

was published in a regular and entire issue of the said Artesia Daily Press, a daily newspaper duly qualified for that purpose within the meaning of Chapter 167 of the 1937 Session Laws of

the state of New Mexico for 1 days consecutive weeks on the same day as follows:

First Publication July 12, 1991

Second Publication _____

Third Publication _____

Fourth Publication _____

Subscribed and sworn to before me this 12th day of July 19 91

Dickson R. [Signature]
Notary Public, Eddy County, New Mexico

My Commission expires September 23, 1991

LEGAL NOTICE

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

Notice is hereby given that pursuant to New Mexico Water Quality Control Commission Regulations, the fol-

lowing application was submitted to the Director of the Oil Conservation Division, State Land Office Building, P.O. Box 2088, Santa Fe, New Mexico 87504-2088, Telephone (505) 827-5800:

(BW-15) B&E Incorporated, Phil Withrow, P.O. Box 756, Carlsbad, New Mexico, 88220, has submitted a renewal application for the previously approved discharge plan for their insitu extraction brine well facility. The B&E Loco Hills Brine Station is located in the NW/4, SE/4, Section 24, Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico. Fresh Water is injected to an approximate depth of 456 feet and brine is extracted with an average total dissolved solids concentration of about 300,000 mg/l. Groundwater most likely to be affected by an accidental discharge is at a depth exceeding 225 feet with estimated total dissolved solids concentrations ranging from 600 mg/l to 6000 mg/l over a 5 mile radius. The discharge plan addresses how spills, leaks and other accidental discharges to the surface will be managed.

Any interested person may obtain further information from the Oil Conservation Division and may submit written comments to the Director of the Oil Conservation Division at the address given above. The discharge plan application may be viewed at the above address between 8:00 a.m. and 5:00 p.m., Monday through Friday. Prior to ruling on any proposed discharge plan or its modification, the Director of the Oil Conservation Division shall allow at least thirty (30) days after the date of publication of this notice during which comments may be submitted to him and public hearing may be requested by any interested person. Requests for public hearing shall set forth the reasons why a hearing should be held. A hearing will be held if the Director determines there is significant public interest.

If no public hearing is held, the Director will approve or disapprove the proposed plan based on information available. If a public hearing is held, the Director will approve or disapprove the proposed plan based on information in the plan and information submitted at the hearing.

GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 1st day of July, 1991. To be published on or before July 17, 1991.

STATE OF NEW MEXICO
OIL CONSERVATION
DIVISION

Director

SEAL

Published in the Artesia Daily Press, Artesia, N.M. July 12, 1991.

Legal 13603

Equipment & Supplies
Fresh Water
Brine Supply Wells
Salt Water Disposal

B & E, INC. OIL CONSERVATION DIVISION
South Y
P. O. Box 756
Carlsbad, N.M. 88220
Phone (505) 885-6663

Vacuum Trucks
Winch Truck
Kill Truck
Frac Tanks

RECEIVED
JUN 26 AM 9 12

June 24, 1991

Oil Conservation Division
State Land Office Bldg.
P.O. Box 2088
Santa Fe, NM 87504

RE: Discharge Renewal BW-15 (formerly DP-322)

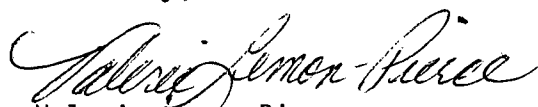
ATT: Dave Boyer
Kathy Brown

Please find attached all pertinent information for the renewal of the brine discharge plan for State 24 #1 or Loco Hills Brine Station.

We have tried to address every issue to the best of our knowledge and resources. I'm sure that there will be some questions or issues that you will need further information on. Please don't hesitate to contact me at 800-658-2739.

Again please contact me if you require any more information. We do appreciate your patience and want to thank you for your consideration during these renewals.

Sincerely,



Valerie Lemon-Pierce
Office Manager
B & E, Inc.

Attachments

xc: file
OCD Artesia District

State of New Mexico
Energy, Minerals and Natural Resources Department
OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, NM 87501

DISCHARGE PLAN APPLICATION FOR BRINE EXTRACTION FACILITIES

(Refer to OCD Guidelines for assistance in completing the application.)

☐ NEW ☒ RENEWAL

- I. FACILITY NAME: State 24 #1 Loco Hills Brine Station
- II. OPERATOR: B & E, Inc. (Accounting Office - P.O. Box 2292, Hobbs, NM 88241)
 ADDRESS: P.O. Box 756 Carlsbad, NM 88220 (Main Operations)
South Y Loving-Pecos Hwy
 CONTACT PERSON: Eddy Menzdorf/Mgr. Valerie Pierce/ofc/mgr. PHONE: 505-885-6663
800-658-2739
- III. LOCATION: NW /4 SE /4 Section 24 Township 18S Range 28E
Submit large scale topographic map showing exact location.
- IV. Attach the name and address of the landowner of the facility site.
- V. Attach a description of the types and quantities of fluids at the facility.
- VI. Attach a description of all fluid transfer and storage and fluid and solid disposal facilities.
- VII. Attach a description of underground facilities (i.e. brine extraction well).
- VIII. Attach a contingency plan for reporting and clean-up of spills or releases.
- IX. Attach geological/hydrological evidence demonstrating that brine extraction operations will not adversely impact fresh water.
- X. Attach such other information as is necessary to demonstrate compliance with any other OCD rules, regulations and/or orders.
- XI. CERTIFICATION

I hereby certify under penalty of law that I have personally examined and am familiar with the information submitted in this document and all attachments and that, based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate and complete. I am aware that there are significant penalties for submitting false information including the possibility of fine and imprisonment.

Name: Eddy M. Menzdorf Title: Manager
 Eddy M. Menzdorf

Signature: Valerie Lemon-Pierce Date: 6-24-91
 Valerie Lemon-Pierce Office Mgr.

DISTRIBUTION: Original and one copy to Santa Fe with one copy to appropriate Division District Office.

State of New Mexico
Energy, Minerals and Natural Resources Department
OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, NM 87501

DISCHARGE PLAN APPLICATION FOR BRINE EXTRACTION FACILITIES

(Refer to OCD Guidelines for assistance in completing the application.)

☐ NEW ☒ RENEWAL

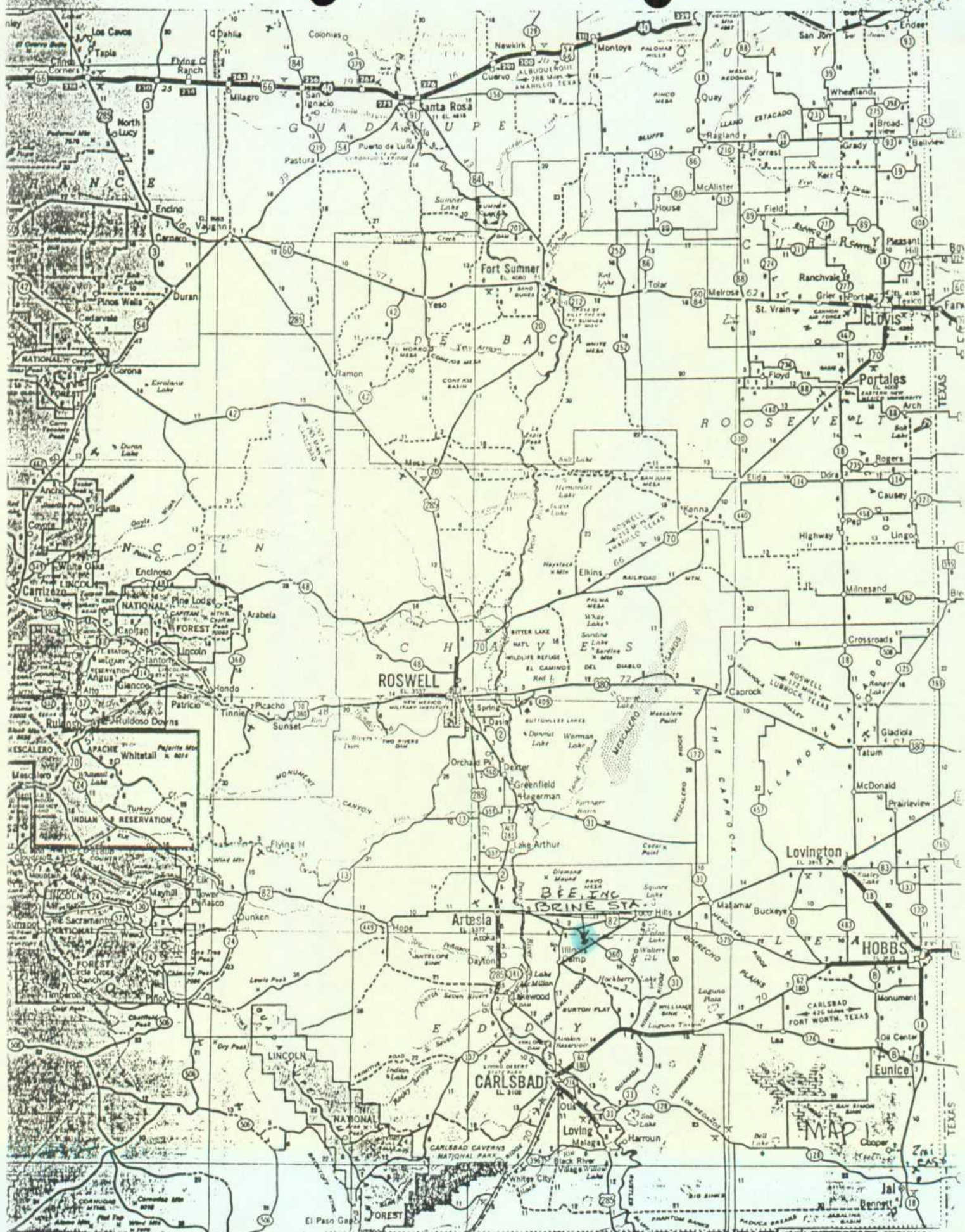
- I. FACILITY NAME: State 24 #1 Loco Hills Brine Station
- II. OPERATOR: B & E, Inc. (Accounting Office - P.O. Box 2292, Hobbs, NM 88241)
 ADDRESS: P.O. Box 756 Carlsbad, NM 88220 (Main Operations)
South Y Loving-Pecos Hwy
 CONTACT PERSON: Eddy Menzendorf/Mgr. Valerie Pierce/ofc/mgr. PHONE: 505-885-666
800-658-273
- III. LOCATION: NW /4 SE /4 Section 24 Township 18S Range 28E
Submit large scale topographic map showing exact location.
- IV. Attach the name and address of the landowner of the facility site.
- V. Attach a description of the types and quantities of fluids at the facility.
- VI. Attach a description of all fluid transfer and storage and fluid and solid disposal facilities.
- VII. Attach a description of underground facilities (i.e. brine extraction well).
- VIII. Attach a contingency plan for reporting and clean-up of spills or releases.
- IX. Attach geological/hydrological evidence demonstrating that brine extraction operations will not adversely impact fresh water.
- X. Attach such other information as is necessary to demonstrate compliance with any other OCD rules, regulations and/or orders.
- XI. CERTIFICATION

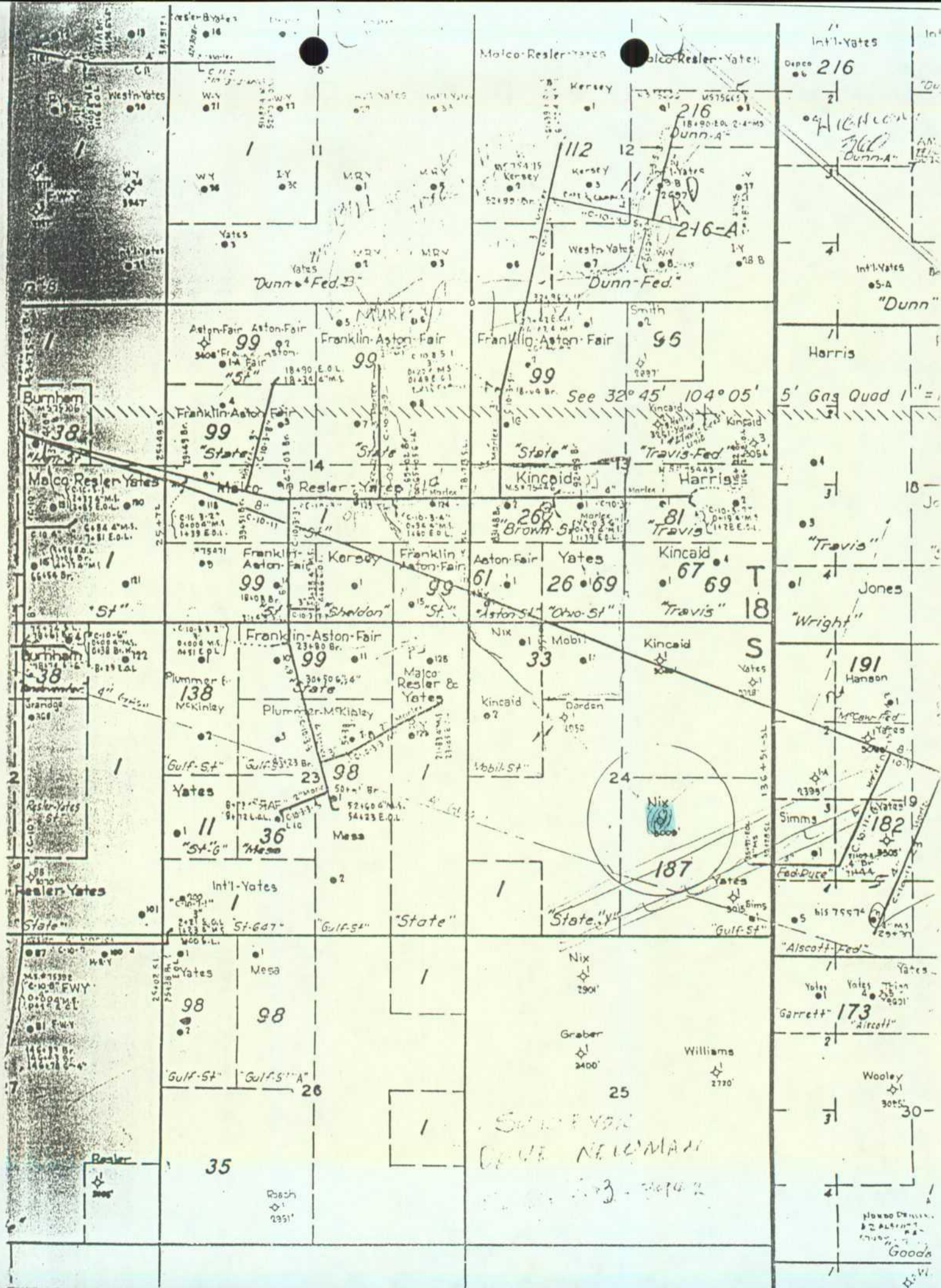
I hereby certify under penalty of law that I have personally examined and am familiar with the information submitted in this document and all attachments and that, based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate and complete. I am aware that there are significant penalties for submitting false information including the possibility of fine and imprisonment.

Name: Eddy M. Menzendorf Title: Manager
 Eddy M. Menzendorf

Signature: Valerie Lemon-Pierce Date: 6-24-91
 Valerie Lemon-Pierce *Officer Mgr.*

DISTRIBUTION: Original and one copy to Santa Fe with one copy to appropriate Division District Office.





NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-162
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

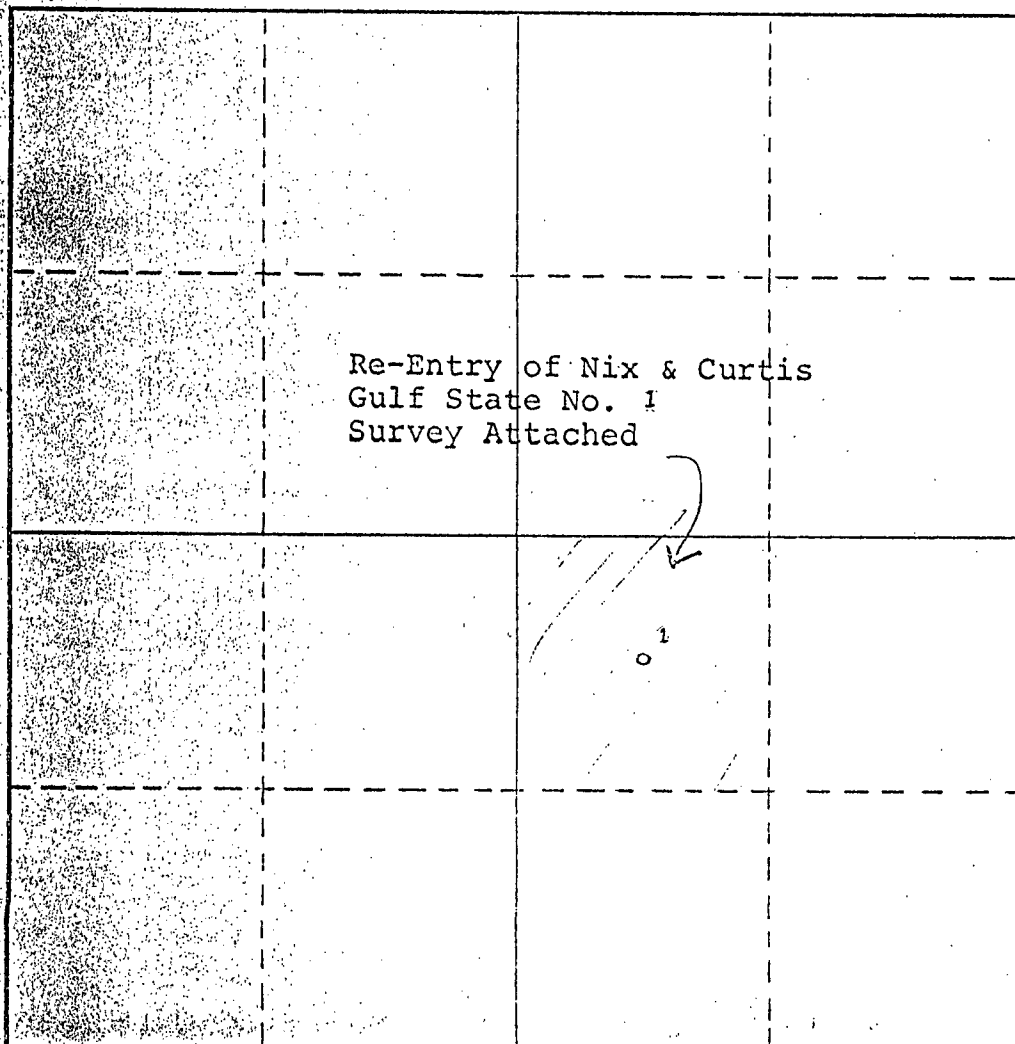
Operator Permian Brine Sales & Service, Inc.			Lease		Well No. 1
Unit Letter X J	Section 24	Township 18 South	Range 28 East	County Eddy	
Actual Footage Location of Well: 1987.9 feet from the South line and 1930.4 feet from the East line					
Ground Level Elev. 3503	Producing Formation Salt	Pool Wildcat	Dedicated Acreage: 40 Acres		

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☒ Yes ☐ No If answer is "yes," type of consolidation DNA

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) DNA

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

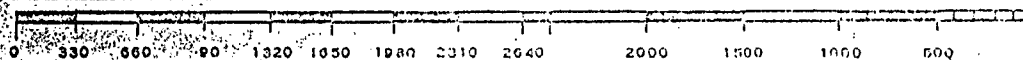
Name [Signature]
Position President
Company Permian Brine Sales & Service, Inc.
Date 9-17-76

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

Registered Professional Engineer and/or Land Surveyor

Certificate No.



Equipment & Supplies
Fresh Water
Brine Supply Wells
Salt Water Disposal

B & E, INC.

South Y
P. O. Box 756
Carlsbad, N.M. 88220
Phone (505) 885-6663

Vacuum Trucks
Winch Truck
Kill Truck
Frac Tanks

LOCO HILLS BRINE STATION

State 24 #1

Sec 24 T 18S R 28E

County Rd. 217

Phil & Julie Withrow (owners)

P.O. Box 2292

Hobbs, NM 88241

(Accounting Office)

P.O. Box 756

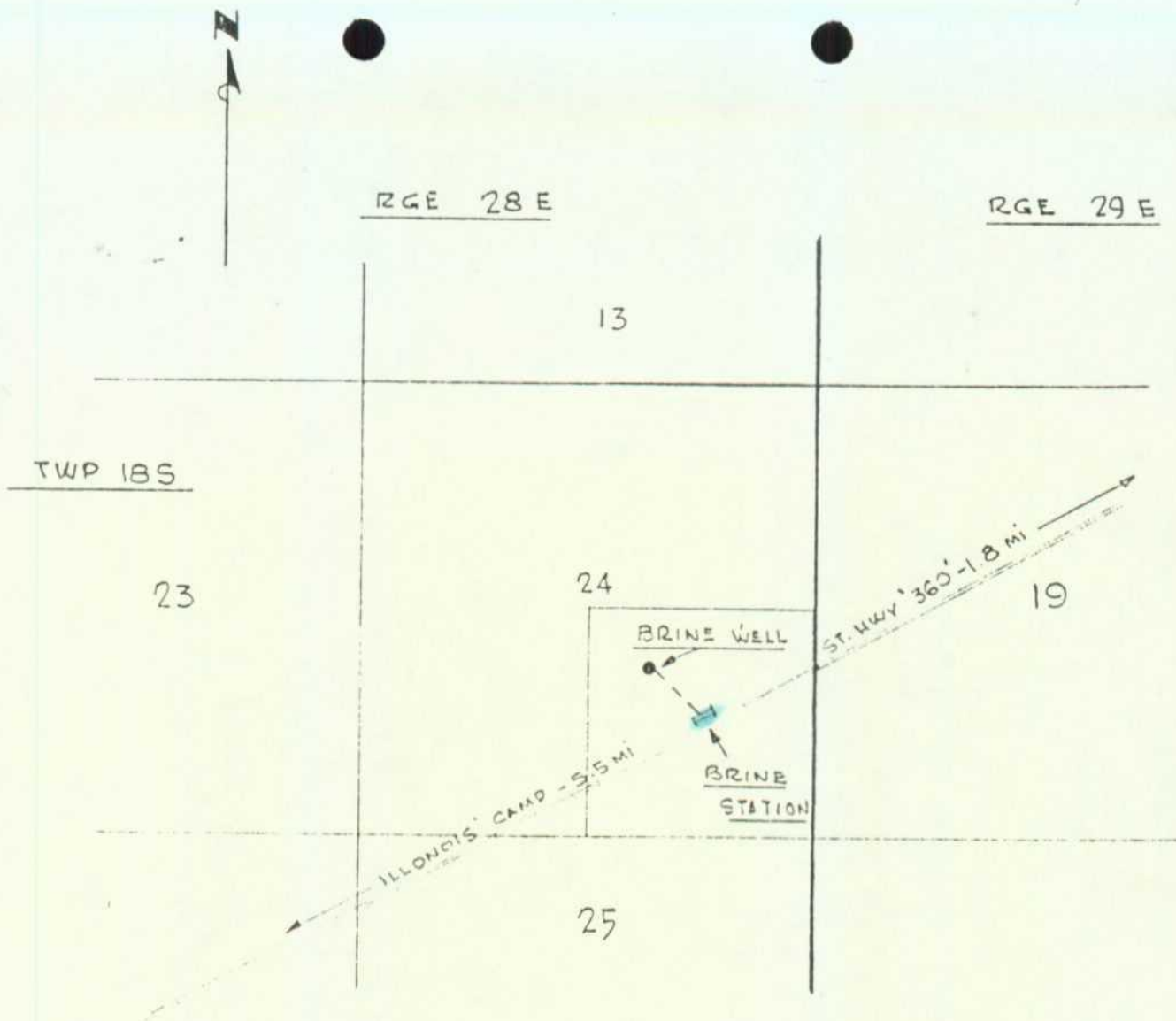
South Y Loving Hwy

Carlsbad, NM 88221

(Main Operations Yard & Office)

Eddy Menzdorf, Manager

Valerie Lemon-Pierce, Office Manager



SCALE 1" = 2000'

B & E, Inc.
Brine Sales Well St. 24 #1
1988' FSL - 1930' FEL
S.24 T.18S R.28E
Eddy Co., New Mexico



NEW MEXICO STATE LAND OFFICE

ASSIGNMENT OF MINERAL LEASE

State 24
MAY 31 1988

KNOW ALL MEN BY THESE PRESENTS:

That Permian Brine Sales & Service, hereinafter called "Assignor", for and in consideration of (Assignor, include wife if applicable) the sum of One Dollar, and other good and valuable consideration paid by B&E Inc. (Assignee)

whose Post Office address is 2292 Hobbs NM 88240, hereinafter called the "Assignee", has sold, transferred, set over and assigned, and by these presents does sell, transfer, set over and assign to the Assignee, his heirs, successors and assigns, all of the Assignor's right, title, interest and claim in and to that certain Mineral Lease No. M-19609 made by the State of New Mexico to Permian Brine Sales & Service, under date of 6-26-78, 19 , only insofar as said lease covers the following described land to wit:

Institution	Section	Township	Range	Subdivision	Acres
Univ	24	18S	28E	NW of SE	40

Together with the personal property thereon, if any, appurtenant thereto, or used or obtained in connection herewith.

The Assignee assumes and agrees to perform all obligations to the State of New Mexico insofar as said described lands are affected, and to pay such rental and royalties, and to do such other acts as are by said lease required as to the above-described subdivisions, to the same extent and in the same manner as if the provisions of said lease were fully set out herein and Assignor is relieved of such obligations and duties.

It is agreed that the Assignee shall succeed to all the rights, benefits and privileges granted the Lessee by the terms of said lease, as to the lands above described.

Signed this 13 day of September, 1983

Josh Williams
SECRETARY (Corporation Only)

Paul Withrow
ASSIGNOR (If Corporation Print or Type Name of Corporation and Executing Officer)

Julie Withrow
WIFE (If Applicable)

(PERSONAL ACKNOWLEDGMENT)

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 19 .

by _____

My Commission Expires: _____ Notary Public

(ACKNOWLEDGEMENT BY ATTORNEY-IN-FACT)

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 19 .

by _____ as attorney-in-fact in behalf

of _____

My Commission Expires: _____ Notary Public

STATE OF NEW MEXICO
ONE WELL PLUGGING BOND

FOR ALL COUNTIES EXCEPT:
CHAVES, EDDY, LEA, MCKINLEY, RIO ARriba, ROOSEVELT,
SANDOVAL, AND SAN JUAN

BOND NO. 4477509
(for Use of Surety Company)
AMOUNT OF BOND \$5,000.00
COUNTY Eddy

NOTE For wells less than 5,000 feet deep, the minimum bond is \$7,500.00*
For wells 5,000 to 10,000 feet deep, the minimum bond is \$10,000.00*
For wells more than 10,000 feet deep, the minimum bond is \$12,500.00
*Under certain conditions, a well being drilled under a \$7,500.00 or \$10,000.00 bond may be permitted to be drilled as much as 500 feet deeper than the normal maximum depth, or a well being drilled under a \$7,500.00 bond may be permitted to go to 5,000 feet, and a well being drilled under a \$10,000.00 bond may be permitted to go to 10,000 feet. (See Rule 101)

File with Oil Conservation Commission, P. O. Box 2088, Santa Fe 87501

KNOW ALL MEN BY THESE PRESENTS:

That B & E., Incorporated (An individual) (a partnership)
(a corporation organized in the State of New Mexico, with its principal office in the city of
Hobbs, State of New Mexico, and authorized to do business
in the State of New Mexico), as PRINCIPAL, and Safeco Insurance Company, a
corporation organized and existing under the laws of the State of Washington,
and authorized to do business in the State of New Mexico, as SURETY, are held firmly bound unto the State of New
Mexico, for the use and benefit of the Oil Conservation Commission of New Mexico pursuant to Section 65-3-11, New
Mexico Statutes Annotated, 1953 Compilation, as amended, in the sum of Five Thousand Dollars and no/100-----
Dollars lawful money of the United States, for the payment of which, well and truly to be made, said PRINCIPAL and
SURETY hereby bind themselves, their successors and assigns, jointly and severally, firmly by these presents.

The conditions of this obligation are such that:

WHEREAS, The above principal has heretofore or may hereafter enter into oil and gas leases, or carbon dioxide (CO₂) gas leases, or
helium gas leases with the State of New Mexico; and

WHEREAS, The above principal has heretofore or may hereafter enter into oil and gas leases, or carbon dioxide (CO₂) gas leases, or
helium gas leases on lands patented by the United States of America to private individuals, and on lands otherwise owned by private
individuals; and

WHEREAS, The above principal, individually, or in association with one or more other parties, has commenced or
may commence the drilling of one well not to exceed a depth of 5,000 feet, to prospect for and produce oil
or gas, or carbon dioxide (CO₂) gas or helium gas, or does own or may acquire, own or operate such well, or such well
started by others on land embraced in said State oil and gas leases, or carbon dioxide (CO₂) leases, or helium gas leases,
and on land patented by the United States of America to private individuals, and on land otherwise owned by private
individuals, the identification and location of said well being 1987.9 feet from the South line and 1930.4 feet from
the East line Section 24 Township 18 (North) (South), Range 28 (East) (West), N.M.P.M.
Eddy County, New Mexico.

NOW, THEREFORE, If the above bounden principal and surety or either of them or their successors or assigns, or any of them, shall
plug said well when dry or when abandoned in accordance with the rules, regulations, and orders of the Oil Conservation Commission of New
Mexico in such way as to confine the oil, gas, and water in the strata in which they are found, and to prevent them from escaping into other
strata;

THEN, THEREFORE, This obligation shall be null and void; otherwise and in default of complete compliance with any and all of said
obligations, the same shall remain in full force and effect.

Equipment & Supplies
Fresh Water
Brine Supply Wells
Salt Water Disposal

B & E, INC.

South Y
P. O. Box 756
Carlsbad, N.M. 88220
Phone (505) 885-6663

Vacuum Trucks
Winch Truck
Kill Truck
Frac Tanks

V.

The fluids stored at Loco Hills Brine Station is strictly 10# brine produced by injecting Double Eagle Fresh (City of Carlsbad water) at 75# average line pressure down the well and saturating brine (salt beds) and extracting to the surface. It is stored in an open pit. The line pressure flowing brine to the pit is 25#.

The amount of brine produced and stored fluctuates from day to day and month to month according to need or demand. Usually our customers will call us when they need to haul brine and we will see to it that there is enough brine to meet their needs.

A company employee checks the station daily as to the level in the pit. The employee sees to it that the pit is kept relatively full of brine to fulfill the need by the haulers who have meters.

There are 8 meters and each customer is issued a meter and they are ultimately responsible for their own locks, keys and/or combinations.

At the end of each month we read the meters and bill the customers accordingly.

Most of the brine is produced by just flowing (25# pressure). When we use the pump (located $\frac{1}{2}$ way between the Double Eagle Main valves and wellhead) the line pressure is about 125-130#.

Equipment & Supplies
Fresh Water
Brine Supply Wells
Salt Water Disposal

B & E, INC.

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Carlsbad, N.M. 88220
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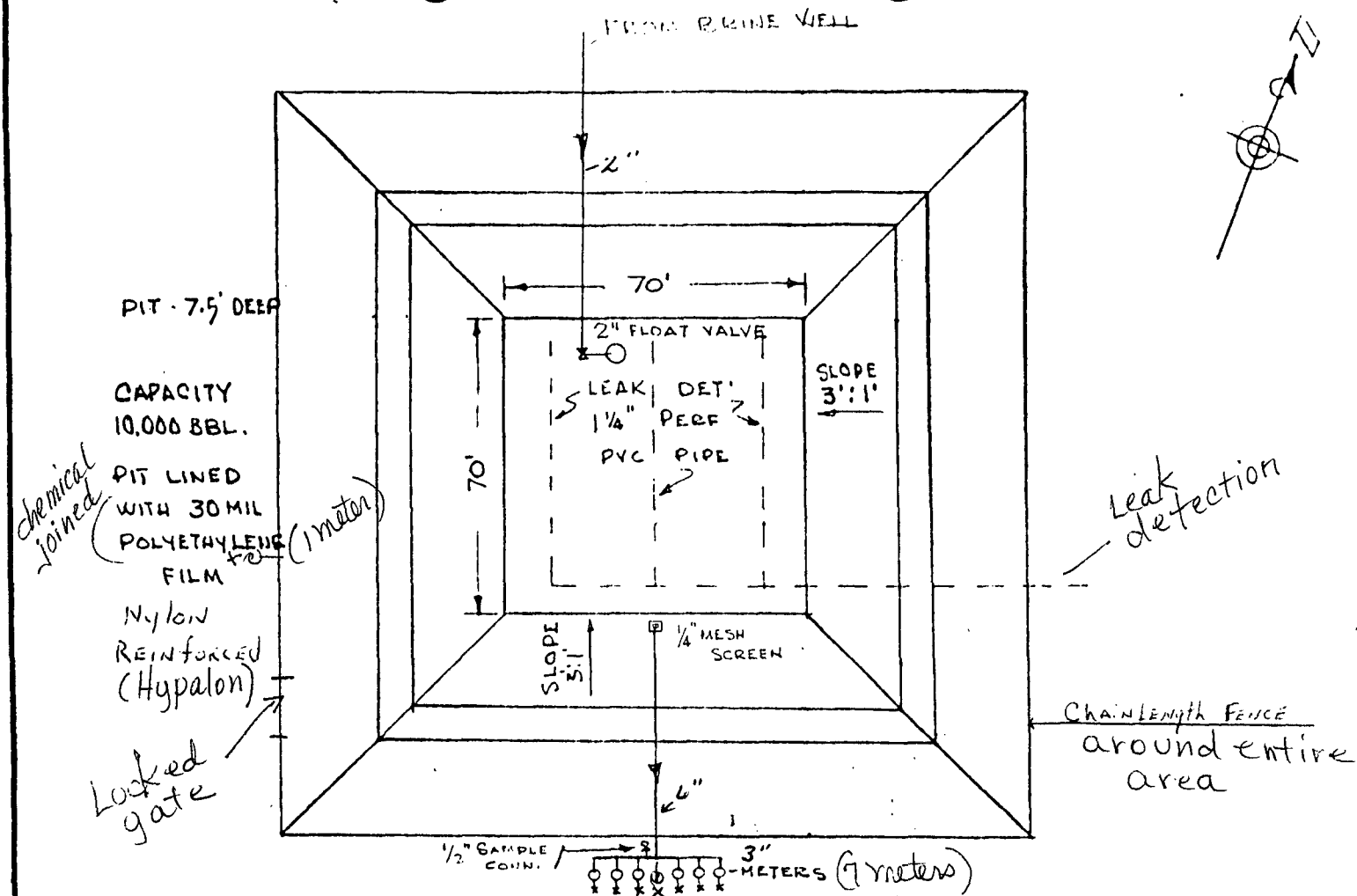
VI.

The facility was built in December of 1978 under the joint ownership and operation of B & E, Inc. and Permian Brine Sales, Inc. B & E, bought out Permian Brine Sales in September of 1983.

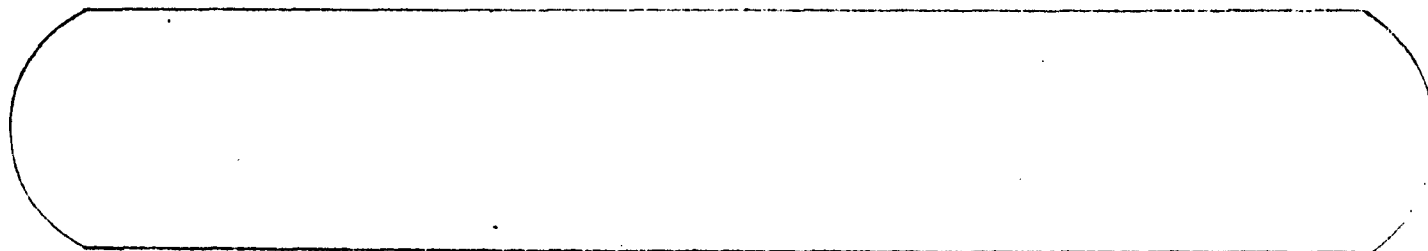
(See attached OCD document showing and allowing change in ownership).

Attached please find a map showing surface impoundments (area, depth of pit, capacity (volume) slope of pit sides, line type and thickness and leak detection methods).

Also, please find three (3) aerial views of the pit, highway location and truck loading (meters). Also, close-ups of the pipes and loading valves.



TRUCK LOADING



HIGHWAY

Each customer has their own meter. When a transport arrives the driver will make the necessary connections and unlock the valve, then load with his own truck pump. The Brine Water is pumped from the bottom of the reservoir up and over the dam and through the 3" water meter, which determines the volume purchased.

B & E, Inc.
 Brine Sales Well St. 24 #1
 1988' FSL - 1930' FEL
 S.24 T.18S R.28E
 Eddy Co., New Mexico

New Mexico Oil Conservation Commission

Name of Operator Permian Brine Sales & Service, Inc.Address P. O. Box 1591, Odessa, Texas 79760Name of lease upon which evaporation pit will be located State "24"Location of ^{BRINE STORAGE} evaporation pit: Unit Letter J Section 24 Township 18S Range 28ELease(s) which will be producing into pit DNAPool(s) which will be producing into pit DNAAnalysis of disposal water: Chlorides DNA ppm. Total dissolved solids DNA ppm.
(If more than one pool will be producing into pit, give water analysis for each pool.)Quantity of water to be disposed of into this pit DNA barrels per day.Water production from these same wells six months ago DNA bpd. Three months ago DNA bpd.
(If more than one pool will be producing into pit, give water production data for each)Method of hydrocarbon entrapment to be employed: Settling tank DNA Header pit DNAIf settling tank is to be used, give size and number of barrels DNAIf header pit is to be used, give dimensions and depth DNAHeader pit lining material DNA Thickness DNADimensions of ^{Brine Storage} ~~Evaporation~~ Pit ("A" and "B" on diagram) 118' x 118'Number of square feet contained in above 13924Depth (Top of levee to floor of pit--"D" on diagram) 7.5 ft.Material to be used as liner Reinforced Hypalon Thickness 30 MilDoes manufacturer recommend protection of material from direct sunlight? Yes No X

If yes, what means will be provided to so protect the material?

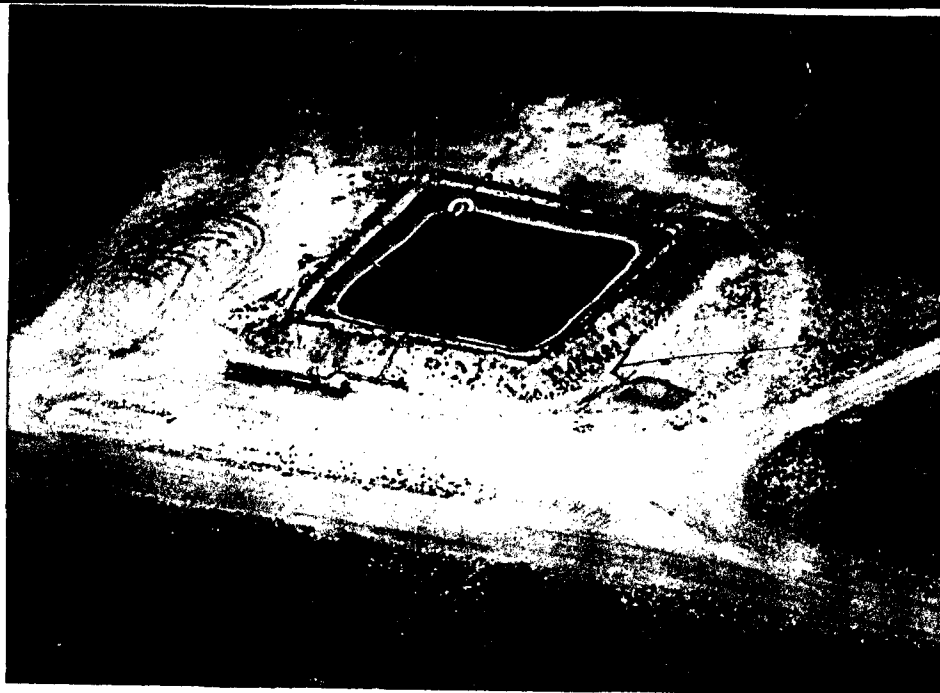
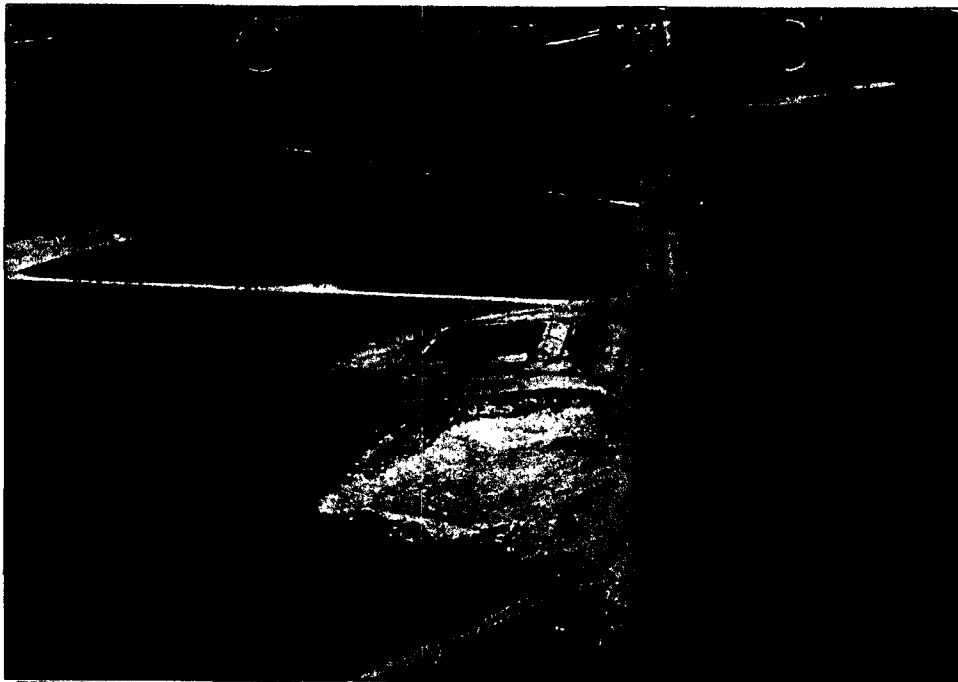
Is material resistant to hydrocarbons? Yes X NoIs material resistant to acids and alkalis? Yes X NoIs material resistant to salts? Yes X NoIs material resistant to fungus? Yes X NoIs material rot-resistant? Yes X NoWill joints in material be fabricated in the field? Yes X NoIf yes, describe method to be used in joining material Chemical Joining

Attach manufacturer's brochure describing the qualities of the lining material.

Describe the leakage detection system to be used Drainage and sump method.

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and further, that the subject evaporation pit and appurtenances, when installed, will be kept in good repair, and that all due diligence will be exercised in keeping the surface of the water free of oil and other debris.

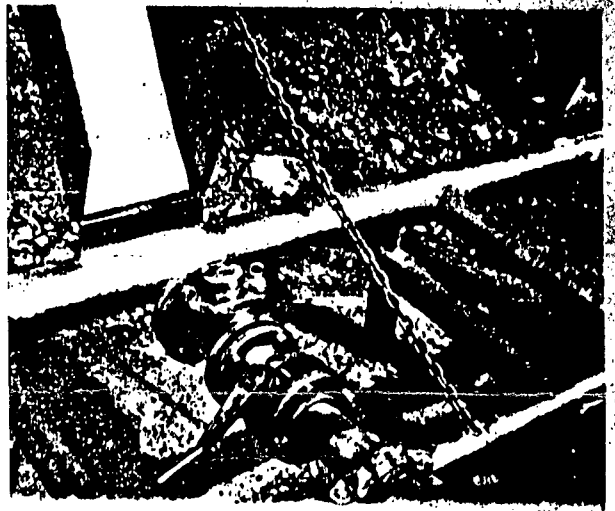
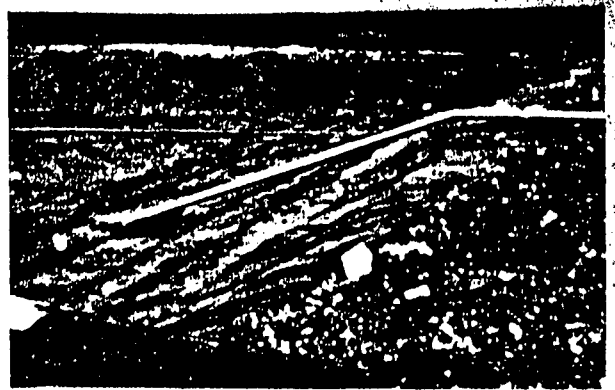
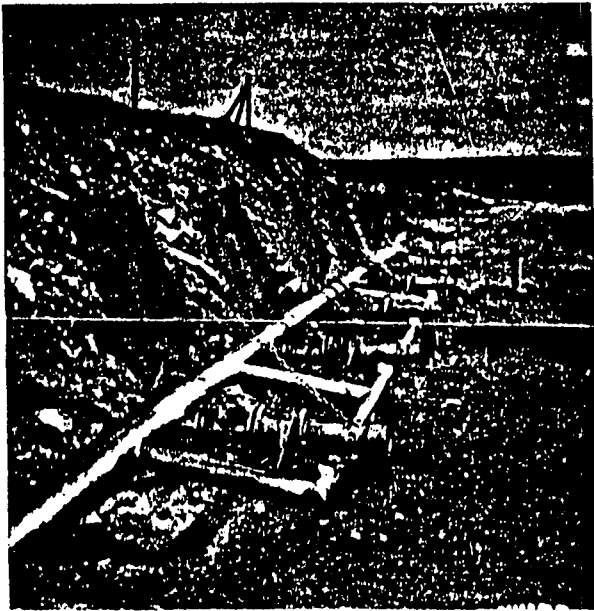
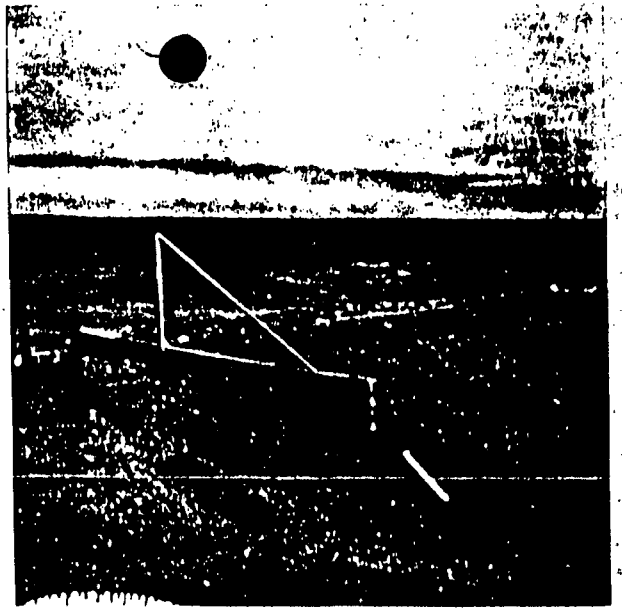
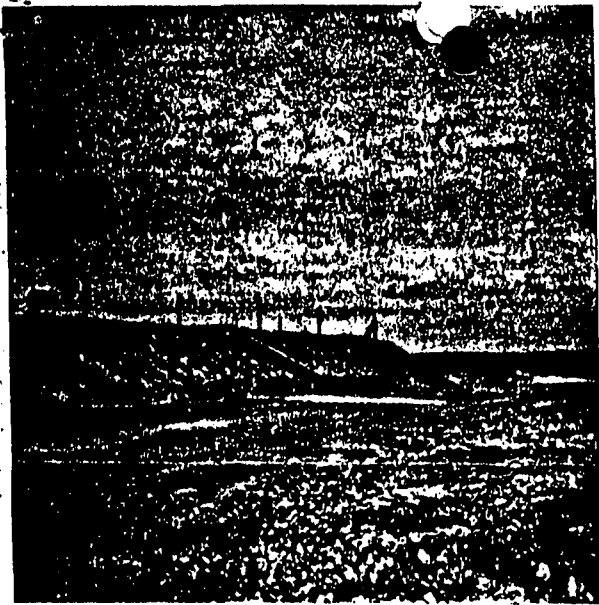
Name A. L. Hickerson Title President Date 1-23-79Approved by W. L. Shesett Title President Date 2-8-79



Location of
Leak detection
pipe for
visual
view



1 meter
7 meters



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

NO. OF SERVICE REQUESTS	
DISTRIBUTION	
SANTA FE	
FILE	
U.S.D.S.	
LAND OFFICE	
TRANSPORTER	
OIL	
GAS	
OPERATOR	
PRODUCTION OFFICE	
Operator	

FEB 0 9 1984

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

RECEIVED BY
SEP 16 1983
O. C. D.
ARTESIA, OFFICE

REQUEST FOR ALLOWABLE
AND
AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS

B&E, Inc.
Address P.O. Box 2292, Hobbs New Mexico 88240

Reason(s) for filing (Check proper box)	Other (Please explain)
New Well <input type="checkbox"/>	Change in Transporter of:
Recompletion <input type="checkbox"/>	Oil <input type="checkbox"/> Dry Gas <input type="checkbox"/>
Change in Ownership <input checked="" type="checkbox"/>	Casinghead Gas <input type="checkbox"/> Condensate <input type="checkbox"/>

If change of ownership give name and address of previous owner: Permian Brine Sales, Box 1519, Odessa, Texas 79760

II. DESCRIPTION OF WELL AND LEASE

Lease Name State # 24	Well No. 1	Pool Name, including Formation Wildcat	Kind of Lease State, Federal or Fee State	Lease No. M-1960
Location Unit Letter M, 1987.9 Feet From The S Line and 1930.4 Feet From The E				
Line of Section 24 Township 18S Range 28E, NMPM, Eddy County				

III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

Name of Authorized Transporter of Oil <input type="checkbox"/> or Condensate <input type="checkbox"/>	Address (Give address to which approved copy of this form is to be sent)
Name of Authorized Transporter of Casinghead Gas <input type="checkbox"/> or Dry Gas <input type="checkbox"/>	Address (Give address to which approved copy of this form is to be sent)
If well produces oil or liquids, give location of tanks.	Unit, Sec., Twp., Rge. Is gas actually connected? When

If this production is commingled with that from any other lease or pool, give commingling order number:

V. COMPLETION DATA

Designate Type of Completion - (X)	Oil Well	Gas Well	New Well	Workover	Deepen	Plug Back	Some Restr.	Grill, etc.
Date Spudded	Date Compl. Ready to Prod.	Total Depth	P.B.T.D.					
Elevations (DF, RKB, RT, GR, etc.)	Name of Producing Formation	Top Oil/Gas Pay	Tubing Depth					
Perforations	Depth Casing Shoe							

TUBING, CASING, AND CEMENTING RECORD

HOLE SIZE	CASING & TUBING SIZE	DEPTH SET	SACKS CEMENT

V. TEST DATA AND REQUEST FOR ALLOWABLE OIL WELL

(Test must be after recovery of total volume of load oil and must be equal to or exceed top oil able for this depth or be for full 24 hours)

Date First New Oil Run To Tanks	Date of Test	Producing Method (Flow, pump, gas lift, etc.)	
Length of Test	Tubing Pressure	Casing Pressure	Choke Size
Actual Prod. During Test	Oil-Bbls.	Water-Bbls.	Gas-MCF

GAS WELL

Actual Prod. Test-MCF/D	Length of Test	Bbls. Condensate/MMCF	Gravity of Condensate
Testing Method (spot, back pr.)	Tubing Pressure (shut-in)	Casing Pressure (shut-in)	Choke Size

VI. CERTIFICATE OF COMPLIANCE

I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Spencer Williams
Secretary
9-13-83
(Date)

OIL CONSERVATION DIVISION

APPROVED FEB 0 7 1984
BY *Mike Williams*
TITLE OIL AND GAS INSPECTOR

This form is to be filled in compliance with RULE 111.
If this is a request for allowable for a newly drilled or deepened well, this form must be accompanied by a tabulation of the device tests taken on the well in accordance with RULE 111.
All sections of this form must be filled out completely for all wells on new and recompleted wells.
Fill out only Sections I, II, III, and VI for changes of well name or number, or transporter, or other such change of condition.
Separate Forms C-104 must be filed for each pool in multi-completed wells.

Equipment & Supplies
Fresh Water
Brine Supply Wells
Salt Water Disposal

B & E, INC.

South Y
P. O. Box 756
Carlsbad, N.M. 88220
Phone (505) 885-6663

Vacuum Trucks
Winch Truck
Kill Truck
Frac Tanks

VII.

Attached please find schematics and drawings of all underground facilities and also a breakdown of the various underground formations from surface to salt beds.

Every January of the new year we submit water analysis of the fresh injected and brine extracted. (Please refer to your files).

Each quarter we have submitted quarterly reports on volume of fresh injected and volume of brine sold. (Please refer to your files).

P.B.S. & S.

JUNE 30, 1978

BOX 1591

ODESSA, TEXAS 79760

SALT & 1

0 to 46 -----	TOP SOIL WITH GRAVEL
46 to 58 -----	SAND & GRAVEL
58 to 62 -----	LIME
62 to 65 -----	RED BED
65 to 76 -----	RED SAND
76 to 107 -----	GRAVEL
107 to 163 -----	BROWN CLAY W/GRAVEL & SAND
163 to 170 -----	RED BED
170 to 178 -----	LIME VERY HARD
178 to 225 -----	RED BED
225 to 237 -----	ANHYDRITE & RED BED
237 to 252 -----	LIME & ANHYDRITE W/SOME GYP.
252 to 268 -----	RED BED
268 to 285 -----	LIME W/GYP. STRINGERS
285 to 305 -----	GYP. W/SOME RED BED
305 to 320 -----	GYP. & ANHYDRITE
320 to 328 -----	RED BED
328 to 360 -----	ANHYDRITE W/LIME & SAND
360 to 410 -----	RED ROCK & ANHYDRITE
410 to 430 -----	ANHYDRITE W/SOME LIME
430 to 437 -----	GRAY LIME (HARD) & ANHYDRITE
437 to 445 -----	ANHYDRITE
445 to 456 -----	ANHYDRITE & GRAY LIME
456 to 555 -----	SALT
555 to 567 -----	SALT & SOME LIME
567 to 576 -----	SALT & <u>BLUE SHALE VERY LITTLE</u>
576 to 592 -----	SALT
592 to 603 -----	ANHYDRITE

2" Pipe & Conventions

MAX. PRESSURE 120*

AVG. PRESSURE 90*

FRESH WATER

3503' ELEV.

SURFACE

CAVING

GRAVEL

99'

CEMENT

RED BEDS

GRAVEL

8 5/8" 24# Casing

2 7/8" N80 Tubing

RED BED

397'

CEMENT

SALT

BRINE WATER

2" Pipe

TO STORAGE PIT

CAVING SURFACE

20'

GRAVEL

99'

CEMENT

RED BEDS

GRAVEL

225'

245' SAND & GYP. WATER

RED BED

397'

CEMENT

416' Bottom of 8 5/8" casing

SALT

660' Bottom 2 7/8" Tubing

Anhy. stringers

640'

640'

Anhy stringers

740'

50 x 2109

Anhydrite

Anhydrite

1000'

1100'

1400'

1540'

35 x 2109

B. & E. INC.

State 24 D #1

SW

Dry hole marker 6' Above Ground
4 1/2" outside Diameter
With Well Designation & Legal Description

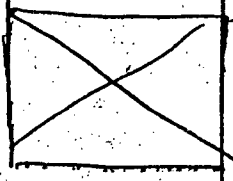
Plate
1/4" Steel

After
Plugged
And Abandoned

Cement

416' Bottom of 3 5/8" Casing

466' Bottom of Cement
circulated to Surface



NO. OF COPIES RECEIVED	
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SANTA FE	
FILE	
U.S.G.S.	
LAND OFFICE	
OPERATOR	

NEW MEXICO OIL CONSERVATION COMMISSION

DEC 28 1978

D. E. C.

Form C-103
Supersedes Old
C-102 and C-103
Effective 1-1-65

5a. Indicate Type of Lease	State <input checked="" type="checkbox"/> Fee <input type="checkbox"/>
5. State Oil & Gas Lease No.	M-19609

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT -" (FORM C-101) FOR SUCH PROPOSALS.)

1. OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER- BRINE WATER WELL	7. Unit Agreement Name
2. Name of Operator PERMIAN BRINE SALES & SERVICE, INC.	8. Farm or Lease Name STATE "24"
3. Address of Operator P. O. Box 1591, Odessa, Texas 79760	9. Well No. 1
4. Location of Well UNIT LETTER JM 1987.9 FEET FROM THE South LINE AND 1930.4 FEET FROM THE East LINE, SECTION 24 TOWNSHIP 18 S RANGE 28 E N.M.P.M.	10. Field and Pool, or Wildcat WILDCAT
15. Elevation (Show whether DF, RT, GR, etc.) 3503 G.L.	12. County KDDY

Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNG. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	OTHER <input checked="" type="checkbox"/>
OTHER _____		Alter plugging program and complete.	

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

Cleaned out surface plug. No Plug at 420-390. Cleaned out and bailed to 1540 feet. Hit cement plug. Called Bill Grossett and received approval to plug as follows:

35 sacks - 1540' - 1400'
50 sacks - 1000' - 740'

Dowell did cementing. Completed by hanging 2-7/8" tubing in open hole in salt section @ 660'.

I, I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNED A. L. Henderson TITLE President DATE 12-27-78

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

WELLEX



ACOUSTIC VELOCITY LOG

COMPANY Frank Darden
 WELL Mobil-State # 1
 FIELD Artesia
 County Eddy State N. M.

COMPANY FRANK DARDEN ✓
 WELL MOBIL-STATE # 1
 FIELD ARTESIA
 COUNTY EDDY STATE NEW MEXICO
 Location 1650' FNL 1650' FWL
 Sec. 24 Twp 18-S Rge 28-E

Other Services
 Guard

Permanent Datum Ground Level Elev. 3517
 Log Measured From K. B. 7 Ft. Above Perm. Datum
 Drilling Measured From Kelly Bushing

Elev. K.B. 3524
 D.F. 3523
 G.L. 3517

Date	3-9-65				
Run No.	- One -				
Depth-Driller	2950				
Depth-Welox	2942				
Btm. Log Inter.	2936				
Top Log Inter.	20				
Casing-Driller	8-5/8" @ 310				
Casing-Welox	300				
Bit Size	7-7/8"				
Type Fluid in Hole	Mud				
Dens. Visc.	10.2 34				
pH Fluid Loss	8.8 ml				
Source of Sample	Circulated				
R _a @ Meas. Temp.	.065 @ 74°F				
R _r @ Meas. Temp.	.065 @ 76°F				
R _w @ Meas. Temp.	@ °F				
Source R _r Rec.	Meas.				
R _a @ 81°F	.055 @ 90°F				
Time Since Circ.	1-1/2 Hrs.				
Max. Rec. Temp.	91°F @ BH				
Equip. Location	3003 Hobbs				
Recorded By	B. A. Kithas				
Witnessed By	Mr. Strumhoff				

NO UNIT LOGS
 Above 1650'

If drill logs or other special tests or deviation surveys were made, submit report on separate sheet and attach hereto

TOOLS USED

Rotary tools were used fromfeet tofeet, and fromfeet tofeet.
Cable tools were used from 0 feet to 2324 feet, and fromfeet tofeet.

PRODUCTION

Put to Producing December 23, 1962

OIL WELL: The production during the first 24 hours was 40 barrels of liquid of which 60 % was oil;% was emulsion; 40 % water; and% was sediment. A.P.I. Gravity.....

GAS WELL: The production during the first 24 hours wasM.C.F. plusbarrels of liquid Hydrocarbon. Shut in Pressure.....lbs.

Length of Time Shut in.....

PLEASE INDICATE BELOW FORMATION TOPS (IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE):

Southeastern New Mexico		Northwestern New Mexico	
T. Anhy.....155	T. Devonian.....	T. Ojo Alamo.....	
T. Salt.....340	T. Silurian.....	T. Kirtland-Fruitland.....	
B. Salt.....707	T. Montoya.....	T. Farmington.....	
T. Yates.....	T. Simpson.....	T. Pictured Cliffs.....	
T. 7 Rivers.....	T. McKee.....	T. Menefee.....	
T. Queen.....1832	T. Ellenburger.....	T. Point Lookout.....	
T. Grayburg.....2190	T. Gr. Wash.....	T. Mancos.....	
T. San Andres.....	T. Granite.....	T. Dakota.....	
T. Glorieta.....	T.	T. Morrison.....	
T. Drinkard.....	T.	T. Penn.....	
T. Tubbs.....	T.	T.	
T. Abo.....	T.	T.	
T. Penn.....	T.	T.	
T. Miss.....	T.	T.	

FORMATION RECORD

From	To	Thickness in Feet	Formation	From	To	Thickness in Feet	Formation
0	15	15	Caliche				
15	30	15	Red Sand				
30	155	125	Red Shale				
155	170	15	Anhy				
170	225	55	Anhy & Shale				
225	250	25	Shale				
250	285	35	Anhy				
285	310	25	Red Shale				
310	340	30	Anhy				
340	707	367	Salt				
707	948	241	Anhy				
948	958	10	Sand Cong.				
958	1820	862	Anhy				
1820	1850	30	Red Sand				
1850	2085	235	Anhy				
2085	2102	17	Sand				
2102	2115	13	Anhy				
2115	2154	39	Grey Lime				
2154	2172	18	Lime				
2172	2195	23	Sandy Lime				
2195	2250	55	Lime				
2250	2261	11	Sand				
2261	2293	32	Lime				
2293	2311	18	Sharp Lime				
2311	2324	13	Lime				

ATTACH SEPARATE SHEET IF ADDITIONAL SPACE IS NEEDED

I hereby swear or affirm that the information given herewith is a complete and correct record of the well and all work done on it so far as can be determined from available records.

January 11, 1963

Company or Operator Simms & Reese Oil Co.
Name.....

Address 200 Booker Bldg. - Artesia, N.M.
Position Title Partner

If drill-stem or other special tests or deviation surveys were made, submit report on same and attach hereto

24-18-S R-2

TOOLS USED

Rotary tools were used from feet to feet, and from feet to feet.
 Cable tools were used from feet to feet, and from feet to feet.

PRODUCTION

Put to Producing....., 19.....

OIL WELL: The production during the first 24 hours was barrels of liquid of which was
 was oil;% was emulsion;% water; and% was sediment. A.P.I.
 Gravity.....

GAS WELL: The production during the first 24 hours was MCF, plus barrels of
 liquid hydrocarbon. Shut in Pressure..... lbs.

Length of Time Shut in.....

PLEASE INDICATE BELOW FORMATION TOPS (IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE):

Southeastern New Mexico

Northwestern New Mexico

T. Anhy.....	T. Devonian.....	T. Ojo Alamo.....
T. Salt..... 397	T. Silurian.....	T. Kistland-Fruitland.....
B. Salt..... 680	T. Montoya.....	T. Farmington.....
T. Yates.....	T. Simpson.....	T. Pictured Cliffs.....
T. 7 Rivers.....	T. McKee.....	T. Menefee.....
T. Queen R. Sd. 1820	T. Elkhartberger.....	T. Point Lookout.....
T. Grayburg.....	T. Gr. Wash.....	T. Mancos.....
T. San Andres..... 2613	T. Granite.....	T. Dakota.....
T. Glorieta.....	T.	T. Morrison.....
T. Drinkard.....	T.	T. Penn.....
T. Tubbs.....	T.	T.
T. Abo.....	T.	T.
T. Penn.....	T.	T.
T. Miss.....	T.	T.

FORMATION RECORD

From	To	Formation	From	To	Formation
0	20	Caliche	2720	2740	White lime
20	30	Sand	2740	2760	Gr. lime
30	40	Gravel	2760	2780	Gr. lime
40	50	Sand	2780	2800	Dark lime
50	62	Gravel	2800	2820	Sand & lime
62	99	R. Beds	2820	2839	Gr. lime
99	112	Gravel	2839	2856	Brn. lime
112	220	Red. Beds	2856	2860	Dark lime
220	250	Sand & Gyp. (str. 225-245)	2860	2921	Gr. lime (Tested 1 hr. - 10 1/3 gal. str.)
250	260	R. Beds	2921	2935	Gr. sandy lime
260	290	Gr. shale	2935	2953	Gr. lime
290	335	R. Beds (reduce hole at 300')	2953	2969	lime (Test 30 min. - 70 gal. str.)
335	390	R. Beds & Gyp	2969	2971	Gr. lime
390	397	R. Beds	2971	2993	lime (Tested 1 hr. - 47 gal. str. - 1 gal. of oil on top of str.)
397	680	Salt	2993	3000	Gr. lime
680	865	Anhy	3000	3009	White lime (Hole 300' at salt str.)
865	905	Brn. Anhy	3009	-	T.P.
905	930	Anhy			
930	930	Brn. sand (Hole shown)			
930	1045	Anhy			
1045	1080	Brn. Anhy			
1080	1355	Anhy			
1355	1390	Anhy & Gyp			
1390	1415	Anhy (deviated measurement - 1415-1417) hole 1400-1415			
1415	1450	Anhy			
1450	1460	Anhy & lime			
1460	1534	Anhy			
1534	1540	Brn. lime			
1540	1675	Anhy			
1675	1745	Brn. Anhy			
1745	1755	Anhy			
1755	1820	Brn. Anhy			
1820	1835	Anhy			
1835	1885	Red sand (Hole in 1850-1885)			
1885	1905	Brn. lime & Anhy			
1905	1930	Anhy & lime			

ARTESIA STATE "24" STATION
ESTIMATE OF EARNING VALUE

Estimated Present Annual Sales
Estimated Net Profit per Barrel
Estimated Annual Earnings
(Net before depletion allowance, taxes and depreciation.)

This station is ideally located in the extreme Northwest edge of the rock salt strata, therefore, all brine for wells drilled to the north and west will have to come from this station. This area is primarily a gas well area, so that future drilling will increase when natural gas again becomes in short supply. These factors enhance the value of this station.

I would place the value of this station at \$385,000 based on earnings.

RESERVES

The reserves of salt are inexhaustible for all practical purposes. The rock salt is 244 feet thick and is covered by 285 feet of rock and clay. I have a brine well of similar rock salt thickness from which I have washed over 10,000,000 barrels of brine and we are still producing brine. In my experience, the older and larger a brine cavern becomes, the less trouble we have with "cave-ins". I attribute this to the fact that the rock salt strata does not lie in a flat plane. The layers of salt and interbedded stringers of anhydrite and shale lie at a slight angle, thus, as fresh water is lighter than brine, it moves up gradient along these stringers, thus dissolving the cavern off to one side of the producing string of tubing. Therefore, when sloughing occurs within the cavern, it takes place away from the center of the cavern and does not damage the tubing. If trouble does occur, an expenditure of \$19,000 for drilling an offset "slim hole" and fracturing into the present cavern would tremendously increase reserves. A 244' deep 300' diameter cylindrical block of rock salt contains 2,414,633,760 pounds of salt (enough to make 21,753,457 barrels of brine). By enlarging the diameter to only 310', you could produce an additional 7,157,058 barrels of brine. You can see that after the cavern becomes quite large, that the diameter increases very slowly!

S.E. ARTESIA STATE "24" STATION
ESTIMATED REPLACEMENT VALUE

Salt Minerals (leased)

Surveying

Dirt Work, Drilling, Pits and Anchors

Paving Turnaround

Permitting

Sub-Total

BRINE WELL

Drilling

Casing - 416' of 8-5/8" @ \$7/ft.

Cementing

Cement Bond Log

Tubing - 660' of 2-7/8" @ \$1.75/ft.

Well Head and Valves

Mud and Bits

Sub-Total

STORAGE, PUMPING AND LOADING

Dirt Work for brine pit

Pit Liner

Pipeline for water - 9,960' of 2 1/2"

Ditching, Laying and Backfilling

High Pressure 2" water meter and valves

R.O.W. and Damages

Loading Header and Valves

Meters, Locks and Covers

Trucking

Contract Labor

Fence and Windbreak

Sub-Total

TOTAL

Equipment & Supplies
Fresh Water
Brine Supply Wells
Salt Water Disposal

B & E, INC.

South Y
P. O. Box 756
Carlsbad, N.M. 88220
Phone (505) 885-6663

Vacuum Trucks
Winch Truck
Kill Truck
Frac Tanks

VIII.

The meter loading area and the leak detection pipe extending from the pit is visually inspected everyday. Our customers alert us as to any meter leaks.

There has never been a leak from the pit since operations began in 1978.

We have occasionally had small leakage from valves at the loading area from faulty valves. We repair or replace the valves when needed. (These amounts have been very small when occurred.)

We periodically take our grader to the location and grade the area. We strive to keep our housekeeping in order.

If there was a major leak we would immediately take steps to haul production of brine, repair the leak and replace whatever was needed.

The area around the pit where the meters are located is hard packed graded caliche.

In the event of a spill or leakage the OCD will be notified within the required 24 hours.

On June 20, 1991, I personally inspected the area. The 30 mil polyethylene (hypalon) nylon reinforced line was still very pliable. It was in no way brittle or cracked. For being in place for 12 years it has held up astonishingly well.

Equipment & Supplies
Fresh Water
Brine Supply Wells
Salt Water Disposal

B & E, INC.

South Y
P. O. Box 756
Carlsbad, N.M. 88220
Phone (505) 885-6663

Vacuum Trucks
Winch Truck
Kill Truck
Frac Tanks

IX.

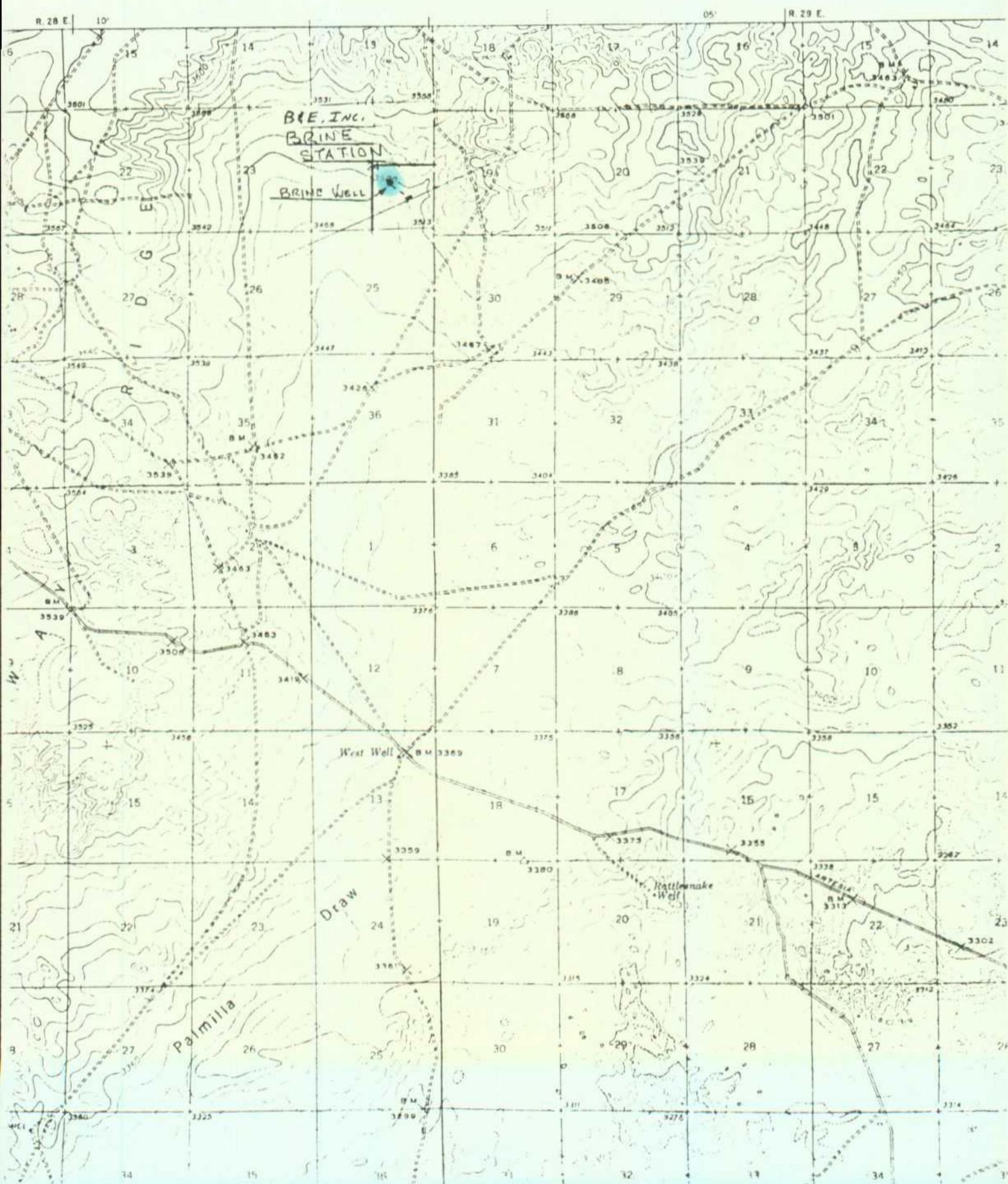
The general soil conditions in the area are sand and caliche. The pit-sides are caliche and chipped rock.

Attached please find two (2) maps that are in our possession.

Also, attached please find a copy of a letter from James I. Wright from the State Engineer office in Roswell dated 1-16-85 stating that there are no water wells within 3 miles of our location.



**THE REPRODUCTION OF
THE
FOLLOWING
DOCUMENT (S)
CANNOT BE IMPROVED
DUE TO
THE CONDITION OF
THE ORIGINAL**





STATE OF NEW MEXICO

STATE ENGINEER OFFICE ROSWELL

S.E. REYNOLDS
STATE ENGINEER

October 16, 1985

DISTRICT 2
909 EAST 2ND ST.
P.O. BOX 1717
ROSWELL, NEW MEXICO 88201

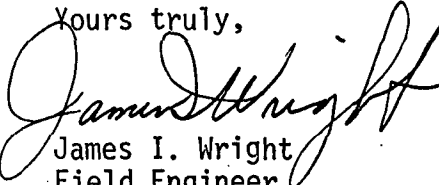
B and E Inc.
Box 2292
Hobbs, New Mexico 88240

Gentlemen:

In accordance with your request regarding fresh water zones in the vicinity of your brine station located in the SE $\frac{1}{4}$ of Section 24, Township 18 South, Range 28 East, please be advised that there are no water wells within three miles of your location.

The closest well is located in the NE $\frac{1}{4}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 21, Township 18 South, Range 28 East. This well is completed in the Artesia Group. A water sample collected from this well on April 10, 1969 had a chloride concentration of 134 parts per million.

Yours truly,


James I. Wright
Field Engineer

JIW/tmg
cc Santa Fe

Equipment & Supplies
Fresh Water
Brine Supply Wells
Salt Water Disposal

B & E, INC.

South Y
P. O. Box 756
Carlsbad, N.M. 88220
Phone (505) 885-6663

Vacuum Trucks
Winch Truck
Kill Truck
Frac Tanks

X.

Attached please find a copy of the OCD Permit No. A-017 for exception to Division Order R-8952 signed by Mike Williams and dated 9-11-89.

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

RECEIVED P.O. Box 2088

Santa Fe, New Mexico 87504-2088

SEP -6 '89

Permit No. A-017
(For Division Use Only)

O. C.

APPLICATION FOR EXCEPTION TO DIVISION ORDER R-8952

FOR PROTECTION OF MIGRATORY BIRDS Rule 8(b), Rule 105(b), Rule 312(h), Rule 313, or Rule 711(I)

Operator Name: B & E, Inc.

Operator Address: P.O. Box 756 Carlsbad, NM 88220

Lease or Facility Name Loco Hills Brine Station-State 24 #1 Location 24 18S 28E

Size of pit or tank: 70' x 70' capacity 10,000 bbls Ut. Ltr. Sec. Twp. Rge

Operator requests exception from the requirement to screen, net or cover the pit or tank at the above-described facility.

pit
The pit or tank is not hazardous to migratory waterfowl. Describe completely the reason pit is non-hazardous.

The pit contains nothing but brine water and is not hazardous to
wildlife.

1) If any oil or hydrocarbons should reach this facility give method and time required for removal:

This pit should always be free of hydrocarbons.

2) If any oil or hydrocarbons reach the above-described facility the operator is required to notify the appropriate District Office of the OCD with 24 hours.

Operator proposes the following alternate protective measures:

Our company people check on this brine open everyday to check on
water level and pumping operations.

CERTIFICATION BY OPERATOR: I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature Phil Withrow Title Owner/Manager Date 9-1-89

Printed Name Phil Withrow Telephone No. 505-8856663

FOR OIL CONSERVATION DIVISION USE

Date Facility Inspected 9/8/89

Inspected by MW

Approved by Mike Williams

Title SUPERVISOR, DISTRICT II

Date SEP 11 1989



BRUCE KING
GOVERNOR

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

May 30, 1991

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

CERTIFIED MAIL
RETURN RECEIPT NO. P-327-278-142

Mr. Phil Withrow, Owner
B&E, Incorporated
P. O. Box 756
Carlsbad, New Mexico 88220

RE: Discharge Plan BW-5 (formerly DP-322)
B&E Inc., Loco Hills Brine Station

Dear Mr. Withrow:

On December 19, 1986, the ground water discharge plan, BW-5 for the B&E, Inc., Loco Hills Brine Station located in Section 24, Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico, was approved by the Director of the Environmental Improvement Division (EID). This discharge plan was required and submitted pursuant to Water Quality Control Commission (WQCC) regulations and was approved for a period of five years. The approval will expire on December 19, 1991. Authority to administer the brine program was transferred from the EID back to the Oil Conservation Division (OCD) in 1989. Please note the new discharge plan number (BW-15), formerly DP-322, which will be the permanent designation used in all future correspondence.

If your facility continues to have potential or actual effluent or leachate discharges and you wish to continue operations, you must renew your discharge plan. Under WQCC Rule 5-101.G., if the holder of an approved discharge plan submits an application for renewal at least 180 days before discharge plan expiration, then the existing approved discharge plan will not expire until the application for renewal has been approved or disapproved. If the OCD receives a discharge plan renewal application for the B&E Inc., Loco Hills Brine Station by June 22, 1991, then the existing approved discharge plan will not expire until the renewal application has been approved or disapproved. Note that the request for renewal of a discharge plan need only consist of submittal of the attached "Discharge Plan Application for Brine Extraction Facilities". I have also enclosed a copy of the OCD's "Guidelines for the Preparation of Ground Water Discharge Plans at Brine Extraction Facilities," revised May 1991, and a copy of the Water Quality Control Commission Regulations.

Mr. Phil Withrow
May 30, 1991
Page -2-

If you no longer have any actual or potential discharges a discharge plan renewal is not needed, please notify this office. If you have any questions, please do not hesitate to contact me at (505) 827-5824.

Sincerely,

A handwritten signature in cursive script that reads "Kathy M. Brown". The signature is fluid and extends to the right.

Kathy M. Brown
Environmental Bureau Geologist

KMB/sl

Enclosures

cc: OCD Artesia Office

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

December 6, 1989

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Phil Withrow
B&E INC.-LOCO HILLS BRINE
P. O. Box 2292
Hobbs, New Mexico 88240

RE: Delegation of Responsibilities Brine Manufacturing Operations

Dear Mr. Withrow:

On June 13, 1989, the Water Quality Control Commission (WQCC) transferred the responsibility for the administration and enforcement of Commission regulations at brine manufacturing operations, including all brine production wells, holding ponds and tanks, from the Environmental Improvement Division (EID) to the Oil Conservation Division (OCD). The OCD has jurisdiction over all manufactured brine once it is transported, used or disposed of off brine plant premises for use in or directly related to oil and gas operations regulated by OCD. OCD regulates brine injection through its Class II Underground Injection Control (UIC) Program if the brine is used in the drilling for or production of oil and gas. EID shall regulate brine injection through its UIC Program if the brine is used for other purposes.

Brine production facilities that were transferred to OCD's jurisdiction must operate pursuant to an approved and current discharge plan. The discharge plan renewal process will be continued by OCD Environmental Bureau Staff. Approximately eight (8) months before the expiration date of an approved discharge plan, the discharger will be notified of the pending expiration of the plan. The discharge plan review process can, depending on circumstances, take several months. If the holder of an approved discharge plan submits a renewal application at least 180 days before discharge plan expiration, and the discharger is in compliance with his approved plan on the date of expiration, then the existing plan will not expire until the renewal application has been approved or disapproved.

Mr. Phil Withrow
December 6, 1989
Page -2-

Guidelines to aid you in determining what will be required for the renewal of your discharge plan are being prepared. When the guidelines are finalized, they will be supplied to each operator of a brine production facility.

The OCD requires that any person, firm corporation or association that is in ownership of an oil, gas, or service well in the State of New Mexico shall furnish the Division with a surety bond in an amount prescribed in the OCD regulations. The current bond for well less than 5000 feet deep in Chaves, Eddy, Lea and Roosevelt Counties is \$5000. I am enclosing the OCD bond forms for your use. All surety bonds previously submitted to the OCD did not include brine wells. Those surety bonds submitted to the EID must be changed to the OCD. Once the proper bond form are received and approved, all other sureties and bonds can be cancelled.

If you have any questions, please do not hesitate to contact me at (505) 827-5884.

Sincerely,



Roger C. Anderson
Environmental Engineer

RCA/sl

Enclosures

CC: Artesia District Office
Hobbs District Office

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088
SEP - 6 '89

Permit No. A-617
(For Division Use Only)

O. C. D.
ARTESIA, OFFICE

APPLICATION FOR EXCEPTION TO DIVISION ORDER R-8952

FOR PROTECTION OF MIGRATORY BIRDS Rule 8(b), Rule 105(b), Rule 312(h), Rule 313, or Rule 711(I)

Operator Name: B & E, Inc.

Operator Address: P.O. Box 756 Carlsbad, NM 88220

Lease or Facility Name Loco Hills Brine Station-State 24 #1 Location 24 18S 28E

Size of pit or tank: 70' x 70' capacity 10,000 bbls Ut. Ltr. Sec. Twp. Rge

Operator requests exception from the requirement to screen, net or cover the pit or tank at the above-described facility.

pit
The pit or tank is not hazardous to migratory waterfowl. Describe completely the reason pit is non-hazardous.

The pit contains nothing but brine water and is not hazardous to
wildlife.

1) If any oil or hydrocarbons should reach this facility give method and time required for removal:

This pit should always be free of hydrocarbons.

2) If any oil or hydrocarbons reach the above-described facility the operator is required to notify the appropriate District Office of the OCD with 24 hours.

Operator proposes the following alternate protective measures:

Our company people check on this brine open everyday to check on
water level and pumping operations.

CERTIFICATION BY OPERATOR: I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature Phil Withrow Title Owner/Manager Date 9-1-89

Printed Name Phil Withrow Telephone No. 505-8856663

FOR OIL CONSERVATION DIVISION USE

Date Facility Inspected 9/8/89

Inspected by mw

Approved by Mike Williams

Title SUPERVISOR, DISTRICT II

Date SEP 11 1989

SEP 13 1989

**OIL CONSERVATION DIV.
SANTA FE**

Equipment & Supplies
Fresh Water
Brine Supply Wells
Salt Water Disposal

B & E, INC.

South Y
P. O. Box 756
Carlsbad, N.M. 88220
Phone (505) 885-6663

Vacuum Trucks
Winch Truck
Kill Truck
Frac Tanks

March 27, 1989

R E C E I V E D
MAR 29 1989

GROUND WATER BUREAU

Ground Water Section
E.I.D.
Health and Environment Dept.
P.O. Box 968
Santa Fe, New Mexico 87504-0968

ATT: Kevin Lambert

RE: Water Analysis: Loco Hills Brine & Double Eagle Fresh
Eugenie Brine & Eugenie Fresh

Attached please find the laboratory reports on the above referenced locations.

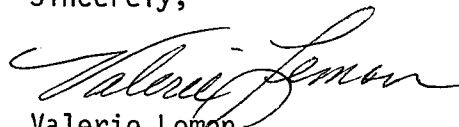
They were just recently sampled and analyzed in March.

Sorry for the delay but John Parker called last week and asked about the January report. I did not realize that this needed to be done. I've been very faithful about the quarterly reports on discharge volumes and leak detection system and just overlooked this.

Again, I do apologize and thanks again for everything.

If you have any further questions, please don't hesitate to call.

Sincerely,



Valerie Lemon
Secretary
B & E, Inc.

Attachments

xc: file

HALLIBURTON DIVISION LABORATORY

HALLIBURTON SERVICES

ARTESIA DISTRICT

LABORATORY REPORT

No. _____

TO B & EDate 3-10-89

This report is the property of Halliburton Services and neither it nor any part thereof, nor a copy thereof, is to be published or disclosed without first securing the express written approval of laboratory management, it may however, be used in the course of regular business operations by any person or concern and employees thereof receiving such report from Halliburton Services

Submitted by _____ Date Rec. _____

Well No. _____ Depth _____ Formation _____

Field _____ County _____ Source _____

Eugene #1St 24 #1Resistivity 0.048 @ 70°F0.050 @ 70°FSpecific Gravity .. 1.2171.2100 @ 70°FpH 6.76.9Calcium 35484300Magnesium 326261Chlorides 204000194000Sulfates heavyheavyBicarbonates 9261Soluble Iron nilnil

----- 10.15 #10.08 #

Remarks:

C. D. Jacobson
Respectfully submitted

Analyst: Fred D Jacobson EIT

HALLIBURTON SERVICES

NOTICE:

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HALLIBURTON DIVISION LABORATORY

HALLIBURTON SERVICES

ARTESIA DISTRICT

LABORATORY REPORT

No. _____

TO B: E, Inc.Date 3-24-89

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Submitted by Eddy Menzendorf Date Rec. 3-23-89

Well No. _____ Depth _____ Formation _____

Field _____ County Eddy Source _____
Double Eagle Fresh Eugenie Fresh Eugenie Fresh
City of Carlsbad water
Resistivity n.a. n.a.Specific Gravity .. 1.00 1.00pH 7 7Calcium 54 54Magnesium 20 27Chlorides <400 <400Sulfates trace traceBicarbonates 16 32Soluble Iron nil nil

Remarks:

Rocky Chambers
 Respectfully submitted
Analyst: Rocky Chambers.

HALLIBURTON SERVICES

NOTICE:

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HALLIBURTON DIVISION LABORATORY

HALLIBURTON SERVICES

ARTESIA DISTRICT

LABORATORY REPORT

No. _____

TO B & EDate 3-10-89

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Submitted by _____ Date Rec. _____

Well No. _____ Depth _____ Formation _____

Field _____ County _____ Source _____

	Eugene #1	St 24 #1
Resistivity	0.048 @ 70°F	0.050 @ 70°F
Specific Gravity ..	1.217	1.2100 @ 70°F
pH	6.7	6.9
Calcium	3548	4300
Magnesium	326	261
Chlorides	204000	194000
Sulfates	heavy	heavy
Bicarbonates	92	61
Soluble Iron	nil	nil
-----	-----	-----
-----	-----	-----
-----	10.15 #	10.08 #

Remarks:

C. D. Jacobs
Respectfully submitted

Analyst: Eric D. Jacobson EIT

HALLIBURTON SERVICES

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HALLIBURTON DIVISION LABORATORY

HALLIBURTON SERVICES

ARTESIA DISTRICT

LABORATORY REPORT

TO B: E, Inc.

No. _____

Date 3-24-89

This report is the property of Halliburton Services and neither it nor any part thereof, nor a copy thereof, is to be published or disclosed without first securing the express written approval of laboratory management. It may however, be used in the course of regular business operations by any person or concern and employees thereof receiving such report from Halliburton Services

Submitted by Eddy Menzendorf Date Rec. 3-23-89

Well No. _____ Depth _____ Formation _____

Field _____ County Eddy Source _____
Double Eagle Fresh Eugenie Fresh Eugenie Fresh
Resistivity n.a. n.a.Specific Gravity .. 1.00 1.00pH 7 7Calcium 54 54Magnesium 20 27Chlorides <400 <400Sulfates trace traceBicarbonates 16 32Soluble Iron nil nil

Remarks:

Rocky Chambers
Respectfully submitted
Analyst: Rocky Chambers

HALLIBURTON SERVICES

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<input checked="" type="checkbox"/> Telephone	<input type="checkbox"/> Personal	Time 9:45 AM	Date 3/16/89
Originating Party John Parker WRS		Other Parties Val Lemon B&E Secretary	
Subject Missing ME, TR due in January			

Discussion

I told Val that we had received the ^{quarterly} report on volume injected/sold, but hadn't received the chemical analysis called for annually under DP-322. She said she was unaware of that requirement.

Conclusions or Agreements

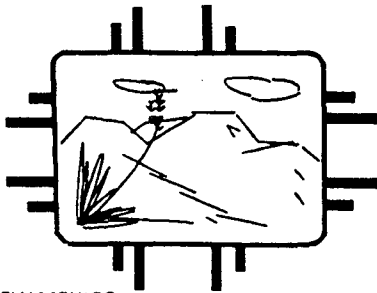
I agreed to send Val a copy of their ME, TR requirements and she agreed to send me copies of the missing analysis ASAP.

Distribution

File

Signed

[Signature]



NEW MEXICO
HEALTH AND ENVIRONMENT
DEPARTMENT

ENVIRONMENTAL IMPROVEMENT DIVISION
Harold Runnels Bldg.-1190 St. Francis Drive
Santa Fe, New Mexico 87503

Richard Mitzelfelt
Director

GARREY CARRUTHERS
Governor
CARLA L. MUTH
Secretary
MICHAEL J. BURKHART
Deputy Secretary

December 14, 1988

Phil Withrow
B&E, Inc. - Loco Hills Brine Station
P.O. Box 756
Carlsbad, New Mexico 88220

Dear Mr. Withrow:

The Underground Injection Control staff of the New Mexico Environmental Improvement Division Ground Water Section would like to thank you for your cooperation during our recent inspection of B&E, Inc. - Loco Hills brine facility. A copy of the inspection form is attached for your reference.

Deficiencies noted during the inspection are as follows:

1. Spillage of brine and produced waters noted. Facility should be free of brine or produced water spillage, facility should be inspected frequently, and spillage cleaned up when detected.
2. Valves at loading area have some leakage. Leaks in valves should be repaired.

Thank you for your continued cooperation. Should you have any questions feel free to contact me (827-2902) or John Parker (827-0027).

Sincerely,

Kevin Lambert
Hydrologist
Ground Water Section - UIC Program

KL/mw

Enclosure

No. of
Samples Ion

FIELD TRIP REPORT
GROUND WATER SECTION

SLD USER CODES

County Eddy/Lea

Ground Water: 59300

NO₃, HC, & Toxics: 59600

UIC: 59500

FACILITY VISITED

Name of Facility: 20 Brine Facilities & Climax Chemical

Location: Carlsbad/Hobbs in Southeast NM

Discharge Plan Number: DP- See Below

Type of Operation: Brine Production / Chemical Manufacturing

ENVIRONMENTAL IMPROVEMENT DIVISION FIELD VISIT

EID Inspector(s): Lambert

Date of Inspection or Visit: 12/5-8/88

Discharger's Representative Present During EID Visit:

Name:

Title or Position:

Purpose of Visit:

- a. Evaluation of Proposed Discharge Plan _____
b. Compliance Inspection of Discharge with Approved Plan _____
c. Other (specify) _____

Inspection Activities During Field Visit:

a. Inspection of Facilities or Construction (specify)

b. Sampling of Effluents (give sampling locations)

c. Sampling of Ground Water (give names or locations of wells)

Sampled M.W. at Marathon

d. Evaluation of geology, soils, water levels or other physical characteristics of the location (specify)

e. Other (specify)

Observations and Information Obtained during the Visit:

The 20 Brine Facilities & Climax are listed below by DP#. See Individual File for specifics

ACTION REQUIRED

#	#	#	#	#
318	323	354	370	298
319	324	355	371	426
320	325	360	372	
321	326	361	394	
322	351	369	401	

BRINE STATION INSPECTION FORM

DATE 12/6 1988 ¹⁰¹⁵ EID INSPECTOR Lambert
 FACILITY B&E Loco Hills LOCATION Loco Hills
 FACILITY REP ON SITE — COUNTY Eddy

WELL OPERATION

WELL IS INJECTING: ☒ THROUGH ANNULUS ☐ THROUGH TUBING
 SOURCE OF FRESH WATER Double Eagle Pipeline
 TRACE INJECTION/PRODUCTION LINES Underground
 WELL HEAD PRESSURE _____ PSIG PUMP PRESSURE _____ PSIG
 LEAKS AROUND WELL OR PUMP — None

Wellhead looks good

STORAGE AREA

FOR PONDS: 1
 GENERAL LINER APPEARANCE brine storage hypalon lined
 AMOUNT OF FREEBOARD 1 foot Looks Good
 ANY SIGN OF OVERFLOW OR LEAKS None
 LEAK DETECTION SYSTEM — FLUIDS — DRY

FOR TANKS:

GENERAL APPEARANCE _____
 LABELED PLAINLY — YES — NO
 BERMED TO PREVENT RUNOFF — YES — NO
 CHECK CONTENTS TO ASSURE PROPER FLUID/LABLE MATCH _____

NUMBER OF TANKS FOR BRINE _____ FRESH WATER _____

LOADING AREA

PROPERLY GRADED AND BERMED TO CONTAIN SPILLAGE ☒ YES — NO
 ANY EVIDENCE OF RECENT SPILLAGE ☒ YES — NO
 DOES FACILITY HAVE A SPILL COLLECTION SYSTEM ☒ YES — NO
 ANY EVIDENCE OF OIL SPILLING/DUMPING ☒ YES — NO

*MINOR spillage directed to collection system.
 minor produced water on loading area
 Regrade, check valves for leaks*

MONITORING WELLS

DEPTH _____ FT STATIC WATER LEVEL _____ FT BELOW CASING
 SAMPLED THIS VISIT — YES — NO TEMP _____ Ec _____

COMMENTS Overall looks good Recommend
Regrading of loading area to cleanup
minor brine spills. Clean collection system
of brine Check valves for leaks

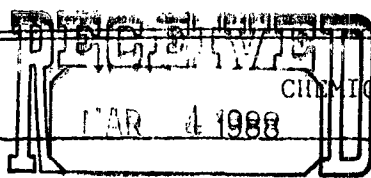
Carlsbad City
Water
Analysis

CITY OF CARLSBAD
- WATER ANALYSIS REPORT -
CARLSBAD CITY LABORATORY
WASTEWATER TREATMENT PLANT
Carlsbad, New Mexico 88220

SAMPLE SENT BY City of Carlsbad ANALYSIS NO. _____
FROM Water Well Field SAMPLE RECEIVED 1/28/88
ADDRESS _____ SAMPLE REPORTED 1/29/88
WATER SOURCE Composite

PHYSICAL CHARACTERISTICS AS RECEIVED

Color _____ Odor _____ Turbidity 2



CHEMICAL CHARACTERISTICS

	PARTS per MILLION	PPM as CaCo ₃	As CaCo ₃ GRAINS per Gallon
Alkalinity-M:		220	
Alkalinity-P:		0	
Calcium-Ca:	72	180	10.5
Magnesium-MG:	39	156	9.1
Sodium-Na:			
Sulphates-So ₄ :	78		
Chlorides-Cl:	28		
Sp. Cond.:	430		
Iron-Fe:			
Free Chlorine:			
Fluoride:	0.47		
PH: As received:	7.77		
Aquapoise (PHs) at 70°F:			
TOTAL HARDNESS: (As CaCo ₃):		336	19.6
TOTAL DISSOLVED SOILDS (As CaCo ₃):			

Jose A. Renteria



State of New Mexico
HEALTH AND ENVIRONMENT DEPARTMENT
SCIENTIFIC
LABORATORY DIVISION

CHEMICAL and PHYSICAL ANALYSES for WATER SAMPLES

Date received: 1/14/84
Lab No. 2995
SLD user code No.

FOR PROPER PRESERVATION OF SAMPLES, CONSULT DEFINITIONS ON REVERSE. TYPE OR PRINT WITH BALL POINT PEN.

CHEMICAL ANALYSES: ☒ Check individual items for analysis. INTERIM PRIMARY PARAMETER GROUP: ☐ 1 ☐ 2 ☐ 3 ☐ Complete Secondary. TYPE OF CHEMICAL ANALYSIS: ☐ Organic ☐ Radiological

Water Supply System Name: CITY OF CANABAD. Water Supply System Code No.: 2600. City or Location: CANABAD. County: CHIRICAHUA. Report to: DOH Patterson. Address: P.O. Box 156, El Estero, New Mexico 86820.

Collection Date: 12-15-86. Collection Time: 10:00 AM. Collection Point: North Main Avenue. Collector's remarks: Nettle and Redwood. Treated Water: ☐ RAW WATER: ☐

Collected By: Max Corlison. Owner: City of Canabad. TYPE OF SYSTEM (check one): ☐ PRIVATE ☒ PUBLIC ☐ Community ☐ Non-community. SOURCE: ☐ Spring ☐ Lake ☐ Well/Depth: ☐ Other (specify): ☐ Drain ☐ Stream ☐ Pool

LONG LAT. " " " "

CATIONS	mg/l	ANIONS	mg/l	PHYSICAL	HEAVY METALS	mg/l	PARAMETER	ORGANIC	mg/l
00930 Sodium (as Na)		00940 Chloride (as Cl)		70300 Total Filterable Residue	01000 Arsenic	<0.005		39390 Endrin	
00935 Potassium (as K)		00950 Fluoride (as F)		38260 Foaming Agents (as Las)	01005 Barium	<0.1		39732 Lindane	
00900 Tot. Hardness (as CaCO ₃)		00620 Nitrate (as N)		00095 Conductance Micromhos 25-C	01025 Cadmium	<0.001		38270 Methoxychlor	
00915 Calcium (as Ca)		00430 Alkalinity (as CaCO ₃)		00400 pH	01030 Chromium	<0.005	RADIOLOGICAL (pCi/l)	39400 Toxaphene	
00925 Magnesium (as Mg)		00440 Bicarbonate (as HCO ₃)		01330 Odor	01049 Lead	<0.01	03501 Gross Alpha	39730 2,4-D	
01045 Iron-Total (as Fe)		00445 Carbonate (as CO ₃)		00080 Color	02180 Mercury	<0.0005	09501 Radium-226	39740 2,4,5-TP (Silvex)	
01056 Manganese (as Mn)		00945 Sulfate (as SO ₄)		00070 Turbidity	01145 Selenium	<0.005	11501 Radium-228		
					01075 Silver	<0.001			

LABORATORY REMARKS: (Incl. pH) 7.0

Reviewed by: [Signature]
Date reported: 2/9/84



State of New Mexico
HEALTH and ENVIRONMENT DEPARTMENT
SCIENTIFIC
LABORATORY DIVISION

CHEMICAL and PHYSICAL ANALYSES
for WATER SAMPLES

CONSULT SLD Lab Annex L for proper presentation of sample(s). TYPE or PRINT with Ball Point Pen

Sample #8
Date received 10/09/85
Lab No. HM-1808
SLD user code No.

CHEMICAL Check individual items for analysis INTERIM PRIMARY PARAMETER GROUP TYPE OF CHEMICAL ANALYSIS
ANALYSES: (Mark appropriate box(es)) ☒ 1 ☐ 2 ☐ 3 ☐ Complete Secondary ☐ Organic ☐ Radiological

Water Supply System Name Carlsbad Water Supply System Code No. 20608 City or Location County

Collection Date 10-7-85 Collection Time 9:30 a.m. Collection Point No. 2 Stock Watering

Collected By Max Cordova Owner City of Carlsbad

TYPE OF SYSTEM (Check one) PRIVATE ☐ PUBLIC: ☐ Community ☒ Non-community

SOURCE: ☐ Spring ☐ Lake ☐ Well-Depth ☐ TREATED WATER ☒ RAW WATER
☐ Drain ☐ Stream ☐ Pool ☐ Other (specify)

Collector's remarks Double Eagle Nitric Acid Added Eddy

Report to Don Patterson Address P. O. Box 1569 Carlsbad, New Mexico 88220

CATIONS	mg/l	ANIONS	mg/l	PHYSICAL	mg/l	HEAVY METALS	mg/l	PARAMETER	ORGANIC	mg/l
00930 Sodium (as Na)		00940 Chloride (as Cl)		70300 Total Filterable Residue		X 01000 Arsenic	0.005		39390 Endrin	
00935 Potassium (as K)		00950 Fluoride (as F)		38260 Foaming Agents (as Las)		X 01005 Barium	2.1		39732 Lindane	
00900 Tot. Hardness (as CaCO ₃)		00620 Nitrate (as N)		00095 Conductance Micromhos 25°C		X 01025 Cadmium	<0.001		38270 Methoxychlor	
00915 Calcium (as Ca)		00430 Alkalinity (as CaCO ₃)		00400 pH		X 01030 Chromium	<0.005		39400 Toxaphene	
00925 Magnesium (as Mg)		00440 Bicarbonate (as HCO ₃)		01330 Odor		X 01049 Lead	<0.01		39730 2,4-D	
01045 Iron - Total (as Fe)		00445 Carbonate (as CO ₃)		00080 Color		X 07180 Mercury	<0.0005		39740 2,4,5-TP (Silvex)	
01056 Manganese (as Mn)		00945 Sulfate (as SO ₄)		00070 Turbidity		X 01145 Selenium	<0.005			
						X 01075 Silver	<0.001			

LABORATORY REMARKS:

Reviewed by [Signature] Date reported 12/20/85

Unichem International

707 North Leech

P.O.Box 1499

Hobbs, New Mexico 88240

Company : B & E, Inc.

Date : 03-01-1988

Location: State 24 - Well #1 (on 02-29-1988)

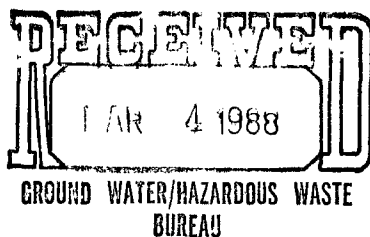
	<u>Sample 1</u>
Specific Gravity:	1.242
Total Dissolved Solids:	338820
pH:	7.29
IONIC STRENGTH:	5.907

<u>CATIONS:</u>		<u>me/liter</u>	<u>mg/liter</u>
Calcium	(Ca ⁺²)	52.0	1040
Magnesium	(Mg ⁺²)	45.2	549
Sodium	(Na ⁺¹)	5680	131000
Iron (total)	(Fe ⁺²)	0.015	0.420
Barium	(Ba ⁺²)	0.003	0.240

<u>ANIONS:</u>			
Bicarbonate	(HCO ₃ ⁻¹)	2.80	171
Carbonate	(CO ₃ ⁻²)	0	0
Hydroxide	(OH ⁻¹)	0	0
Sulfate	(SO ₄ ⁻²)	134	6450
Chloride	(Cl ⁻¹)	5640	200000

SCALING INDEX (positive value indicates scale)

<u>Temperature</u>		<u>Calcium</u>	<u>Calcium</u>
86°F	30°C	<u>Carbonate</u>	<u>Sulfate</u>
		2.8	-3.0



Loco Hills

*Brine Water
Analysis*

[illegible]

SLD USER CODES

County Eddy

UIC: 59500

Name of Facility: B & E Loco Hills

Location: *Loco Hills, NM*

Discharge Plan Number: DP- 322

Type of Operation: *BRINE EXTRACTION Facility*

EID Inspector(s): Lambert/Parker

Date of Inspection or Visit: 3/2/88

Discharger's Representative Present During EID Visit:

Name: Phil Withrow, Ed.

Title or Position: *Owner*

Purpose of Visit:

- a. Evaluation of Proposed Discharge Plan _____
b. Compliance Inspection of Discharge with Approved Plan _____
c. Other (specify) MIT Pressure Test

Inspection Activities During Field Visit:

- a. Inspection of Facilities or Construction (specify)

- b. Sampling of Effluents (give sampling locations)

- c. Sampling of Ground Water (give names or locations of wells)

- d. Evaluation of geology, soils, water levels or other physical characteristics of the location (specify)

- (e.) Other (specify) Conducted 2-Hour pressure test

Observations and Information Obtained during the Visit:

well held Pressure

ACTION REQUIRED



Post Office Box 968
Santa Fe, New Mexico 87504-0968

ENVIRONMENTAL IMPROVEMENT DIVISION

Michael J. Burkhardt
Director

GARREY CARRUTHERS
Governor

LARRY GORDON
Secretary

CARLA L. MUTH
Deputy Secretary

January 4, 1988

Phil Withrow
B & E, Inc.
P.O. Box 756
Hobbs, NM 88220

Dear Mr. Withrow:

The Underground Injection Control staff of the New Mexico Environmental Improvement Division Ground Water Section would like to thank you for your cooperation during our recent inspections of B & E Carlsbad and B & E Loco Hills brine facilities. Copies of the inspection forms are attached for your reference. Deficiencies noted during the inspections are as follows:

B & E Carlsbad

1. Evidence of oil spillage/dumping near fresh water tank. Recent brine spills also evident. Need to keep facility free of spilled brine/produced waters.
2. Gauge on top of injection well not working. Need to repair or replace.

B & E Loco Hills

1. Two pits (approximately 15' x 40' x 3') containing produced waters with oily residues observed near wellhead. Pits should be kept free of produced waters either by fencing or frequent patrolling.
2. Need to keep brine storage free of weeds and debris. Lack of maintenance can lead to premature deterioration of liner and berm.

Thank you for your continued cooperation. Should you have any questions feel free to contact me (827-2902) or John Parker (827-0027).

Sincerely,

Kevin Lambert
Hydrologist
Ground Water Section

KL:JP:egr

✓

BRINE STATION INSPECTION FORM

DATE 12/1 1987 EID INSPECTOR Lambert/Parker
FACILITY B&E Loco Hills LOCATION Loco Hills
FACILITY REP ON SITE Eddy COUNTY Eddy
Phil in Carlsbad

WELL OPERATION

WELL IS INJECTING: ☒ THROUGH ANNULUS ☐ THROUGH TUBING
SOURCE OF FRESH WATER Double Line Pipeline
TRACE INJECTION/PRODUCTION LINES Buried Line
WELL HEAD PRESSURE Gravity PSIG PUMP PRESSURE PSIG
LEAKS AROUND WELL OR PUMP None

STORAGE AREA

FOR PONDS:

GENERAL LINER APPEARANCE Looks Good

AMOUNT OF FREEBOARD OK ~ 1 to 2 ft

ANY SIGN OF OVERFLOW OR LEAKS No

LEAK DETECTION SYSTEM ☐ FLUIDS ☐ DRY

*Some Clean up of
debris is suggested
"Weeds"*

FOR TANKS:

GENERAL APPEARANCE

LABELLED PLAINLY ☐ YES ☐ NO

BERMED TO PREVENT RUNOFF ☐ YES ☐ NO

CHECK CONTENTS TO ASSURE PROPER FLUID/LABEL MATCH

NUMBER OF TANKS FOR BRINE FRESH WATER

LOADING AREA

PROPERLY GRADED AND BERMED TO CONTAIN SPILLAGE	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
ANY EVIDENCE OF RECENT SPILLAGE	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO
DOES FACILITY HAVE A SPILL COLLECTION SYSTEM	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
ANY EVIDENCE OF OIL SPILLING/DUMPING	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO

Looks in good shape

MONITORING WELLS

DEPTH FT STATIC WATER LEVEL FT BELOW CASING
SAMPLED THIS VISIT ☐ YES ☐ NO TEMP Ec

COMMENTS Observed 2 pits near wellhead
containing produced waters w/ significant amount
of oil residues ~ 15' x 40' x 3'
Need to remove & clean up site
Need to talk to discharger about
keeping clean

MONITORING AND REPORTING FORM

ALL BLANKS MUST BE COMPLETED.

CHECK ALL APPLICABLE BOXES

DISCHARGE PLAN NUMBER: 322

ORIG. DP PEND. APPROV: _____

SIC NUMBER: _____

RENEWAL: X

RENEWAL PEND: _____

EID DISTRICT: IV

MODIFICATION: X

MODIFICATION PENDING:

NAME OF FACILITY: B & E, Inc. Locos Hills Brine Station

LOCATION OF FACILITY: County Rd. 217, 6 miles SW of Loco Hills

ALTERNATE OR PAST NAME OF FACILITY: Permian Brine Sales, Inc. Artesia Station

CITY OR CLOSEST TOWN: Loco Hills USGS QUAD: Oil City

COUNTY: Eddy **TWP:** 18S **RGE:** 28E **SEC:** 24

CONTACT PERSON: Monk, Mickey TITLE: _____
LAST NAME FIRST NAME

ADDRESS OF CONTACT PERSON: P.O. Box 2292, Hobbs, NM 88240

TELEPHONE: 393-0762

TYPE OF FACILITY: Brine production and sales

MEANS OF DISCHARGE (LAGOON, LEACH FIELD, OTHER -SPECIFY):

injection well for brine production, lagoon for storage

REVIEWER: (CURRENT) Lambert, Kevin
LAST NAME FIRST NAME

DATE APPROVED: 12/19/86 DATE OF EXPIRATION: 12/19/91

MONITORING REQ: (COMMENT, IF NECESSARY, ON BACK)

SAMPLING SITE OR ID	STORET CODE (SAMP. SITE)	PARAMETER(S)	DATE <u>DUE</u>
------------------------	-------------------------------	--------------	-----------------

Fresh water Brine water	Volume	April, Oct., July, January
Storage lagoon Leak detection system	Monitor daily for fluids	April, Oct., July, January
Mechanical Integrity Test	Once a year	January

SAMPLING SITE
OR ID

STORET CODE
(SAMP. SITE)

PARAMETER(S)

DATE DUE

Fresh water Brine water	TDS, chlorides	January
Cement bond log	next time tubing is pulled	1 to 3 years

COMMENTS:

PRE-1977 DISCHARGE FOR WHICH DISCHARGE PLAN HAS BEEN REQUIRED UNDER
SECTION 3-106.A. ?

YES _____ NO x

OTHER APPLICABLE PERMITS:

RCRA
RADIOACTIVE MAT.
NPDES
UST

YES NO

_____ x
_____ x
_____ x
_____ x

STATUS OF DP:

ACTIVE: x
WITHDRAWN: _____
EXPIRED, NOT RENEWED: _____
INACTIVE-TERMINATED OPERATIONS: _____
INACTIVE- OPERATION PENDING: _____

SEND REPORTS TO:

GROUND WATER SECTION
EID: GROUND WATER/HAZARDOUS WASTE BUREAU
P.O. BOX 968
SANTA FE, NM 87504-0968

REVISED: 12/12/86,


CHECK ONE:

☒ LETTER TO B+E, INC
for Mitzelfelt signature

☐ MEMO TO _____

☐ PRESS RELEASE

☐ OTHER

SUBJECT: Discharge PLAN Approval  for Renewal & Modification

DRAFTED BY: Kevin Lambert 12/19/86
(Date)

CONCURRENCES:

NAME:

INITIAL

DATE
REC'DDATE
APPROVED

E. Reback Sect. Mgr. ER 12/22 12/22

R. Mitzelfelt Bur. Chief RM 12/23

Richard Holland Dep. Dir. _____

Denise Fort Director _____

FINAL DECISION NEEDED BY ASAP BECAUSE Have been
(date)
working on plan for some time

COMMENTS BY DRAFTER OR REVIEWER(S):

This is a ~~brine~~ brine production facility
which needed to modify its surface facility. Put in
hypalon-lined storage lagoon and made some monitoring
and reporting requirements changes. On recent field
inspection the production facility was in good shape
and staff doesn't see any problems manifesting in the future

BRINE STATION INSPECTION FORM

DATE 12/9 1986 EID INSPECTOR Lambert, Koschal
 FACILITY B&E Loco Hills LOCATION Loco Hills T185 R28E
 FACILITY REP ON SITE Mowk COUNTY Eddy Sec 24
DP-322 Elmore

WELL OPERATION

WELL IS INJECTING: THROUGH ANNULUS ☒ THROUGH TUBING ^{CAN be reversed}
 SOURCE OF FRESH WATER Double Eagle Pipeline - City Water
 TRACE INJECTION/PRODUCTION LINES _____
 WELL HEAD PRESSURE _____ PSIG WATER LINE PRESSURE 80 PSIG
 LEAKS AROUND WELL OR PUMP None PUMP PRESSURE _____ PSIG

STORAGE AREA

FOR PONDS:

GENERAL LINER APPEARANCE Hypalon Liner

AMOUNT OF FREEBOARD ~ 2 1/2 foot

ANY SIGN OF OVERFLOW OR LEAKS None

LEAK DETECTION SYSTEM FLUIDS

☒ DRY

FOR TANKS: None

GENERAL APPEARANCE _____

LABELLED PLAINLY _____

YES _____

NO _____

BERMED TO PREVENT RUNOFF _____

YES _____

NO _____

CHECK CONTENTS TO ASSURE PROPER FLUID/LABEL MATCH _____

NUMBER OF TANKS FOR _____

BRINE _____

FRESH WATER _____

LOADING AREA

PROPERLY GRADED AND BERMED TO CONTAIN SPILLAGE

☒ YES

NO _____

ANY EVIDENCE OF RECENT SPILLAGE

YES _____

☒ NO

DOES FACILITY HAVE A SPILL COLLECTION SYSTEM

☒ YES

☒ NO

ANY EVIDENCE OF OIL SPILLING/DUMPING

YES _____

☒ NO

MONITORING WELLS

DEPTH _____ FT

STATIC WATER LEVEL _____

FT BELOW CASING _____

SAMPLED THIS VISIT _____

YES _____

NO _____

TEMP _____

Ec _____

COMMENTS

Location is Along County 217
Operation looks to be in good condition

PHIL WITHROW

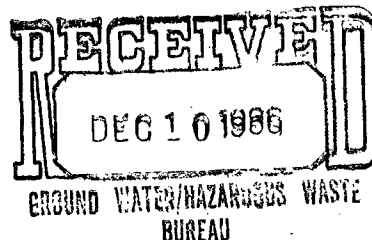
B&E, INC.

N.M.S.C.C. No. 1015-1

Transportation of Oilfield
Equipment and Supplies
Fresh Water
Brine Supply Wells
Salt Water Disposal
Frac Tanks
Vacuum Trucks

P. O. Box 2292
Hobbs, NM 88240
Phone (505) 393-0762

December 2, 1986



Mr. Kevin Lambert
Water Resource Specialist - EID
P.O. Box 968
Santa Fe, New Mexico 87504-0968

RE: Discharge Plan for B & E, Inc.
Loco Hills Brine Station
Sec. 24 T-18S, R-28E

Dear Mr. Lambert:

In response to your phone conversation with Mickey Monk on September 8, 1986 you stated there were four (4) changes that needed to be made prior to approval of our Discharge Plan. Namely a firm commitment to the following:

1. I firmly commit that we will run a cement bond leg the next time the tubing is pulled out of the hole. That would occur anytime there is a plugged or separated joint of tubing (probably 1 to 3 years).
2. I firmly commit to keep a record of fresh water injected and brine water produced. I will report it quarterly. (Attached is a copy of quarterly report for the third quarter; July thru September).
3. I firmly commit to pressure test (or otherwise prove mechanical integrity of well) and report results each year along with water analysis for both fresh and brine (total dissolved solids and chlorides). (Attached is this years test results and water lab reports).
4. I firmly commit that we will monitor leak detection system daily on storage pit, and shall include a record of this in the quarterly report.

You stated that if these conditions were met, there should be no problem in obtaining approval of our Discharge Plan.

PHIL WITHROW

B&E, INC.

N.M.S.C.C. No. 1015-1

Transportation of Oilfield
Equipment and Supplies
Fresh Water
Brine Supply Wells
Salt Water Disposal
Frac Tanks
Vacuum Trucks

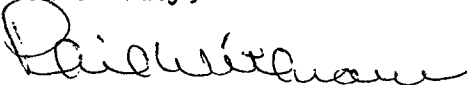
P. O. Box 2292
Hobbs, NM 88240
Phone (505) 393-0762

December 2, 1986

Page 2

The purpose of this letter and attached reports are to comply with that request. I will abide by this commitment.

Yours Truly,



Phil Withrow
B & E, Inc.

PW/va1

Attachments



Chemical Company

P. O. Box 1306 • Phone (505) 746-6611

Artesia, New Mexico 88210

WATER ANALYSIS REPORT

Company B & E, Inc. Date 12-1-86
Field Loco Hills Brine Station County Eddy State NM
Lease and Well No. State 24-#1 Prod. Formation Salt
Source of Sample Fresh at Injection well At well Head
from City of Carlsbad Double eagle Water Line
Sample of Prod. Water ☐ Inj. Water ☒ Other ☐
Date Collected 12-1-86 Analyst F. Jones

WATER ANALYSIS PATTERN

(NUMBER BESIDE ION SYMBOL INDICATES me/l * SCALE UNIT)

Na ⁺ 20	15	10	5	0	5	10	15	20 Cl ⁻
Ca ⁺⁺								HCO ₃ ⁻
Mg ⁺⁺								SO ₄ ⁼
Fe ⁺⁺⁺								CO ₃ ⁼

Dissolved Solids
Constituent

MG/L (PPM)

EPM

Calcium 400
Magnesium 120
Sodium 740
Iron Trace
Chloride 960
Bicarbonate 104
Carbonate -
Sulfate 88

Total Hardness 920
Total Dissolved Solids 2072
Hydrogen Sulfide -
Oxygen 1.5

ph 6.8
Sp. Gravity

Remarks:



Chemical Company

P. O. Box 1306 • Phone (505) 746-6611

Artesia, New Mexico 88210

WATER ANALYSIS REPORT

Company B & E, Inc. Date 12-1-86

Field St. 24 #1 Sec. 24 T-18S R-28E County Eddy State NM

Lease and Well No. State 24 #1 Prod. Formation Salt

Source of Sample Brine discharge @ storage pit

Sample of Prod. Water ☒ Inj. Water ☒ Other ☐

Date Collected 12-1-86 Analyst Fred Jones

WATER ANALYSIS PATTERN

(NUMBER BESIDE ION SYMBOL INDICATES me/l* SCALE UNIT)

Na ⁺ 20	15	10	5	0	5	10	15	20 Cl ⁻
Ca ⁺⁺								HCO ₃ ⁻
Mg ⁺⁺								SO ₄ ⁼
Fe ⁺⁺⁺								CO ₃ ⁼

Dissolved Solids

Constituent MG/L (PPM)

EPM

Calcium 1220
Magnesium 210
Sodium 104,810
Iron 2+
Chloride 161,000
Bicarbonate 215
Carbonate nil
Sulfate 5110

ph 6.3
Sp. Gravity _____

Total Hardness 1460
Total Dissolved Solids 166,785
Hydrogen Sulfide -
Oxygen 2+

Remarks:

DATE	FRESH WATER LINE TO WELL HEAD	LINE FROM WELL HEAD TO PIT	FRESH WATER jected	FRESH WATER TO PIT	PIT LINER Leak Detector	TOTAL Taps Injected & To Pit	TOTAL BBLs BARGE SOLD	OKed By
9-1-86	O.K.				DRY		150 BBLs	LARRY E.
9-2-86					"		—	
9-3-86					"		—	
9-4-86					"		—	
9-5-86					"		—	
9-6-86					"		—	
9-7-86					"		1050 BBLs	
9-8-86					"		150 BBLs	
9-9-86					"		900 BBLs	
9-10-86					"		300 BBLs	
9-11-86	O.K.	O.K.	1,112 BBLs		DRY	1,112 BBLs	150 BBLs	LARRY E.
9-12-86					"		—	
9-13-86					"		—	
9-14-86					"		—	
9-15-86					"		450 BBLs	
9-16-86					"		375 BBLs	
9-17-86					"		300 BBLs	
9-18-86					"		—	
9-19-86					"		—	
9-20-86					"		—	
9-21-86					"		—	
9-22-86					"		—	
9-23-86					"		—	
9-24-86					"		—	
9-25-86					"		—	
9-26-86	O.K.	O.K.	1,208 BBLs		DRY	1,208 BBLs	450 BBLs	LARRY E.
9-27-86					"		—	
9-28-86					"		1050 BBLs	
9-29-86					"		—	
9-30-86					"		—	
					"			
		TOTAL				TOTAL BBLs	TOTAL BBLs	
		2,320				2,320	5,325	

DATE	FRESH WATER LINE TO WELL HEAD	LINE FROM WELL HEAD TO PIT	FRESH WATER INJECTED	FRESH WATER TO PIT	PIT LINER LEAK DETECTOR	TOTAL WATER INJECTED & TO PIT	TOTAL BBL'S BRAVE SOLD	OKED By
8-1-86	O.K.	O.K.	1,100 BBL'S	—	DRY	1,100 BBL'S	1200 BBL'S	LARRY E.
8-2-86				—	"		750 BBL'S	
8-3-86			1,413 BBL'S	—	"	1,413 BBL'S	300 BBL'S	LARRY E.
8-4-86				—	"		300 BBL'S	
8-5-86				—	"		300 BBL'S	
8-6-86			1,860 BBL'S	—	"	1,860 BBL'S	2480 BBL'S	LARRY E.
8-7-86				—	"		150 BBL'S	
8-8-86				—	"		1030 BBL'S	
8-9-86			2127 BBL'S	—	"	2127 BBL'S	300 BBL'S	LARRY E.
8-10-86				—	"		—	
8-11-86				—	"		—	
8-12-86				—	"		—	
8-13-86				—	"		—	
8-14-86			1,812 BBL'S	—	"	1,812 BBL'S	—	LARRY E.
8-15-86	O.K.	O.K.		—	DRY		—	LARRY E.
8-16-86				—	"		—	
8-17-86				—	"		—	
8-18-86			2212 BBL'S	—	"	2212 BBL'S	300 BBL'S	LARRY E.
8-19-86				—	"		750 BBL'S	
8-20-86			1,050 BBL'S	—	"	1,050 BBL'S	900 BBL'S	LARRY E.
8-21-86			1,250 BBL'S	—	"	1,250 BBL'S	1500 BBL'S	LARRY E.
8-22-86				—	"		730 BBL'S	
8-23-86			2,150 BBL'S	—	"	2,150 BBL'S	600 BBL'S	LARRY E.
8-24-86				—	"		140 BBL'S	
8-25-86				—	"		1310 BBL'S	
8-26-86			2,010 BBL'S	—	"	2,010 BBL'S	730 BBL'S	LARRY E.
8-27-86				—	"		—	
8-28-86				—	"		600 BBL'S	
8-29-86				—	"		—	
8-30-86			1,076 BBL'S	—	"	1,076 BBL'S	600 BBL'S	LARRY E.
8-31-86	O.K.	O.K.		—	DRY		—	
			TOTAL			TOTAL	TOTAL BBL'S	
			18,060			18,060	14,970	

DATE	FRESH WATER LINE TO WELL HEAD	LINE FROM WELL HEAD TO PIT	FRESH WATER LECTED	FRESH WATER TO PIT	PIT LINER LEAK DETECTOR	TOTAL TBS LECTED & TO PIT	TOTAL TBS BLANK SOLD	OKED By
7-1-86	O.K.	O.K.	987 BALS		DRY	987 BALS	150 BALS	LARRY E.
7-2-86	{	{	{		"	{	300 BALS	
7-3-86	{	{	{		"	{	150 BALS	
7-4-86	O.K.	O.K.	1,465 BALS		"	1,465 BALS	900 BALS	LARRY E.
7-5-86	{	{	{		"	{	150 BALS	
7-6-86	{	{	{		"	{	—	
7-7-86	O.K.	O.K.	1,076		"	1,076 BALS	150 BALS	LARRY E.
7-8-86	{	{	{		"	{	450 BALS	
7-9-86	{	{	{		"	{	150 BALS	
7-10-86	{	{	{		"	{	150 BALS	
7-11-86	{	{	{		"	{	—	
7-12-86	{	{	{		"	{	—	
7-13-86	O.K.	O.K.	2,119 BALS		"	2,119 BALS	300 BALS	LARRY E.
7-14-86	{	{	{		"	{	375 BALS	
7-15-86	{	{	{		DRY	{	150 BALS	
7-16-86	O.K.	O.K.	1,887 BALS		"	1,887 BALS	450 BALS	LARRY E.
7-17-86	{	{	{		"	{	—	
7-18-86	{	{	{		"	{	—	
7-19-86	{	{	{		"	{	—	
7-20-86	{	{	{		"	{	—	
7-21-86	{	{	{		"	{	—	
7-22-86	O.K.	O.K.	1,102 BALS		"	1,102 BALS	300 BALS	LARRY E.
7-23-86	{	{	{		"	{	—	
7-24-86	{	{	{		"	{	1050 BALS	
7-25-86	{	{	{		"	{	750 BALS	
7-26-86	O.K.	O.K.	1,024 BALS		"	1,024 BALS	430 BALS	LARRY E.
7-27-86	{	{	{		"	{	150 BALS	
7-28-86	{	{	{		"	{	—	
7-29-86	{	{	{		"	{	300 BALS	
7-30-86	{	{	{		"	{	—	
7-31-86	O.K.	OK.			DRY		150 BALS	LARRY E.
			TOTAL BALS			TOTAL BALS	TOTAL	
			9,660			9,660	6,955 BALS	


10/7/86

393-0762 To: B&F Loco Hills Brine Station - Mickey Monk

From: Kevin Lambert - EID Ground Water / UIC

RE: Commitment on M&R Requirements for discharge plan. Must get before approval

2:49pm Not in, Left Message to Return Call

 887-6706; Carlsbad

1:54pm

Discussed their preventive maintenance routine. Mickey wanted to wait ~~and~~ sending information until routine is firmly established. I inform him to go ahead and send all the information requested in phone memo of 9/8/86 plus a ~~no~~ narrative describing preventive maintenance and steps to correct any leakage. What routine you decide is up to you get us some information so that we can review & evaluate techniques to be sure they meet the intent of regulations. We in turn will respond to you regarding any ~~deficiency~~ deficiency or modification we feel are needed to be in compliance with regulations.

Mickey stated he would put together a submittal to us and get it to us ASAP
Kevin Lambert

9/8/86 To: B+E Loco Hills Brine Station - Mickey Monk
393-0762 From: Kevin Lambert - EID Ground Water - UIC

RE: Discharge Plan M&R requirements - must get ~~the~~ ^{approval} commitment before ~~granting~~ granting; See Notes dated 9/5/86 of D.P. Review.

* Must send letter committing to requirements as stated
9:46am Mickey not available, left message to return call

11:22am Mickey Monk Need to commit to the following M&R requirements

- ✓ 1.) Need to do cement bond log next time tubing is pulled, and elaborate preventive maintenance for the tubing so we can see when to expect the tubing may be pulled.
- ✓ 2.) Record Total Volume Fresh Water Injected and Total Volume Brine Sold. Report quarterly April, July, Oct, Jan
- ✓ 3. Analysis ^{once} _{year} Fresh Water + Brine for TDS and Chloride
Report in January
- ✓ 4. Do Pressure Test once a year Report in January
- 5. Monitor Storage Pit Leak Detection System daily
Report results quarterly April, July, October, January

Mickey said he would be sending ^{letter finally} committing to the above M&R requirements. I told him we would review for adequacy based on our discussion today and notify B+E of DP approval or disapproval

Kevin Lambert

DP-322 B&L Brine Station

9/1/82 Discharge Plan Review of 8/6/82 letter responding to EID questions

1. Pond liner specifications; material type - polyethylene film
(minimum 30 mil and nylon reinforced, 30 mil - 30 mil)
seam weld - chemical bonding

2. The cement base up to 400 ft. in the area cannot be
used for the pond liner.

* 3. EID has been advised (see log 1) Please commit to
the pond liner.

08. 3. Total volume required - 100,000 gal. (see log 1)

- EID must now compute & state early

? * - Must report quarterly total volume of liquid

7 4. There are no significant geologic or geologic conditions
of concern.

- Information adequate for EID review

- EID must now determine if location

5. The site is on a 1/4 mile radius

6. Long radius of 1/4 mile

OK 7. The information well and the amount of water is
adequate.

↓ Turn Over

7. 8. Look in Action system no stand daily as truck receipt
are gathered daily
* - LID must get commitment to 100 gathering calls quarterly

(14)

10.

Monitoring & Report Requirements

Must be

1. next time tubing is pulled.

2. Record
every quarter April, June, Oct. Dec.

3.
once a year

4.

5.
quarterly April, July, October, January.

PHIL WITHROW

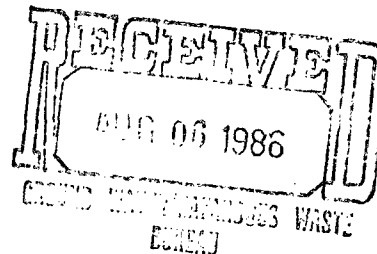
B&E, INC.

N.M.S.C.C. No. 1015-1

Transportation of Oilfield
Equipment and Supplies
Fresh Water
Brine Supply Wells
Salt Water Disposal
Frac Tanks
Vacuum Trucks

P. O. Box 2292
Hobbs, NM 88240
Phone (505) 393-0762

August 5, 1986



Mr. Steve Sares
Water Resource Specialist - E.I.D.
P. O. Box 968
Santa Fe, New Mexico 87504-0968

Re: Discharge Plan for
B & E Loco Hills Brine Station
Sec. 24, T-18-S, R-28-E

Dear Mr. Sares:

In response to your April 17, 1986 letter please review the following additional information you required.

1. The pit liner is described by a schematic in my previous application. The upper left corner of the schematic should read; Pit 7'5" deep, capacity 10,000 barrels, pit lined with 30 mil chemical joined polyethylene film (reinforced Hypalon) nylon reinforced. I am including original application for permit, Exhibit "A" Order No. 3221.
2. I have no proof of bond log ran on the 8-5/8" casing. If you so desire, I will consent to having such test made the next time the tubing is removed from the well bore.
3. Total volume of injected fluid as of July 1, 1986, is 2,599,710 barrels. It should be noted that this is the total amount of fresh water purchased. On occasion there have been leaks detected and repaired (amount lost undetermined), and fresh water has been diverted to the storage pit to replace water lost to evaporation (also undetermined). We consider these amounts negligible in determining the approximate size of the cavity based on total volume. Attached are the meter readings since 1979.
4. Attachment #4 is maps and logs detailing the geology and geologic structures of the local area; there are no known or suspected faults. This information was obtained from the NMOCC office in Artesia with the aid of Mike Williams (NMOCC) and George Brooks (Geologist Heyco, Inc.).
5. Attachment #5 is two maps showing surface and well locations. There are no wells within a one-quarter mile radius of the brine well.

PHIL WITHROW

B&E, INC.

N.M.S.C.C. No. 1015-1

- 2 -

Transportation of Oilfield
Equipment and Supplies
Fresh Water
Brine Supply Wells
Salt Water Disposal
Frac Tanks
Vacuum Trucks

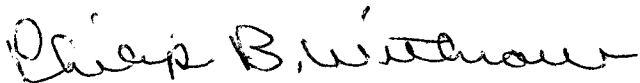
P. O. Box 2292
Hobbs, NM 88240
Phone (505) 393-0762

6. The flooding potential at the site is protected by the 7'5" dikes which create the brine reservoir. Since normal rainfall is less than 11.74" annually, a flood would be reasonably impossible. Attachment #5 is a map showing elevation and placing the storage pit near the brow of a hill.
7. Fluid measurement reports on injection would be determined by the amount purchased from the City of Carlsbad Fresh Water Pipeline Division. Fluid measurement of brine sales would be determined by the truck ticket receipts that are collected daily. Each portion would be recorded and sent to the E.I.D. quarterly.

CONTINGENCY PLAN

8. As truck receipts are gathered daily, so are the leak detection devices monitored.
9. Should a leak occur in such quantity as to injure or be detrimental to any life form, the accidental discharge would be reported (as required in section 1-203) and removed either by transport or vacuum truck, and disposed of at an approved salt water disposal system. The leak would be repaired and system prepared for inspection.
10. By my signature below I certify under penalty of the law that I have personally examined and am familiar with the information submitted in this document and all attachments, and based upon inquiries of those individuals immediately responsible for obtaining this information, I believe that the information is true, accurate and complete. I am aware that there are significant penalties for submitting false information including the possibility of fine and/or imprisonment.

Sincerely,



Philip B. Withrow
President

MM:lc

Attachments

ATTACHMENT #3
TOTAL VOLUME INJECTED FLUID
3/1/79 - 7/1/86 2,599,710 BBLs

LOCO HILLS - STATE 24

			(1)	(2)	(3)	(4)	(5)	(6)
	Date		Barrels Extracted	Price	Value	Qty	Rate	Paid Am
1	Jan 1983		21,151-	.25	17,877.50	14,170	4/25/83	
2	Feb 1983		25,115-	.25	6,278.75	14,170	4/25/83	1.65
3	March 1983		9,800-	.25	2,450.00	14,170	4/25/83	
4	April 1983		24,520-	.25	6,130.00	14,989	4/3/83	
5	May 1983	22000	22,000			14,989	4/3/83	1.55
6	June 1983	15840	15,840-	.25	17,750	14,989	8/3/83	
7	July 1983	14052	14,052-	.25	7,682.50	15,444	11/9/83	
8	Aug 1983	12050	12,050-	.25		15,444	11/9/83	702
9	Sept 1983	19880	19,880-	.25	13,000.00	15,444	11/9/83	
10	Oct 1983				52,475.00			
11	Nov 1983		68,588					
12	Dec 1983							
13	Jan 1984							
14	Feb 1984		57,286					
15	March 1984							
16	April	✓						
17	May	✓	63,902					
18	June	✓						
19	July	✓						
20	Aug	✓	63,899					
21	Sept	✓						
22	Oct	✓						
23	Nov	✓	60,799					
24	Dec	✓						
25	1st Qtr 1985		128,123					
26	2nd Qtr							
27	3rd Qtr		64,120					
28	4th Qtr		34,839					
29	1st Qtr 1986		29,385					
30	2nd Qtr	✓	10,460					
31								
	7-1- Total		2,324,965					

Burroughs
Form H512 Buff - Form G512 Green

Brine

Total Barrels Sold

± 3,000,000 bbls in pit

= Total Extracted Brine

7-1-1986

2,324,965 bbls

Fresh water Injected

Double Eagle Water Meter

7-1-1986 2,599,710 bbls.

	(1)	(2)	(3)	(4)	(5)	(6)	
	Date	Barrels extracted	Price	Value	Ck #	Date	Paid Amount
	3-7-79 to 7-1-86	513,964					
1	July 1980	24710 -	.35	864850	1068	10/17/80	3170
2	August 1980	27720 -	.40	1188800	1068	10/17/80	
3	Sept 1980	27940 -	.40	1117600	1068	10/17/80	
4	Oct 1980	25290 -	.40	1011600	1079	1/15/81	275
5	Nov 1980	16290 -	.40	651600	1079	1/15/81	
6	Dec 1980	27250 -	.40	1090000	1079	1/15/81	
7							
8	Jan 1981	30580 -	.40	1223200	1087	4/22/81	358
9	Feb 1981	32760 -	.40	1310400	1087	4/22/81	
10	March 1981	26410 -	.40	1056400	1087	4/22/81	
11	April 1981	10710 -	.40	428400	1101	7/24/81	307
12	May 1981	30310 -	.40	1212400	1101	7/24/81	
13	June 1981	25870 -	.40	1434800	1101	7/24/81	
14	July 1981	9530 -	.30	285900	1126	10/23/81	443
15	Aug 1981	25020 -	.40	1000800	1126	10/23/81	
16	Sept 1981	25500 -	.40	1020000	1126	10/23/81	
17	Oct 1981	48240 -	.40	1929600	1126	10/23/81	719
18	Nov 1981	42620 -	.40	1744800	1150	1/22/82	
19	Dec 1981	63750 -	.40	2550000	1150	1/22/82	
20		72510 -	.40	2900400	1150	1/22/82	
21	Jan 1982	52210 -	.40	2088400	1168	4/20/82	633
22	Feb 1982	57225 -	.40	2289000	1168	4/20/82	
23	March 1982	56107 -	.40	2244280	1168	4/20/82	
24	April 1982	71030 -	.40	2841200	12227	7/23/82	3919
25	May 1982	20710 -	.40	828400	12227	7/23/82	
26	June 1982	34906 -	.40	1396240	12227	7/23/82	
27	July 1982	20810 -	.40	832400	12849	10/15/82	4040
28	Aug 1982	33780 -	.40	1351200	12849	10/15/82	
29	Sept 1982	45239 -	.40	1809560	12849	10/15/82	
30	Oct 1982	34940 -	.40	1397600	13542	1/18/83	3469
31	Nov 1982	29325 -	.40	1173000	13542	1/18/83	
	Dec 1982	12960 -	.40	518400	13542	1/18/83	

Burrroughs
BUSINESS FORMS
Form HS12 Buff - Form GS12 Green

Hadley

1,562,216

1984 Oct Nov Dec

No-Zero	Jims - 002163	10-1-84	1-1-85	006852	4689
AddZero	P.T. 006590	10-1-84	1-1-85	006922	3320
AddZero	Rowland 004961	10-1-84	1-1-85	006150	11890
AddZero #1	BFE 019155	10-1	1-1-85	019228	1430
AddZero #3	(Rowland) Carter 008536	10-1-84	1-1-85	008643	1070
AddZero #4	Hughes 006863	10-1-84	1-1-85	007064	2010
AddZero #5	Permian 016826			016832	60
AddZero #6	T&W 049742			053375	36330

Grand Total

60799

2. (Jims)

3

4

	BE	CLM	StewCarter	Rowland
79	5-28 13080	3-7 2148	4-8 1850	1690
	8-31 27090	5-28 10430	5-28 3830	5-28 4070
	12-31 39260	8-31 24140	8-31 11120	8-31 4070
80	3-1 43330	12-31 49650	12-31 25440	12-31 4970
	7-1 80020	3-1 55850	3-27 860	3-1 4970
		7-1 161560	7-1 54050	7-1 14420
Total	78882	160422	52200	12730

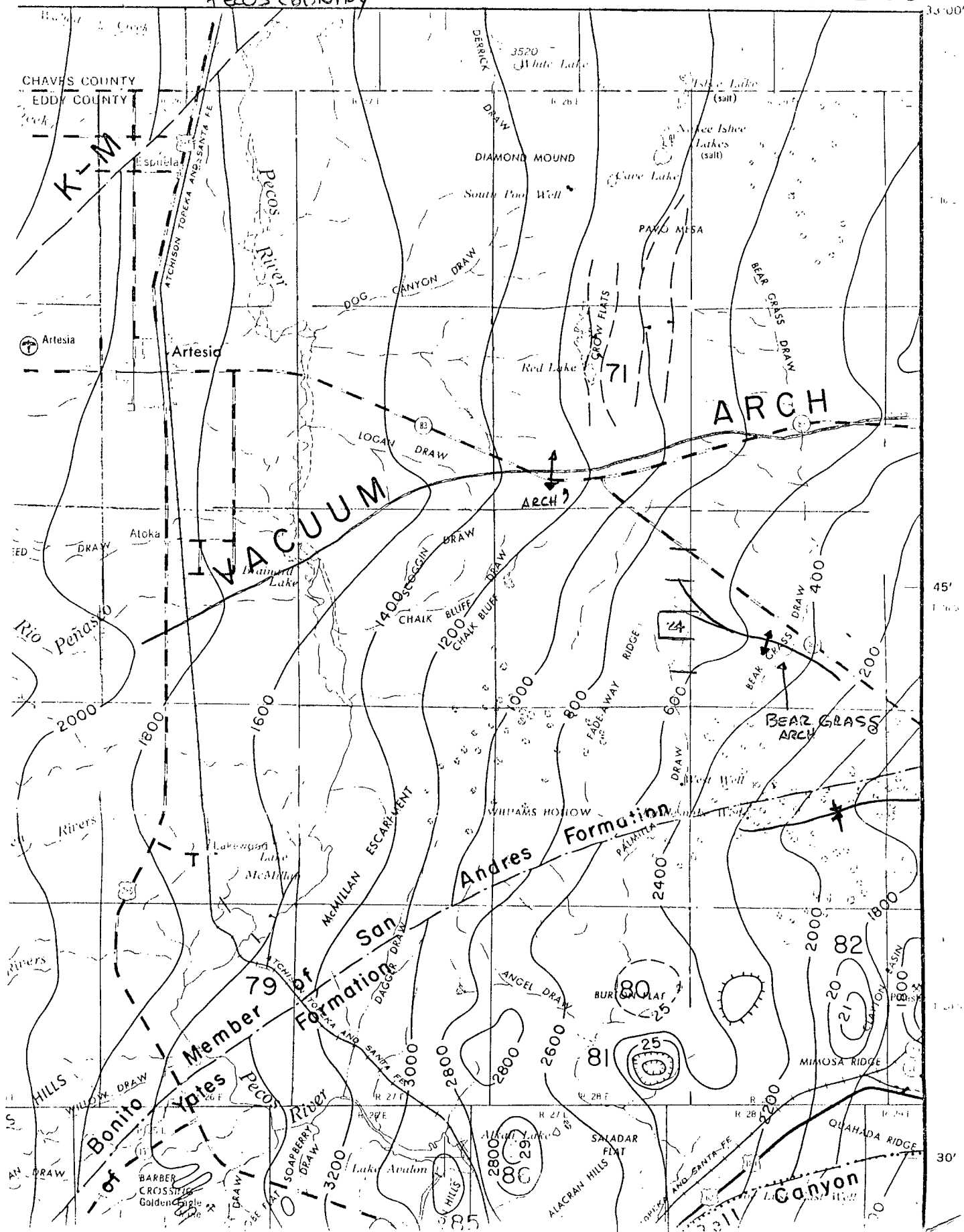
	#5	#6	#7	Brown
79	Permian	T&W		
	3-7 800	3-7 100	1-15	52
	5-28 3300	5-28 18040	7-1	2981
	8-31 12840	8-31 34670		
	12-31 25200	12-31 58900		

80	3-1 32550	3-1 66720
	7-1 15400	7-1 96130
Total	114600	95130

2929

Total
513,964

→ MEMOIR 24 PLATE 5S





FILE NO.

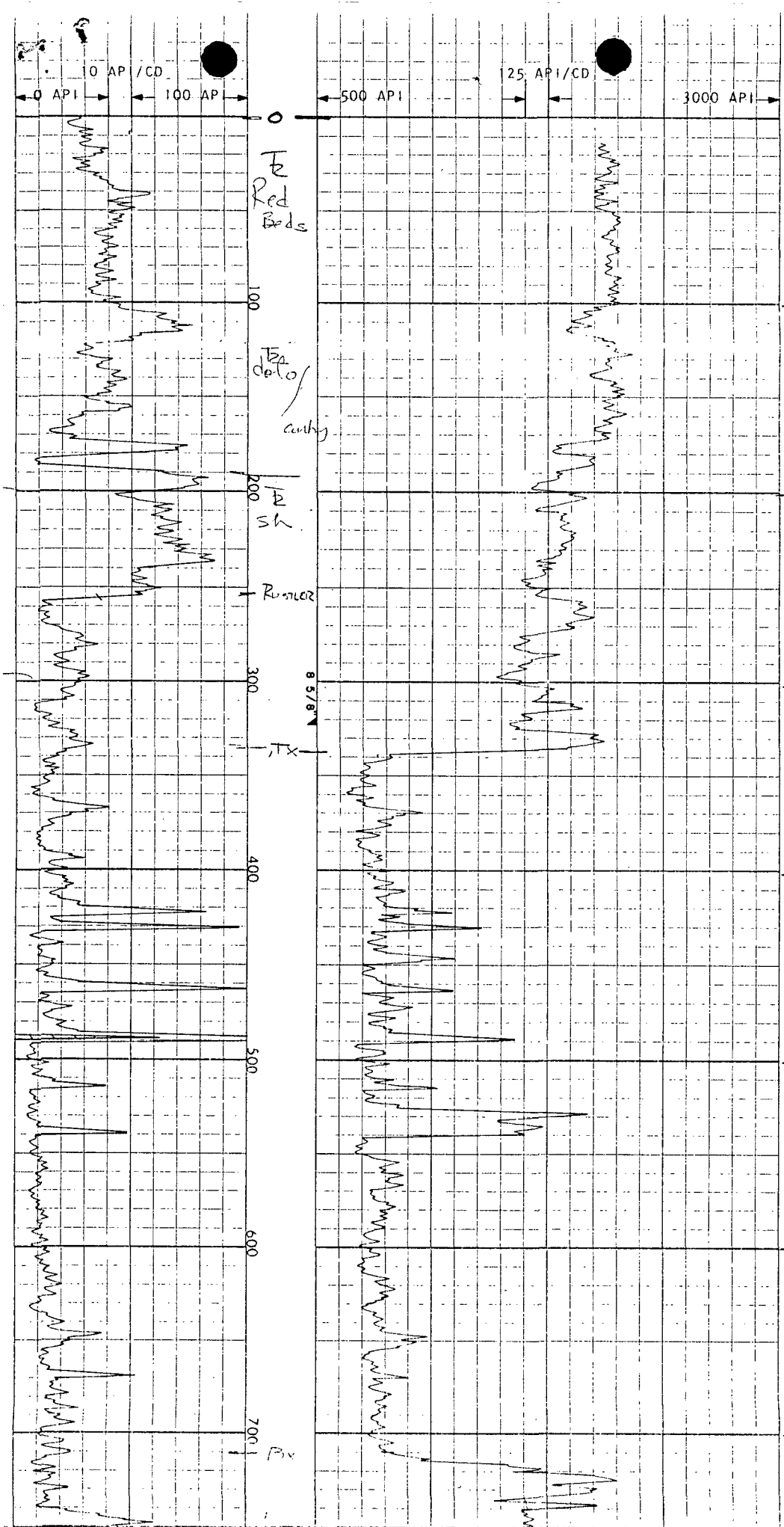
COMPANY SIMMS & BEESERECEIVED
JAN 14 1963
N. D. C.
RESA, OFFICEWELL GULF STATE NO. 1FIELD LOGG HILLS and othersCOUNTY EDDY STATE NEW MEXICOLOCATION: 3301 SE & 3301 NE Other ServicesSEC 24 TWP 19-S RGE 28-E

Elevations:

KB 1508DF 1510GL 1508Permanent Datum GROUND LEVEL Elev. 1508Log Measured from RIG FLOOR 2 Ft. Above Permanent DatumDrilling Measured from RIG FLOORDate 11-23-62Run No. ONEType Log GAMMA RAYDepth-Driller 2320Depth-Logger 2324Bottom-Logged Interval 2321Top-Logged Interval 2323Type Fluid in Hole SURFACE WATERSalinity Ppm Cl. 1900Density Lb. Gal. 1900Level 1900Max. Rec. Temp. Deg. F JONESOpr. Rig Time JONESRecorded By MR. SPIERWitnessed By MR. SPIER

Casing Record

Run No. 1Bit 10"From SURTo 2320Size 8 5/8"Wgt. SURFrom SURTo 2320



If drill-stem or other special tests or deviation surveys were made, submit report on separate sheet and attach hereto

24-18-S R.28-E

TOOLS USED

Rotary tools were used from feet to feet, and from feet to feet.
Cable tools were used from feet to feet, and from feet to feet.

PRODUCTION

Put to Producing 19.....

OIL WELL: The production during the first 24 hours was barrels of liquid of which % was
was oil; % was emulsion; % water; and % was sediment. A.P.I.

Gravity

GAS WELL: The production during the first 24 hours was M.C.F. plus barrels of
liquid Hydrocarbon. Shut in Pressure lbs.

Length of Time Shut in

PLEASE INDICATE BELOW FORMATION TOPS (IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE):

Southeastern New Mexico		Northwestern New Mexico	
T. Anhy.....	T. Devonian.....	T. Ojo Alamo.....	
T. Salt..... 397	T. Silurian.....	T. Kittland-Fruitland.....	
B. Salt..... 680	T. Montoya.....	T. Farmington.....	
T. Yates.....	T. Simpson.....	T. Pictured Cliffs.....	
T. 7 Rivers.....	T. McKee.....	T. Menefee.....	
T. Queen..... R.36a 1800	T. Ellsburger.....	T. Point Lookout.....	
T. Grayburg.....	T. Gr. Wash.....	T. Mancos.....	
T. San Andres..... 2643	T. Granite.....	T. Dakota.....	
T. Glorieta.....	T.	T. Morrison.....	
T. Drinkard.....	T.	T. Penn.....	
T. Tubbs.....	T.	T.	
T. Abo.....	T.	T.	
T. Penn.....	T.	T.	
T. Miss.....	T.	T.	

FORMATION RECORD

From	To	Formation	From	To	Formation
0	20	Caliche	2720	2740	White lime
20	30	Sand	2740	2763	Gr. lime
30	40	Gravel	2763	2783	Brn. lime
40	50	Sand	2783	2803	Dark lime
50	62	Cravel	2803	2820	Sand & lime
62	99	R.Beds	2820	2829	Gr. lime
99	112	Gravel	2829	2836	Brn. lime
112	220	Udd.Beds	2836	2850	Dark lime
220	250	Sand & Gyp. (utr. 225-245)	2850	2921	Gr. lime (Tested 1 hr.- 18 1/3 gal.wtr.)
250	260	R.Beds	2921	2935	Gr. sandy lime
260	290	Gr. shale	2935	2953	Gr. lime
290	335	R.Beds (induce hole at 309')	2953	2960	Lime (Test 30 min- 20 gal.wtr.)
335	390	R.Beds & gyp	2960	2971	Gr. lime
390	397	R.Beds	2971	2983	Lime (Tested 1 hr.- 17 gal.wtr. & show of oil on top of str.)
397	680	Salt	2983	2994	Gr. lime
680	865	Anhy	2994	3009	White lime (hole full of salt wtr.)
865	905	Blm. Anhy	3009	-	T.P.
905	920	Anhy			
920	930	Brn. sand (has show)			
930	1045	Anhy			
1045	1080	Blm. Anhy			
1080	1355	Anhy			
1355	1390	Anhy & beds			
1390	1415	Anhy (On top of limestone & 1390-1415) (hole full of salt wtr.)			
1415	1450	Anhy			
1450	1465	Anhy & lime			
1465	1534	Anhy			
1534	1540	Brn. lime			
1540	1675	Anhy			
1675	1745	Blm. Anhy			
1745	1785	Anhy			
1785	1820	Blm. Anhy			
1820	1835	Anhy			
1835	1885	Red sand (through to 1350-1404)			
1885	1905	Brn. lime & anhy			
1905	1920	Anhy & lime			

RECORD OF DRILL-STEM AND SPECIAL T. LOG

Simms & Reese
6419 Saw No 1

If drill-stem or other special tests or deviation surveys were made, submit report on separate sheet and attach hereto

TOOLS USED

Rotary tools were used from.....feet to.....feet, and from.....feet to.....feet.
Cable tools were used from.....feet to.....feet, and from.....feet to.....feet.

PRODUCTION

Put to Producing.....December 23....., 1962

OIL WELL: The production during the first 24 hours was.....40.....barrels of liquid of which.....60.....% was
was oil;.....% was emulsion;.....40.....% water; and.....% was sediment. A.P.I.
Gravity.....

GAS WELL: The production during the first 24 hours was.....M.C.F. plus.....barrels of
liquid Hydrocarbon. Shut in Pressure.....lbs.

Length of Time Shut in.....

PLEASE INDICATE BELOW FORMATION TOPS (IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE):

Southeastern New Mexico		Northwestern New Mexico	
T. Anhy.....155	T. Devonian.....	T. Ojo Alamo.....	
T. Salt.....340	T. Silurian.....	T. Kirtland-Fruitland.....	
B. Salt.....707	T. Montoya.....	T. Farmington.....	
T. Yates.....	T. Simpson.....	T. Pictured Cliffs.....	
T. 7 Rivers.....	T. McKee.....	T. Menefee.....	
T. Queen.....1832	T. Ellenburger.....	T. Point Lookout.....	
T. Grayburg.....2190	T. Gr. Wash.....	T. Mancos.....	
T. San Andres.....	T. Granite.....	T. Dakota.....	
T. Glorieta.....	T.	T. Morrison.....	
T. Drinkard.....	T.	T. Penn.....	
T. Tubbs.....	T.	T.	
T. Abo.....	T.	T.	
T. Penn.....	T.	T.	
T. Miss.....	T.	T.	

FORMATION RECORD

From	To	Thickness in Feet	Formation	From	To	Thickness in Feet	Formation
0	15	15	Caliche				
15	30	15	Red Sand				
30	155	125	Red Shale				
155	170	15	Anhy				
170	225	55	Anhy & Shale				
225	250	25	Shale				
250	285	35	Anhy				
285	310	25	Red Shale				
310	340	30	Anhy				
340	707	367	Salt				
707	948	241	Anhy				
948	958	10	Sand Cong.				
958	1820	862	Anhy				
1820	1850	30	Red Sand				
1850	2085	235	Anhy				
2085	2102	17	Sand				
2102	2115	13	Anhy				
2115	2154	39	Grey Lime				
2154	2172	18	Lime				
2172	2195	23	Sandy Lime				
2195	2250	55	Lime				
2250	2261	11	Sand				
2261	2293	32	Lime				
2293	2311	18	Sharp Lime				
2311	2324	13	Lime				

ATTACH SEPARATE SHEET IF ADDITIONAL SPACE IS NEEDED

I hereby swear or affirm that the information given herewith is a complete and correct record of the well and all work done on it so far
as can be determined from available records.

January 11, 1963

Company or Operator.....Simms & Reese Oil Co.

Address.....200 Booker Bldg. - Artesia, N.M.

Name.....

Position.....Title.....Partner

NO D'19 LOGS
Above 1000'

WELLEX

ACOUSTIC VELOCITY LOG

COMPANY Frank Darden

WELL Mobil-State # 1

FIELD Artesia

County Eddy State N. M.

COMPANY FRANK DARDEN

WELL MOBIL-STATE # 1

FIELD ARTESIA

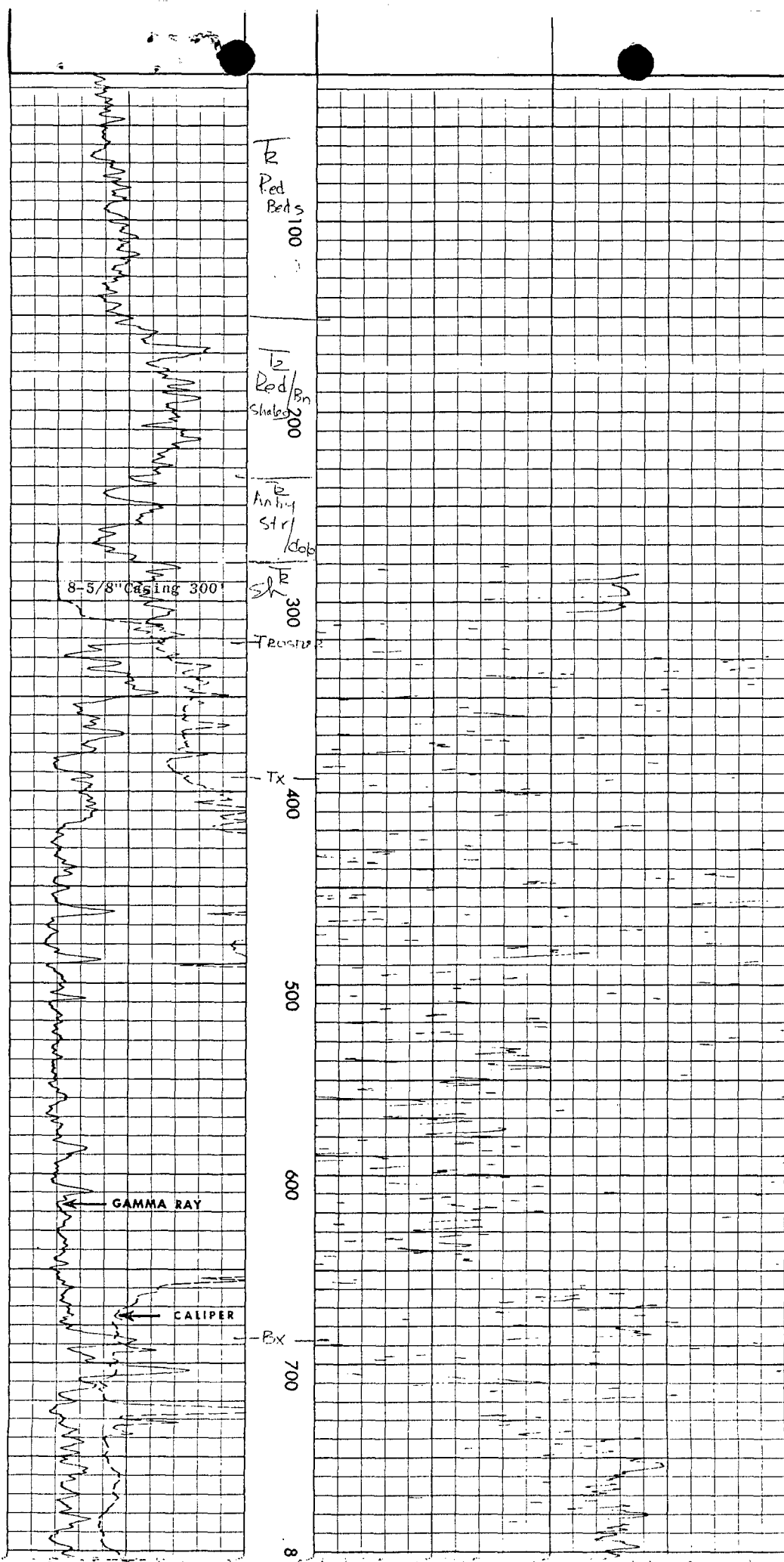
COUNTY EDDY STATE NEW MEXICO

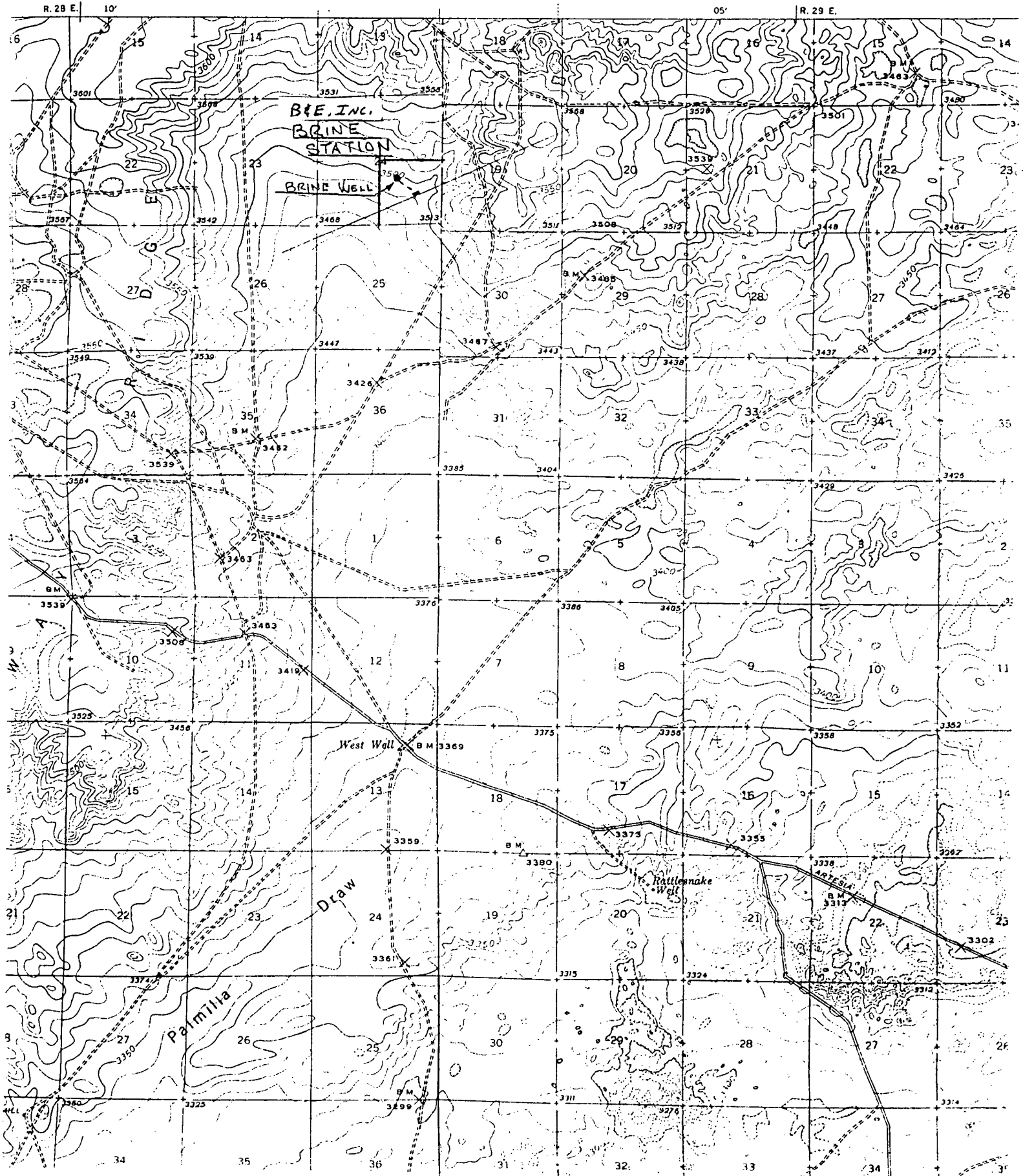
Location 1650' FNL 1650' FWL

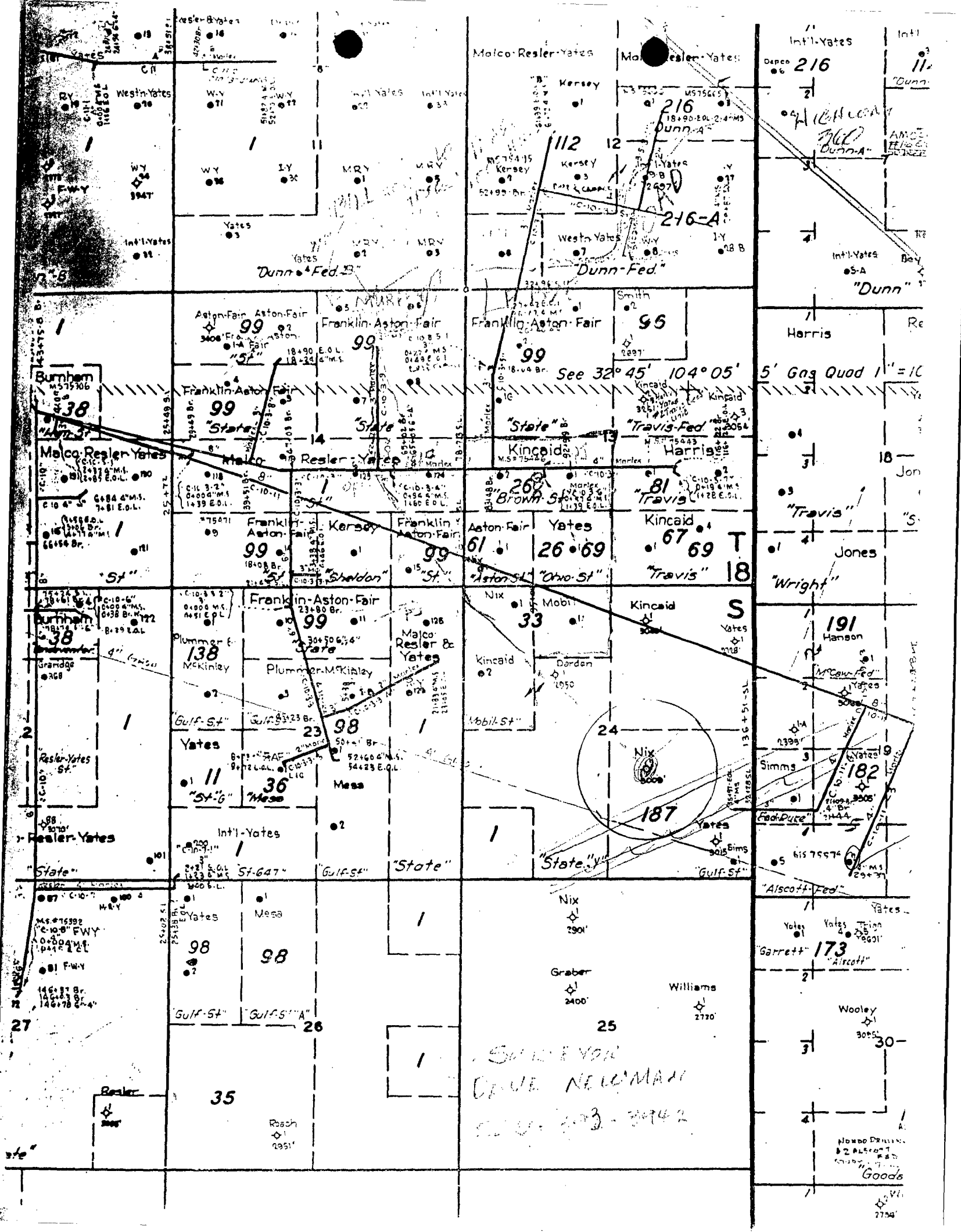
Other Services: Guard

Sec. 24 Typ. 18-S Page 28-E

Permanent Datum	Ground Level	Elev. 3517	Elev. K.R. 3524
Log Measured From	K. B. 7	Ft. Above Perm. Datum	D.F. 3523
Drilling Measured From	Kelly Bushing		CL 3517
Date	3-9-65		
Run No.	- One -		
Depth-Driller	2950		
Depth-Wellex	2942		
Btm. Log Inter.	2936		
Top Log Inter.	20		
Casing-Driller	8-5/8" @ 310		
Casing-Wellex	300		
Bit Size	7-7/8"		
Type Fluid in Hole	Mud		
Dens. Vic.	10.2 34		
pH Fluid Loss	18.8 ml		
Source of Sample	Circulated		
Rm @ Meas. Temp.	.065 @ 74°F		
Rm @ Meas. Temp.	.065 @ 76°F		
Source Rm. Rm.	Meas.		
Rm @ BHT	.055 @ 90°F		
Time Since Circ.	1-1/2 Hrs.		
Max. Rec. Temp.	90°F @ BH		
Equip. Location	3003 Hobbs		
Recorded By	B. A. Kilbs		
Witnessed By	Mr. Stumblin		







ATTACHMENT #1
APPLICATION FOR PERMIT
BRINE STORAGE
TO UTILIZE A LINED EVAPORATION PIT

Brine Storage #2-1

New Mexico Oil Conservation Commission

Name of Operator Permian Brine Sales & Service, Inc.

Address P. O. Box 1591, Odessa, Texas 79760

Name of lease upon which evaporation pit will be located State "24"

Location of ^{BRINE STORAGE} ~~evaporation~~ pit: Unit Letter J Section 24 Township 18S Range 28E

Lease(s) which will be producing into pit DNA

Pool(s) which will be producing into pit DNA

Analysis of disposal water: Chlorides DNA ppm. Total dissolved solids DNA ppm.
(If more than one pool will be producing into pit, give water analysis for each pool.)

Quantity of water to be disposed of into this pit DNA barrels per day.

Water production from these same wells six months ago DNA bpd. Three months ago DNA bpd
(If more than one pool will be producing into pit, give water production data for each)

Method of hydrocarbon entrapment to be employed: Settling tank DNA Header pit DNA

If settling tank is to be used, give size and number of barrels DNA

If header pit is to be used, give dimensions and depth DNA

Header pit lining material DNA Thickness DNA

Dimensions of ^{Brine Storage} ~~Evaporation Pit~~ ("A" and "B" on diagram) 118' x 118'

Number of square feet contained in above 13924

Depth (Top of levee to floor of pit--"D" on diagram) 7.5 ft.

Material to be used as liner Reinforced Hypalon Thickness 30 Mil

Does manufacturer recommend protection of material from direct sunlight? Yes No X

If yes, what means will be provided to so protect the material?

Is material resistant to hydrocarbons? Yes X No

Is material resistant to acids and alkalis? Yes X No

Is material resistant to salts? Yes X No

Is material resistant to fungus? Yes X No

Is material rot-resistant? Yes X No

Will joints in material be fabricated in the field? Yes X No

If yes, describe method to be used in joining material Chemical Joining

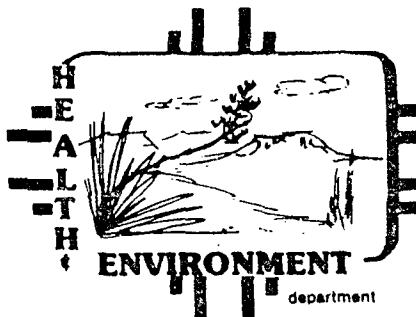
Attach manufacturer's brochure describing the qualities of the lining material.

Describe the leakage detection system to be used Drainage and sump method.

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and further, that the subject evaporation pit and appurtenances, when installed, will be kept in good repair, and that all due diligence will be exercised in keeping the surface of the water free of oil and other debris.

Name A. L. Hickerson Title President Date 1-23-79

Approved by W. A. Gressett Title Date 2-8-79



STATE OF NEW MEXICO

ENVIRONMENTAL IMPROVEMENT DIVISION

P.O. Box 968, Santa Fe, New Mexico 87504-0968

(505) 984-0020

TONEY ANAYA
GOVERNOR

DENISE D. FORT
DIRECTOR

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

April 25, 1986

B&E Incorporated
P.O. Box 2292
Hobbs, New Mexico 88240

Gentlemen:

Enclosed is a copy of the public notice pertaining to your proposed discharge which was issued by this division pursuant to New Mexico Water Quality Control Commission Regulations, Section 3-108.

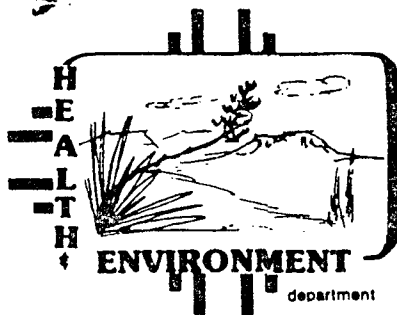
If you have any questions, please do not hesitate to contact me at the above address or at phone number (505) 827-2894.

Sincerely,

Karl Souder
Acting Program Manager
Ground Water Section

KS/mp

Enclosure



STATE OF NEW MEXICO

ENVIRONMENTAL IMPROVEMENT DIVISION

P.O. Box 968, Santa Fe, New Mexico 87504-0968
(505) 984-0020

**TONEY ANAYA
GOVERNOR**

**DENISE D. FOF
DIRECTOR**

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

April 25, 1986

The Honorable JoAnn Martin, Mayor
City of Hobbs
P.O. Box 1117
Hobbs, New Mexico 88240

Dear Mayor Martin:

Enclosed is a public notice which includes notice of a proposed discharge plan(s) for one or more operations in or near your city.

If you have any questions, please do not hesitate to contact me at the above address and telephone number 827-2894.

Sincerely,

Karl Souder
Acting Program Manager
Ground Water Section

KS/mp

Enclosure



TONEY ANAYA
GOVERNOR

DENISE D. FOR
DIRECTOR

STATE OF NEW MEXICO

ENVIRONMENTAL IMPROVEMENT DIVISION

P.O. Box 968, Santa Fe, New Mexico 87504-0968
(505) 984-0020

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

April 25, 1986

Board of County Commissioners
County of Eddy
Eddy County Courthouse
Hobbs, New Mexico 88240

Board of County Commissioners:

Enclosed is a public notice which includes notice of proposed discharge plan(s) for one or more operations located in your county.

If you have any questions, please do not hesitate to contact me at the above address or at phone number (505) 827-2894.

Sincerely,

Karl Souder
Acting Program Manager
Ground Water Section

KS/mp

Enclosure

APRIL 25, 1986

TO BE PUBLISHED ON OR BEFORE MAY 7, 1986

PUBLIC NOTICE

NEW MEXICO ENVIRONMENTAL IMPROVEMENT DIVISION

Notice is hereby given that, pursuant to New Mexico Water Quality Control Commission Regulations, the following proposed discharge plans have been submitted for approval to the Director of the New Mexico Environmental Improvement Division, P.O. Box 968, Santa Fe, New Mexico 87504-0968; telephone (505) 827-2894.

(DP-322) B&E INCORPORATED, P.O. Box 2292, Hobbs, New Mexico 88240 proposes to modify and renew the discharge plan for an existing brine production and sales facility located in the NW/4, SE/4 Section 24, T18S, R28E, Eddy County, New Mexico. Fresh water is injected through a well into salt beds at a depth of 4/6 to 680 feet below the surface. Brine containing approximately 298,670 milligrams per liter (mg/l) total dissolved solids is returned to the surface at an average rate of 30 gallons per minute. The brine is then stored in a synthetic-lined pond for sale. Ground water most likely to be affected by the discharge occurs at a depth of 225 feet and is of unknown quality at this time.

(DP-431) CITY OF SUN FOUNDATION TRAILER PARK, Andrew Webber, Chairman, P.O. Box 370, Columbus, New Mexico 88029 proposes discharging up to 4,000 gallons per day of domestic waste water to a clay-lined total retention lagoon located near Columbus in the NW 1/4 of Section 27, T28S, R8W, Luna County, New Mexico. The waste water originates from a fifteen-unit trailer park. The ground water most likely to be affected is at a depth of approximately 100 feet and has a total dissolved solids concentration of about 80 milligrams per liter.

(DP-427) FARMINGTON, THE CITY OF, Robert Metzler, Director of Public Works, P.O. Box 900, Farmington, New Mexico 87499 proposes to discharge treated water from air strippers located at the Municipal Operations Center, T29N, R13W, S14, San Juan County, New Mexico. Approximately 86,400 gallons per day of ground water contaminated with gasoline will be pumped from a series of 14 wells, held in storage tanks, and then treated by pumping the water through two air strippers connected in series. Treated effluent which meets New Mexico ground water standards will be discharged from the air strippers to either of the following:

- (1) the City of Farmington sewage treatment facility
- (2) the Animas River
- (3) reinfiltration galleries located on the property

The ground water most likely to be affected is at a depth of 4 feet, and has a total dissolved solids concentration of approximately 920 mg/l.

(DP-430) LAS CRUCES SCHOOL DISTRICT NO. 2, Fred Ismond, 301 West Amador Avenue, Las Cruces, New Mexico, Dona Ana County, proposes to discharge up to 4400 gallons of domestic sewage into a septic tank and leach field. The discharge is to occur 179 days per year and originate from Ferguson Road in Elementary School located at T22S, R1E, Section 25 (N 1/2). The nearest ground water lies 100 feet below the surface with a total dissolved solids of approximately 400-1000 mg/l.

PHIL WITHROW

B & E, INC.

N.M.S.C.C. No. 1015-1

Transportation of Oilfield
Equipment and Supplies
Fresh Water
Brine Supply Wells
Salt Water Disposal
Frac Tanks
Vacuum Trucks

P. O. Box 2292
Hobbs, NM 88240
Phone (505) 393-0762

April 22, 1986

New Mexico Environmental Improvement Div.
P.O. Box 968
Santa Fe, N.M. 87504-096
51786 UIC

Attention: Steve Sares

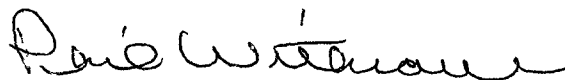
Re. ~~GWB-4 Discharge Plan~~
Brine Production Facility
Located Sec. 24, T-18S, R-28E
Eddy County, New Mexico

Gentlemen:

In response to our phone call April 18, 1986 with Mr. Steve Sares, B & E, Inc. hereby acknowledges and agrees to comply with the discharge plan submitted by Permian Brine Sales, Inc., and approved by the State of New Mexico Energy and Minerals Department, Oil Conservation Division, as of December 18, 1982, pursuant to Section 3-106 of the Water Quality Control Commission Regulations, Section 109.

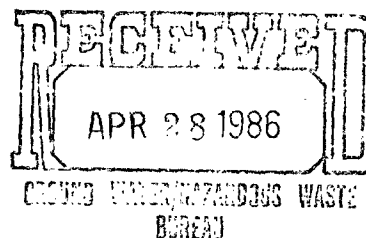
Thank you.

Yours truly,



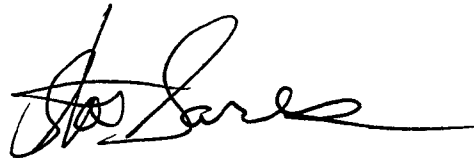
Phil Withrow, Pres.
B & E, Inc.

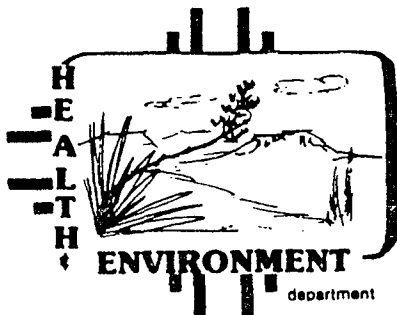
cc: Roger E. Yarbrow, Attorney at Law
P.O. Box 1718
Carlsbad, N.M. 88220



4/17/86 TELEPHONE CONVERSATION

- I SPOKE WITH MICKEY MONK, TOLD HIM I NEEDED A COMMITMENT FROM HIM THAT B:E WOULD ABIDE BY OLD OGD - PERMAN PLAN IN ADDITION TO OTHER SUBMITTALS. REASON FOR THIS IS THAT WHILE WRITING 4/17 LETTER WHICH IS ALREADY IN THE MAIL I HAD EVALUATED INFORMATION FROM OLD PLAN AND NEW STUFF ~~WHICH I WROTE~~ - HE SAID OK - HE'D PUT A LINE IN THE RESPONSE THAT SAYS HE (B:E) WILL ABIDE BY STUFF IN OLD DP.





STATE OF NEW MEXICO

ENVIRONMENTAL IMPROVEMENT DIVISION

P.O. Box 968, Santa Fe, New Mexico 87504-0968

(505) 984-0020

TONEY ANAYA
GOVERNOR

DENISE D. FOR
DIRECTOR

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

April 17, 1986

Mickey Monk
B & E, Inc.
P.O. Box 2292
Hobbs, New Mexico 88240

RE: Discharge Plan for B & E Loco Hills Brine Station (DP-322)

Dear Mr. Monk:

This is to inform you that I have been assigned to review your discharge plan application, at least temporarily, in Ms. Morgan's absence. I have completed review of the file for the Loco Hills station. Before I can recommend approval of the discharge plan some additional information is required. These items are listed below.

1. Please submit specifications on the pond liner. Include material type, thickness, and technique used to seal seams. This information is necessary to assess the adequacy of the pond to contain brine as the liner weathers.
2. Was a cement bond log run on the 8 5/8 casing? If so, please submit a copy of the log. If not, a log may be required when the tubing is next pulled. A cement bond log is necessary to insure proper bonding to the formation so that fluids do not migrate behind the casing.
3. Please submit measurements of the volume of injected fluid. This is necessary to calculate the approximate size of the cavity.
4. Please submit maps and geologic cross sections detailing the geology and geologic structures of the local area, including known or suspected faults. These are necessary to evaluate the potential for subsurface fluid escape from the operation.

Mickey Monk
Page 2
April 17, 1986

5. Please submit a map showing the brine well and the numbers, name, and location of all producing wells, injection wells, abandoned wells, dry holes, surface bodies of water, springs, mines, quarries, residences and roads, and any other pertinent surface feature that is within 1/4 mile of the brine well. Include completion and plugging information for identified wells. This information is necessary to evaluate possible routes of migration of fluids into other bodies of water.
6. Please address the flooding potential at the site. This is required by WQCC regulation 3-106.C.4.
7. Describe means for measuring inflow to well and from well to ponds. Will B&E commit to recording flow volumes weekly and reporting these results quarterly to EID.
8. How is the leak detection system under the pond monitored. Will B&E commit to inspecting this system weekly and reporting results to EID quarterly.
9. Please submit contingency plans to deal with unexpected leaks or spills. Please be aware of spill reporting requirements of section 1-203. of the regulations.
10. Please submit Discharge Plan Signatory Requirements as described in Section 5-101.H of the regulations.

Once those items are properly addressed, we should be able to proceed with permitting the Loco Hills station. As Paige had informed you, Part 5 of the regulations requires more detail than the "old" discharge permits but eventually all brine wells will need to comply with the new regulations.

Should you have any questions, feel free to contact me at 827-2905.

Sincerely,



Steven Sares
Water Resource Specialist
Ground Water Section

SS/mp

cc: EID District IV Manager, Roswell

Re: B+E Artesa (Coco Hills) DP-322.

These guys have an A of D that requires a complete DP to be submitted April 10, w/ ED comments on same due to B+E on/before June 10. I left a message w/ Stan Watson's sec'y that what they submitted was complete enough to be considered a DP, but that there were some elements missing and they would get a letter from us stating what add'l info was needed. I have annotated one of the in situ extrac. w/ DP outlines to indicate what I feel is needed in their DP. It's in their file. I thought it could be used to prepare the June 10th letter.

B+E Carlsbad is still arguing about whether or not they are covered under Ferdinand's old DP. Duff has met with their lawyer. Don't know the outcome.

D. 4/10

TELEPHONE CONVERSATION

STAN WATSON

Paige,
STAN WATSON

Tatum, NM

B + E Inc.

Burns well

398-3490

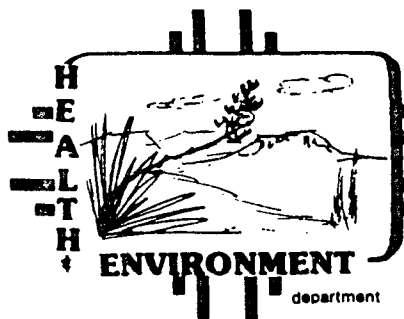
B&E - Loco Hills - Report in to Paige.
- wants to know status of DP

- I TOLD HIM I DIDN'T KNOW
what was going on with the DP.
- Paige has left for at least a while
& her projects haven't been reassigned.
- He just wanted to make sure he didn't get on our bad
side by having an incomplete submittal.

Stan Watson

4/4: Paige called and left message that
X would review submittal and provide
some sort of answer by Monday
4/7.

P. Morgan



STATE OF NEW MEXICO

ENVIRONMENTAL IMPROVEMENT DIVISION

P.O. Box 968, Santa Fe, New Mexico 87504-0968
(505) 984-0020

TONEY ANAYA
GOVERNOR

DENISE D. FORT
DIRECTOR

February 14, 1986

Wickey Monk
B&E Inc.
PO Box 2292
Hobbs, NM 88240

Re: Plugging bond for B&E Loco Hills Brine Station.

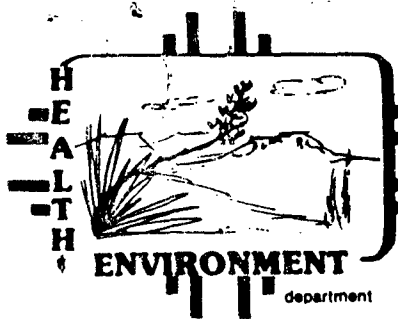
Dear Mr. Monk:

Thank you for your letter of January 6th, supplying cost estimates for plugging the brine well at your Loco Hills location. I note that neither estimate includes setting a plug at the base of the casing before cementing back to surface. However, I assume this would not add more than about \$500 to the estimates, so that your bond would still cover the work. The plugging bond you hold for this well is therefore deemed satisfactory.

Sincerely,

Paige Grant Morgan
Water Resource Specialist
Ground Water Section

PGM:pgm



STATE OF NEW MEXICO

ENVIRONMENTAL IMPROVEMENT DIVISION

P.O. Box 968, Santa Fe, New Mexico 87504-0968
(505) 984-0020

TONEY ANAYA
GOVERNOR

DENISE D. FORT
DIRECTOR

RECEIVED
FEB 7 1986

GROUND WATER/HAZARDOUS WASTE
BUREAU

January 3, 1986

Mickey Monk
B&E, Inc.
PO Box 2292
Hobbs, NM 88240

Re: Discharge plan for B&E Loco Hills brine station

Dear Mr. Monk:

This is to correct the error in my December 11th letter to you which you pointed out in a phone call to me on December 18th. On reviewing the file on B&E State 24-1 Brine Station, I realized that you had submitted copies of two bonds which you hold with two different state agencies. I informed you in my December 11th letter that the bond you hold with the State Land Commission will not serve the purpose of the financial assurance required of injection well facilities. However, as you pointed out to me by telephone, you also hold a bond with the Oil Conservation Division which is specifically intended to cover plugging of the brine well. If you can demonstrate that the amount of this bond is adequate to cover the cost of plugging by an outside contractor, then the bond will be accepted by this agency as meeting the terms of Section 5-210.B.17 of the Water Quality Control Commission (WQCC) regulations.

Sorry for the confusion.

I will be in touch with you by separate letter regarding B&E's Carlsbad brine station. Briefly, the materials describing the transfer of ownership are deemed by our legal counsel not to meet the terms of Section 5-101.I. of the WQCC regulations, which governs transfer of a discharge plan upon the change in ownership of a facility.

Sincerely,

Paige Grant Morgan

Paige Grant Morgan
Water Resource Specialist
Ground Water Section

PGM:pgm

cc: John Guinn, EID District IV Manager.

*Dear Paige
in response to this letter.
Please find P. & A. Cost Estimates
from two different companies.
I hope this will satisfy
The demonstration that the
Plugging Bond is Adequate
Thankki.
Mickey Monk*

REC'D

JAN 6 1986

LOCATIONS

HOBBS, NEW MEXICO
LOVINGTON HIGHWAY

EUNICE, NEW MEXICO
MAIN AND AVE. O

ANDREWS, TEXAS
EUNICE HIGHWAY

MIDLAND, TEXAS

DA&S OIL WELL SERVICING

INCORPORATED

P.O. DRAWER 2545

HOBBS, NEW MEXICO 88241

TELEPHONES

HOBBS . . (505) 392-6591

EUNICE . . (505) 394-3021

ANDREWS (915) 523-4420

MIDLAND . (915) 685-8555

February 5, 1986

B & E Inc.
P.O. Box 2292
Hobbs, New Mexico 88240

Dear Sir:

Our estimated cost for possible services rendered on your lease: State 24 - #1, is listed below, however, final invoice totals could vary due to fluctuating prices.

Unit - 8 hours	788.00
Pump	654.45
Cement (130 sks)	1257.10
Welder	150.00
Water - (50 bbls	250.00
fresh water, transport	
truck)	
Bulldozer - (To clean &	
level location - 5 hours-	275.00
Misc.	500.00
	<u>\$3874.55</u>

Thank you for any consideration you extend our company, please feel free to contact me at (505) 392-6591 should you have any questions.

Sincerely,

Kyle Rieger
DA&S

M & W Rental Tool, Inc.

PHONE 885-6663

CARLSBAD, N. M. 88220

REVERSE UNITS and FISHING TOOLS

HIGH PRESSURE PUMP SERVICE

P. O. Box 2292

HOBBS, N. M. 88240

COST ESTIMATE TO PLUG AND ABANDON B & E INC. STATE 24 #1 SW - BRINE WELL

Procedure:

Est. Time

- | | |
|---|---------|
| 1. Move in, rig up pulling unit | 3 hrs |
| 2. Unflange wellhead & come out of hole with 660' 2 7/8" tubing, checking condition, laying down 200' | 1 hrs |
| 3. Run in hole with 466' 2 7/8" tubing | 1/2 hrs |
| 4. Rig up cement pump truck, establish circulation & circulate hole with 130 sacks of cement | 1/2 hrs |
| 5. Come out of hole laying down 2 7/8" tubing | 1 hrs |
| 6. Cut off wellhead, install dry hole marker | 1 hrs |
| 7. Rig down pulling unit & clean location | 1 hrs |
| | <hr/> |
| | 8 hrs |

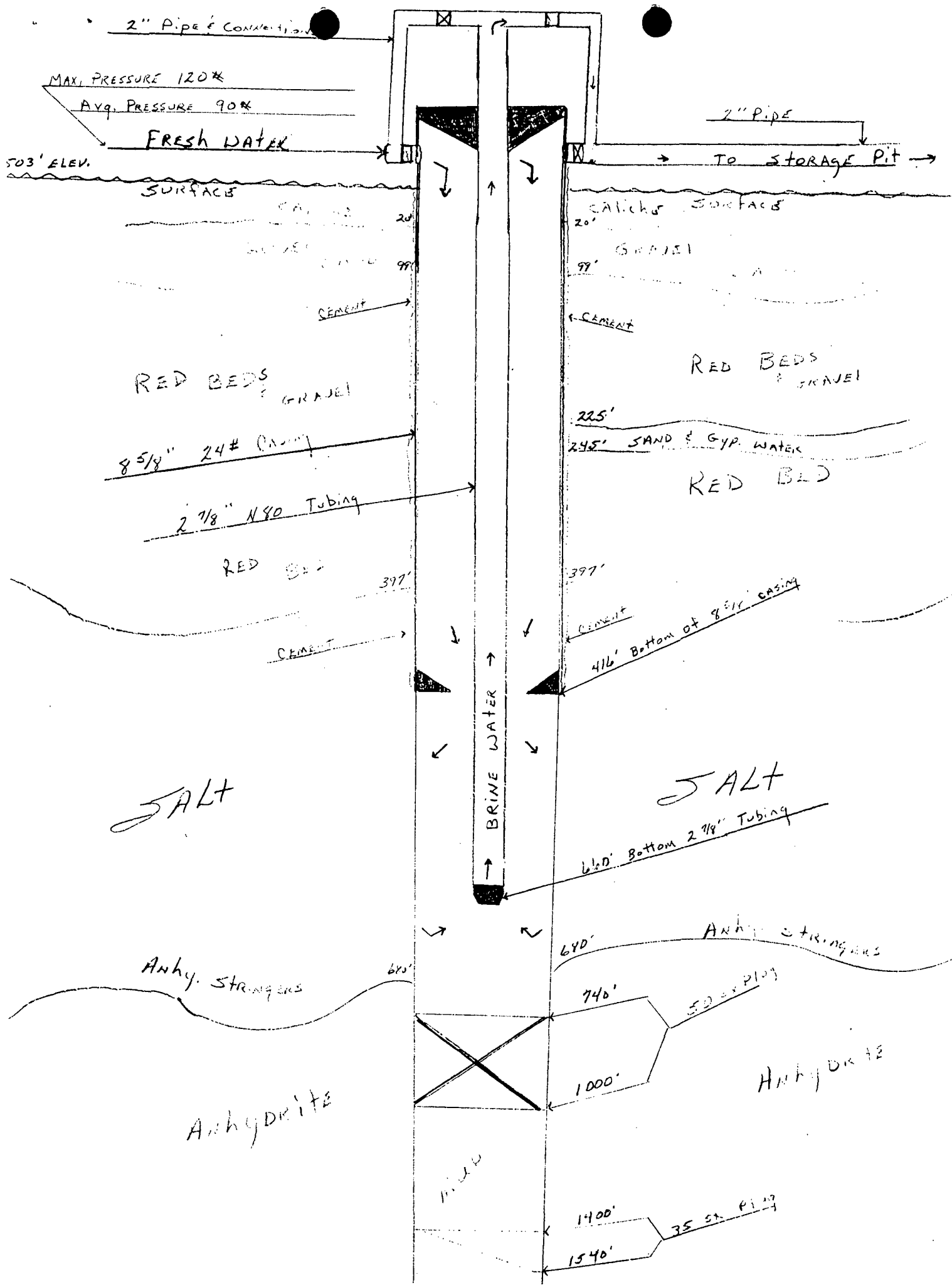
Costs:

Pulling unit - 8 hrs @ \$102.00/hr	\$ 816.00
Tubing Tongs - 1 @ \$100.00/day	100.00
Cement Pump - 1 @ \$800.00/day	800.00
Cement - 130 sacks @ \$9.00	1170.00
Welder & materials	150.00
Water for cement - 50 bbls F/W incl. standby	250.00
Transport truck	
Bulldozer to clean & level location - 5 hrs @ \$55.00	275.00
Misc. unforeseen expenses	<u>500.00</u>
Total	\$4061.00



Ray McCachern, President

28 January 1986



B. & E. Inc.

State 24 D #1

SW

Dry hole marker 6' Above Ground
4 1/2" outside Diameter
With Well Designation & Legal Description

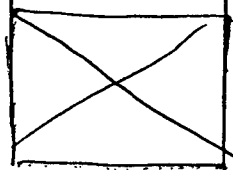
Plate
3/4" Steel

After
Plugged
And Abandoned

Cement

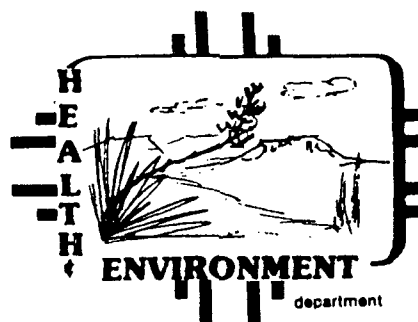
416' Bottom of 8 5/8" Casing

416' Bottom of Cement
Circulated to Surface



✓
TONEY ANAY.
GOVERNOR

DENISE D. FORT
DIRECTOR



STATE OF NEW MEXICO

ENVIRONMENTAL IMPROVEMENT DIVISION

P.O. Box 968, Santa Fe, New Mexico 87504-0968
(505) 984-0020

January 8, 1986

Mickey Monk
B&E, Inc.
PO Box 2292
Hobbs, NM 88240

Dear Mr. Monk:

Enclosed is a copy of the discharge plan we had on file for Permian Brine Sales' Artesia brine station, which is now B&E's Loco Hills brine station.

Sincerely,

Paige Grant Morgan
Paige Grant Morgan
Water Resource Specialist
Ground Water Section

PGM:pgm

cc: John Guinn, EID District IV Manager.



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

December 18, 1982

Permian Brine Sales, Inc.
P. O. Box 1591
Odessa, Texas 79760

Re: GWB-4 Discharge Plan

Gentlemen:

The discharge plan submitted for the brine production facility and in site extraction well located in Section 24, Township 18 South, Range 28 East NMPM, Eddy County, New Mexico, is hereby approved.

The discharge plan was submitted pursuant to section 3-106 of the Water Quality Control Commission regulations. It is approved pursuant to section 109. Please note subsections 3-109.E and 3-109.F which provide for possible future amendment of the plan. Please also be advised that the approval of this plan does not relieve you of liability should your operation result in actual pollution of surface or ground waters which may be actionable under other laws and/or regulations.

Yours very truly,

A handwritten signature in dark ink, appearing to read "Joe D. Ramey".

JOE D. RAMEY,
Director

JDR/jc

NOTICE OF PUBLICATION
STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
SANTA FE, NEW MEXICO

Notice is hereby given that pursuant to New Mexico Water Quality Control Commission Regulations, the following proposed discharge plan has been submitted for approval to the Director of the Oil Conservation Division, P. O. Box 2088, State Land Office Building, Santa Fe, New Mexico 87501, telephone (505) 827-3260.

PERMIAN BRINE SALES, INC., P. O. Box 1591, Odessa, Texas 79760, telephone (915) 332-0531, Al Hickerson requests approval of their discharge plan for their brine in situ extraction wells and facilities located in: Section 16, Township 25 South, Range 37 East, Lea County; Section 17, Township 22 South, Range 27 East, Eddy County; and Section 24, Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico. Permian Brines Sales, Inc. injects water down their injection well to an underlying salt formation thereby dissolving the salt, forming a brine water solution with a total dissolved solids content of approximately 300,000 mg/L. Permian Brine Sales, Inc. extracts and sells the brine water solution to various companies for use in oil and gas production.

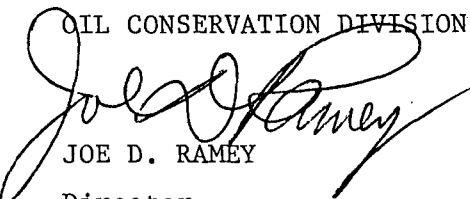
Any interested person may obtain further information from the Oil Conservation Division and may submit written comments to the Director of the Oil Conservation Division at the address given above. Prior to ruling on any proposed discharge plan or its modification, the Director of the Oil Conservation Division shall allow at least thirty (30) days after the date of publication of this notice during which comments may be submitted to him and a public hearing may be requested by any interested person. Requests for a public hearing shall set forth the reasons why a hearing should be held. A hearing will be held if the Director determines there is significant public interest.

If no public hearing is held, the Director will approve or disapprove the proposed plan based on information available. If a public hearing is held, the Director will approve or disapprove the proposed plan based on information in the plan and information submitted at the hearing.

GIVEN Under the Seal of the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 12th day of November, 1982.

STATE OF NEW MEXICO

OIL CONSERVATION DIVISION



JOE D. RAMEY

Director

S E A L

OIL CONSERVATION DIVISION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

Form C-104
Revised 10-1-78

RECEIVED BY

SEP 16 1983

O. C. D.
ARTESIA, OFFICEREQUEST FOR ALLOWABLE
AND
AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS

B&E Inc.

Address P.O. Box 2292, Hobbs New Mexico 88240

Reason(s) for filing (Check proper box)

New Well ☐Recompletion ☐Change in Ownership ☒

Change in Transporter of:

Oil ☐Dry Gas ☐Casinghead Gas ☐Condensate ☐

Other (Please specify)

SEP 21 1983

If change of ownership give name
and address of previous owner

Permian Brine Sales, Box 1519, Odessa, Texas 79760

OIL CONSERVATION DIVISION
SANTA FE

II. DESCRIPTION OF WELL AND LEASE

Lease Name State # 24	Well No. 1	Pool Name, including Formation Wildcat	Kind of Lease State, Federal or Fee State	Lease No. M-1960
Location Unit Letter M : 1987.9 Feet From The S Line and 1930.4 Feet From The E				
Line of Section 24 Township 18S Range 28E, NMPLM, Eddy County				

III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

Name of Authorized Transporter of Oil <input type="checkbox"/> or Condensate <input type="checkbox"/>	Address (Give address to which approved copy of this form is to be sent)					
Name of Authorized Transporter of Casinghead Gas <input type="checkbox"/> or Dry Gas <input type="checkbox"/>	Address (Give address to which approved copy of this form is to be sent)					
If well produces oil or liquids, give location of tanks.	Unit	Sec.	Twp.	Rge.	Is gas actually connected?	When

If this production is commingled with that from any other lease or pool, give commingling order number:

IV. COMPLETION DATA

Designate Type of Completion - (X)		Oil Well	Gas well	New Well	Workover	Deepen	Plug Back	Same Reservoir	Diff. Fr.
Date Spudded	Date Compl. Ready to Prod.	Total Depth			P.B.T.D.				
Elevations (DF, RKB, RT, CR, etc.)	Name of Producing Formation	Top Oil/Gas Pay			Tubing Depth				
Perforations					Depth Casing Shoe				

TUBING, CASING, AND CEMENTING RECORD

HOLE SIZE	CASING & TUBING SIZE	DEPTH SET	SACKS CEMENT

V. TEST DATA AND REQUEST FOR ALLOWABLE OIL WELL

(Test must be after recovery of total volume of load oil and must be equal to or exceed top oil
able for this depth or be for full 24 hours)

Date First New Oil Run To Tanks	Date of Test	Producing Method (Flow, pump, gas lift, etc.)	
Length of Test	Tubing Pressure	Casing Pressure	Choke Size
Actual Prod. During Test	Oil - Bbls.	Water - Bbls.	Gas - MCF

GAS WELL

Actual Prod. Test - MCF/D	Length of Test	Bbls. Condensate/MMCF	Gravity of Condensate
Testing Method (pilot, back pr.)	Tubing Pressure (Shut-in)	Casing Pressure (Shut-in)	Choke Size

VI. CERTIFICATE OF COMPLIANCE

I hereby certify that the rules and regulations of the Oil Conservation
Division have been complied with and that the information given
above is true and complete to the best of my knowledge and belief.

OIL CONSERVATION DIVISION

APPROVED _____, 19__

BY _____

TITLE _____

This form is to be filed in compliance with RULE 1102

If this is a request for allowable for a newly drilled or deeper
well, this form must be accompanied by a tabulation of the deviat-
ions taken on the well in accordance with RULE 111.All sections of this form must be filled out completely for all
able on new and recompleted wells.Fill out only Sections I, II, III, and VI for changes of
well name or number, or transporter, or other such change of condi-Separate Form C-104 must be filed for each pool in multi-
completed wells.

Spencer Williams

(Signature)

Secretary

(Title)

9-13-83

(Date)

CONSERVATION DIVISION

P. O. BOX 2028
SANTA FE, NEW MEXICO 87501

Form C-1-1
Revised 12-1-78

BY STATE REGULATOR	
BY DISTRICT OFFICE	
SANTA FE	
FILE	
U.S.G.S.	
LAND OFFICE	
OPERATION	

14. Indicate type of lease State <input checked="" type="checkbox"/> For <input type="checkbox"/>
15. State well lease No. State 24 Well #1
16. Unit Agreement No.
17. Field or Lease Name
18. Well No. 24 #1
19. Field and Foot, or Wellcat
20. County Eddy

SUNDRY NOTICES AND REPORTS ON WELLS
DO NOT USE THIS FORM FOR PERSONAL SERVICE OR TO REPORT OR FILE DATA TO A DIFFERENT RESERVOIR.
(SEE STATEMENT FOR PERMIT TO PRODUCE (101) FOR SUCH INFORMATION.)

OIL WELL ☐ GAS WELL ☐ OTHER: Brine Well

Name of Operator
P. & F., Inc.

Address of Operator
P. O. Box 2292, Hobbs, NM 88240

Location of Well
UNIT LETTER _____ FEET FROM THE _____ LINE AND _____ FEET FROM
THE _____ LINE, SECTION 24 TOWNSHIP 18-S RANGE 28-E NMMA.

15. Elevation (Show whether LF, RT, GR, etc.)

Check Appropriate Box To Indicate Nature of Notice, Report or Other Data
NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF:

PERFORM REMEDIAL WORK <input checked="" type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPERATIONS <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	

1. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

Tubing parted. Rig up pulling unit and prepare to drill back to bottom
Tubing parted at 505' T.D. 660'

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNED: Phil Withrow TITLE: President DATE: 2-29-82

PROVED BY: _____ TITLE: _____ DATE: _____

CONDITIONS OF APPROVAL, IF ANY:

Wet in 17-18-29

Comp. 8285-2420

Wet 225-45

24-18-28

10' Wet 871-416-50

24-18-28

Wet 921-30
355X 850-950

355X 1800-1900

Wet 1830

5450-2

Wet 1830-1835

Wet 2921 1835-1840

Wet 2910 20 " " @ 2923 Wet 1835-1840

Wet 3007 @ 3009 HF 100

NO. OF COPIES RECEIVED	3
DISTRIBUTION	
SANTA FE	/
FILE	/
U.S.G.S.	/
LAND OFFICE	
OPERATOR	/

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

APR 29 1982

O. C. D.
ARTESIA OFFICE

Form C-103
Revised 10-1-78

5a. Indicate Type of Lease	
State <input checked="" type="checkbox"/>	Fee <input type="checkbox"/>
5. State Oil & Gas Lease No. M-19609	
7. Unit Agreement Name	
8. Farm or Lease Name State "24"	
9. Well No. #1	
10. Field and Pool, or Wildcat Wildcat	
12. County Eddy	

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER- Brine Well
2. Name of Operator Permian Brine Sales & Service, Inc.
3. Address of Operator P. O. Box 2292, Hobbs, NM 88240
4. Location of Well UNIT LETTER J, 1987.9 FEET FROM THE South LINE AND 1930.4 FEET FROM THE East LINE, SECTION 24 TOWNSHIP 18-S RANGE 28-E NMPM.
15. Elevation (Show whether DF, RT, GR, etc.)

Check Appropriate Box To Indicate Nature of Notice, Report or Other Data
NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF:

PERFORM REMEDIAL WORK <input checked="" type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	OTHER <input type="checkbox"/>

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

Tubing parted. Rig up pulling unit and prepare to drill back to bottom
Tubing parted at 505' T.D. 660'

5/17/82

Rec'd. report on work completed.

The report is in the Permian Brines Sales & Service, Inc. order file.

18. I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNED <u>Philip W. Williams</u>	TITLE <u>President</u>	DATE <u>2-29-82</u>
APPROVED BY <u>M. L. Williams</u>	TITLE <u>OIL AND GAS INSPECTOR</u>	DATE <u>APR 30 1982</u>
CONDITIONS OF APPROVAL, IF ANY:		

NO. OF COPIES RECEIVED	3
DISTRIBUTION	
SANTA FE	1
FILES	1
U.S.G.S.	
LAND OFFICE	
OPERATOR	1

RECEIVE

MEXICO OIL CONSERVATION COMMISSION

JAN 25 1979

O. C. C.
ARTESIA, OFFICE

Form C-103
Supersedes Old
C-102 and C-103
Effective 1-1-65

5a. Indicate Type of Lease	State <input checked="" type="checkbox"/> Fee <input type="checkbox"/>
5. State Oil & Gas Lease No.	M-19609
7. Unit Agreement Name	
8. Farm or Lease Name	State "24"
9. Well No.	1
10. Field and Pool, or Valued	Wildcat
12. County	Eddy

SUNDY NOTICES AND REPORTS ON WELLS
DO NOT USE THIS FORM FOR OFFENSES TO WELL OR TO OTHER RESERVOIR.
USE APPLICATION FOR REPORT ON OTHER CASES FOR SUCH PURPOSES.

1. ☐ OIL WELL ☐ GAS WELL ☐ OTHER Brine Water Well

2. Name of Operator Permian Brine Sales & Service, Inc.

3. Address of Operator P. O. Box 1591

4. Location of Well
UNIT LETTER J 1987.9 FEET FROM THE South LINE AND 1930.4 FEET FROM THE East LINE, SECTION 24 TOWNSHIP 18S RANGE 28E N.M.P.M.

15. Elevation (Show whether DF, KT, GR, etc.) 3503 G.L.

16. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
-------------------------	-----------------------

PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input checked="" type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPERARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER <input type="checkbox"/>	CASING TEST AND CEMENT JOBS <input type="checkbox"/>	OTHER <input type="checkbox"/>

17. Describe Propered or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

After completion as shown on Form C-105, dated 1-12-79, it was found that there was a hole in the 8 5/8" casing at 42'. After consultation with Mike Williams, we squeezed the hole with 100 sacks of cement containing 3% CaCl₂. We then dug out the cement from around the top of the 8 5/8" casing and filled up the hole around the casing with 4 yards of concrete mix. We drilled out the cement plug and tested the casing to 400' with 170# pressure. Meter on water line indicated no leak. We then drilled out the plug at 400 ft. and tested the casing and cavern to 170#. Again the water meter indicated no leak. The 2 7/8 tubing was hung in the open hole and the well head reinstalled for service.

18. I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNED <u>W.A. Gussert</u>	TITLE <u>Supervisor</u>	DATE <u>1-25-79</u>
APPROVED BY <u>W.A. Gussert</u>	TITLE <u>SUPERVISOR, DISTRICT II</u>	DATE <u>JAN 26 1979</u>

CONDITIONS OF APPROVAL, IF ANY:

N. OF COPIES RECEIVED	5
DISTRIBUTION	
TANTA FE	1
FILE	1
U.S.G.S.	
LAND OFFICE	
OPERATOR	3

RECEIVED
NEW MEXICO OIL CONSERVATION COMMISSION

JAN 15 1979

Form C-103
Supersedes Old
C-102 and C-103
Effective 1-1-65

O. C. C.
ARTESIA, OFFICE

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR.
SEE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER- Brine Water Well		5a. Indicate Type of Lease State <input checked="" type="checkbox"/> Fee <input type="checkbox"/>
2. Name of Operator Permian Brine Sales & Service, Inc. ✓		5. State Oil & Gas Lease No. M-19609
3. Address of Operator P.O. Box 1591, Odessa, Texas 79760		7. Unit Agreement Name 8. Farm or Lease Name State "24" 9. Well No. 1 10. Field and Pool, or Wildcat Wildcat
4. Location of Well UNIT LETTER J 1987.9 FEET FROM THE South LINE AND 1930.4 FEET FROM THE East LINE, SECTION 24 TOWNSHIP 18S RANGE 28E N.M.P.M.		
15. Elevation (Show whether DF, RT, GR, etc.) 3503 G.L.		
		12. County Eddy

Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER <input type="checkbox"/>

SUBSEQUENT REPORT OF:

REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
CASING TEST AND CEMENT JOB <input type="checkbox"/>	OTHER <input checked="" type="checkbox"/> Alter plugging program and complete.

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

Cable tool rig moved in on 12-15-78 and started work on 12-16-78
Cleaned out surface plug. No plug at 420-390. Cleaned out and
bailed to 1540 feet. Hit cement plug. Called Bill Gressett on
12-18-78 and received approval to plug as follows:

35 sacks - 1540' - 1400'
50 sacks - 1000' - 740'

Dowell did cementing. Completed by hanging 2 7/8" tubing in open
hole in salt section @ 660', after tagging top of cement plug at
740' on 12-19-78.

When top of P&A well uncovered found old cellar full of cement; top
of 8 5/8" casing had cement all around it so no additional cement
put down casing and hole annulus.

*3 sacks
Brent
1-2-79*

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNED Bill Gressett TITLE President DATE 1-12-79

APPROVED BY W. A. Gressett TITLE SUPERVISOR, DISTRICT II DATE JAN 23 1979

CONDITIONS OF APPROVAL, IF ANY:

NO. OF COPIES RECEIVED	6
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SAN FAE	1
FILE	1
U.S.G.S.	2
LAND OFFICE	1
OPERATOR	

RECEIVED
NEW MEXICO OIL CONSERVATION COMMISSION
WELL COMPLETION OR RECOMPLETION REPORT AND LOG
JAN 15 1979

Form O-105
Revised 11-68

1. Indicate Type of Lease	
State <input checked="" type="checkbox"/>	Fee <input type="checkbox"/>
2. State of Lease No.	
M-19609	

O. C. C.
ARTESIAN OFFICE

1a. TYPE OF WELL						1b. Indicate Type of Lease	
OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input type="checkbox"/> OTHER <u>Brine Water Well</u>						State <input checked="" type="checkbox"/> Fee <input type="checkbox"/>	
2. TYPE OF COMPLETION						3. State of Lease No.	
NEW WELL <input type="checkbox"/> WORK OVER <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input checked="" type="checkbox"/> DIFF. RESV. <input checked="" type="checkbox"/> OTHER <u>Re-Entry</u>						State "24"	
4. Name of Operator						5. Well No.	
Permian Brine Sales & Service, Inc. ✓						1	
6. Address of Operator						7. Field and Loc. or Wildcat	
P.O. Box 1591 Odessa, Texas 79760						Wildcat	
8. Location of Well							
UNIT LETTER <u>J</u> LOCATED <u>1987.9</u> FEET FROM THE <u>South</u> LINE AND <u>1930.4</u> FEET FROM							
THE <u>East</u> LINE OF SEC. <u>24</u> TWP. <u>18S</u> RGE. <u>28E</u>						Eddy	
15. Date Spudded		16. Date T.D. Reached		17. Date Compl. (Ready to Prod.)		18. Elevations (D.F., RKB, RT, GR, etc.)	
12-15-78		12-18-78		12-19-78		3503 G.L.	
20. Total Depth		21. Plug back T.D.		22. If Multiple Compl., How Many		23. Intervals Drilled By	
1540		660-740		Many		Rotary Tools	
						Cable Tools	
						<input checked="" type="checkbox"/>	
24. Producing Interval(s), of this completion - Top, Bottom, Name						25. Was Directional Survey Made	
Top 416' Bottom 680' Rock Salt						No	
26. Type Electric and Other Logs Run						27. Was Well Cored	
None						No	
28. CASING RECORD (Report all strings set in well)							
CASING SIZE		WEIGHT LB./ FT.		DEPTH SET		HOLE SIZE	
8 5/8"		24"		416'		10"	
						CEMENTING RECORD	
						50SX	
						AMOUNT PULLED	
						None	
Cleaned out to 1540'. Set 35SX plug from 1540-1400 and a 50SX plug from 1000-740' hung tubing in open salt section @ 660'							
29. LINER RECORD				30. TUBING RECORD			
SIZE		TOP		BOTTOM		SACKS CEMENT	
		None					
						SCREEN	
						SIZE	
						2 7/8"	
						DEPTH SET	
						660'	
						PACKER SET	
						No	
31. Perforation Records (Interval, size and number)				32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.			
None				DEPTH INTERVAL			
				AMOUNT AND KIND MATERIAL USED			
				None			
33. PRODUCTION							
Date First Production		Production Method (Flowing, gas lift, pumping - Size and type pump)				Well Status (Prod. or Shut-in)	
Date of Test		Hours Tested		Coke Size		Prod'n. Per Test Period	
Flow Tubing Press.		Casing Pressure		Calculated 24-Hour Rate		Oil - Pbl.	
						Gas - MCF	
						Water - Pbl.	
						Gas - Oil Ratio	
34. Disposition of Gas (Sold, used for fuel, vented, etc.)						Test Witnessed By	
35. List of Attachments							
36. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief.							
SIGNED		TITLE				DATE	
J. J. [Signature]		President				1-12-79	

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Commission not later than 20 _____ after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and log data taken on the well and a summary of all special tests conducted, including drill stem tests. All measurements shall be measured and such in the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, items 1 through 34 shall be reported for each zone. The form is to be filed in quadruplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico

Northwestern New Mexico

T. Anhy _____	T. Canyon _____	T. Ojo Alamo _____	T. Penn. "B" _____
T. Salt _____	T. Strawn _____	T. Kirtland-Fruitland _____	T. Penn. "C" _____
U. Salt _____	T. Atoka _____	T. Pictured Cliffs _____	T. Penn. "D" _____
T. Yates _____	T. Miss _____	T. Cliff House _____	T. Leadville _____
T. 7 Rivers _____	T. Devonian _____	T. Menefee _____	T. Madison _____
T. Queen _____	T. Silurian _____	T. Point Lookout _____	T. Elbert _____
T. Grayburg _____	T. Montoya _____	T. Mancos _____	T. McCracken _____
T. San Andres _____	T. Simpson _____	T. Gallup _____	T. Ignacio Qtzite _____
T. Glorieta _____	T. McKee _____	Base Greenhorn _____	T. Granite _____
T. Padonck _____	T. Ellenburger _____	T. Dakota _____	T. _____
T. Blinberry _____	T. Gr. Wash _____	T. Morrison _____	T. _____
T. Tubb _____	T. Granite _____	T. Todillo _____	T. _____
T. Drinkard _____	T. Delaware Sand _____	T. Entrada _____	T. _____
T. Abo _____	T. Bone Springs _____	T. Wingate _____	T. _____
T. Wolfcamp _____	T. _____	T. Chinle _____	T. _____
T. Penn. _____	T. _____	T. Permian _____	T. _____
T. Cisce (Bough C) _____	T. _____	T. Penn. "A" _____	T. _____

OIL OR GAS SANDS OR ZONES

No. 1, from _____ to _____	No. 4, from _____ to _____
No. 2, from _____ to _____	No. 5, from _____ to _____
No. 3, from _____ to _____	No. 6, from _____ to _____

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from _____ to _____	feet. _____
No. 2, from _____ to _____	feet. _____
No. 3, from _____ to _____	feet. _____
No. 4, from _____ to _____	feet. _____

FORMATION RECORD (Attach additional sheets if necessary)

From	To	Thickness in Feet	Formation	From	To	Thickness in Feet	Formation
			<i>Re Entry</i>				

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
ARTESIA DISTRICT OFFICE

JERRY APODACA
GOVERNOR

NICK FRANKLIN
SECRETARY

P.O. DRAWER DD
ARTESIA, NEW MEXICO 88210
(505) 746-4861

December 29, 1978

Permian Brine Sales & Service, Inc.
P.O. Box 1591
Odessa, Texas 79760

Re: State 24
#1-J-24-18-28
Eddy County, N.M.

Gentlemen:

We are returning the enclosed Form C-103 on the subject well for additional information.

Please show when work was started, and if plug was tagged at 740' and how you cemented behind the 8 5/8" surface casing.

Also, submit Form C-105, Well Completion Report and Log.

If you have any questions concerning this matter, please feel free to call upon me.

Sincerely yours,



W. A. Gressett
Supervisor, District II

WAG:ro

Enclosure

NO. OF COPIES RECEIVED	
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SANTA FE	
FILE	
U.S.G.S.	
LAND OFFICE	
OPERATOR	

NEW MEXICO OIL CONSERVATION COMMISSION

RECEIVED

DEC 28 1978

Form C-103
Supersedes Old
C-102 and C-103
Effective 1-1-65

5a. Indicate Type of Lease State <input checked="" type="checkbox"/> Fee <input type="checkbox"/>
5. State Oil & Gas Lease No. M-19609
7. Unit Agreement Name
8. Farm or Lease Name STATE "24"
9. Well No. 1
10. Field and Pool, or Wildcat WILDCAT
12. County EDDY

SUNDY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT - II" (FORM C-101) FOR SUCH PROPOSALS.)

OIL WELL ☐ GAS WELL ☐ OTHER- BRINE WATER WELL

Name of Operator
PERMIAN BRINE SALES & SERVICE, INC.

Address of Operator
P. O. Box 1591, Odessa, Texas 79760

Location of Well
UNIT LETTER JN 1987.9 FEET FROM THE South LINE AND 1930.4 FEET FROM
THE East LINE, SECTION 24 TOWNSHIP 10 S RANGE 28 E NMPM.

15. Elevation (Show whether DF, RT, GR, etc.)
3503 G.L.

Check Appropriate Box To Indicate Nature of Notice, Report or Other Data
NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF:

PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	OTHER <input checked="" type="checkbox"/> Alter plugging program and complete.

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

Cleaned out surface plug. No Plug at 420-390. Cleaned out and bailed to 1540 feet. Hit cement plug. Called Bill Gressett and received approval to plug as follows:

35 sacks - 1540' - 1400'
50 sacks - 1000' - 740'

Dowell did cementing. Completed by hanging 2-7/8" tubing in open hole in salt section @ 660'.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNED A. L. Hickerson TITLE President DATE 12-27-78

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

DISTRIBUTION		
SANTA FE	1	
FILE	1	✓
U.S.G.S.	2	
LAND OFFICE	1	
OPERATOR	1	

NEW MEXICO OIL CONSERVATION COMMISSION NOV 8 1978

Form C-103
Supersedes Old
C-102 and C-103
Effective 1-1-65

O. C. C.
ARTESIA, OFFICE

5a. Indicate Type of Lease
State <input checked="" type="checkbox"/> Fee <input type="checkbox"/>
5. State Oil & Gas Lease No.
M-19609

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. SEE "APPLICATION FOR PERMIT -" (FORM C-101) FOR SUCH PROPOSALS.)

6. Name of Operator	7. Unit Agreement Name
PERMIAN BRINE SALES & SERVICE, INC. ✓	
8. Farm or Lease Name	
STATE "24"	
9. Well No.	
1	
10. Field and Pool, or Wildcat	
WILDCAT	
11. Location of Well	
UNIT LETTER <u>MJ</u> <u>1987.9</u> FEET FROM THE <u>SOUTH</u> LINE AND <u>1930.4</u> FEET FROM THE <u>EAST</u> LINE, SECTION <u>24</u> TOWNSHIP <u>18S</u> RANGE <u>28E</u> N.M.P.M.	
15. Elevation (Show whether DF, RT, GR, etc.)	12. County
3503 G.L.	EDDY

Check Appropriate Box To Indicate Nature of Notice, Report or Other Data
NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>
FULL OR ALTER CASING <input type="checkbox"/>	OTHER <u>Delay re-entry</u> <input type="checkbox"/>

SUBSEQUENT REPORT OF:

REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
CASING TEST AND CEMENT JOBS <input type="checkbox"/>	
OTHER <input type="checkbox"/>	

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

We have not yet recieved final approval of our easement for the fresh water line to the brine well, from the State of New Mexico Commissioner of Public Lands.

We request a 90 day extension of previous approval which expires 11-7-78.

APPROVAL VALID
FOR 90 DAYS UNLESS
DRILLING COMMENCED,

EXPIRES 2-13-79

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNED W. J. Anderson TITLE PRESIDENT DATE 11-7-78

APPROVED BY W. A. Gressitt TITLE SUPERVISOR, DISTRICT II DATE NOV 13 1978

CONDITIONS OF APPROVAL, IF ANY:

PERMIAN BRINE SALES & SERVICE, INC.

24-HOUR BRINE SERVICE THROUGHOUT THE PERMIAN BASIN

ODESSA, TEXAS

P. O BOX 1591

79760

PHONE 332-0531

RECEIVED

NOV - 8 1978

November 7, 1978

O. C. C.
ARTESIA, OFFICE

Mr. W. A. Gressett
New Mexico Oil Conservation
Commission
Drawer DD
Artesia, New Mexico 88210

Re: Brine Water Well
Sec 24, T185, R28E

Dear Mr. Gressett:

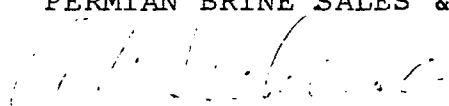
Attached are copies of Form 103, requesting a 90-day extension of the re-entry approval which expires November 7, 1978.

We have not yet received final approval of the easement for the fresh water line to the brine well. I hesitate to proceed with the work on the well until I am assured of a supply of fresh water.

Your approval will be appreciated.

Very truly yours,

PERMIAN BRINE SALES & SERVICE, INC.


A. L. Hickerson
President

ALH/clo

cc: B & E, Inc.
Hobbs, N.M.

Attachments

Bill: Please note this correction

NO. OF COPIES RECEIVED	6
DISTRIBUTION	
SANTA FE	1
FILE	1
U.S.G.S.	2
LAND OFFICE	1
OPERATOR	1

RECEIVED
NEW MEXICO OIL CONSERVATION COMMISSION

AUG 28 1978

AUG - 1 1978

O.C.C.

O.C.C.
ARTESIA, OFFICE

Form C-101
Revised 1-1-65

5A. Indicate Type of Lease
STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
5. State Oil & Gas Lease No.
M-19609

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work	7. Unit Agreement Name
b. Type of Well DRILL <input type="checkbox"/> DEEPEN <input type="checkbox"/> Re-Enter & PLUG BACK <input checked="" type="checkbox"/> OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER Brine Water Well SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>	8. Farm or Lease Name State "24"
2. Name of Operator Permian Brine Sales & Service, Inc. ✓	9. Well No. 1
3. Address of Operator P.O. Box 1591 Odessa, Texas 79760	10. Field and Pool, or Wildcat Wildcat
4. Location of Well UNIT LETTER <u>MJ</u> LOCATED <u>1987.9</u> FEET FROM THE <u>South</u> LINE AND <u>1930.4</u> FEET FROM THE <u>East</u> LINE OF SEC. <u>24</u> TWP. <u>18S</u> RGE. <u>28E</u> NMPM	12. County Eddy
15. Proposed Depth 680	19A. Formation Salt
21. Elevations (show whether DF, RT, etc.) 3503 G.L.	20. Rotary or C.T. C.T.
21A. Kind & Status Plug. Bond One Well- 5,000	21B. Drilling Contractor Not Selected Yet
22. Approx. Date Work will start July 25, 1978	

23. No. 610-031537-1 PROPOSED CASING AND CEMENT PROGRAM					
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
10"	8 5/8	24#	416'	50 sx	Sealed Off Water

ID 3009 P.A 7-12-55

We propose to re-enter the plugged and abandoned Nix & Curtis Gulf State #2 Well, clean out the surface plugs and mud to 2380', plug as shown below and hang 2 7/8" tubing in the open hole and circulate fresh water to dissolve rock salt and make brine.

PLUGS
Cement to surface behind 8 5/8" through 1"
Check plug reported @ 2320, if not as reported plug as follows
Spot a 35 sk plug 2280-2380
Spot a 35 sk plug 1800-1900
Spot a 35 sk plug 880- 980

Posted
AD-1 (CORRECTION)
9-1-78
Checked
last letter

APPROVAL VALID
FOR 90 DAYS UNLESS
DRILLING COMMENCED,

EXPIRES 11-7-78

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE PLUGOUT PREVENTER PROGRAM, IF ANY.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

Signed P. J. Schuman Title President Date 7-31-78

(This space for State Use)

APPROVED BY W. A. Gussert TITLE SUPERVISOR, DISTRICT II DATE AUG - 7 1978

CONDITIONS OF APPROVAL, IF ANY:

Notify N.M.O.C.C. in sufficient time to witness

Cementing & spotting plugs

Company Nix & Curtis

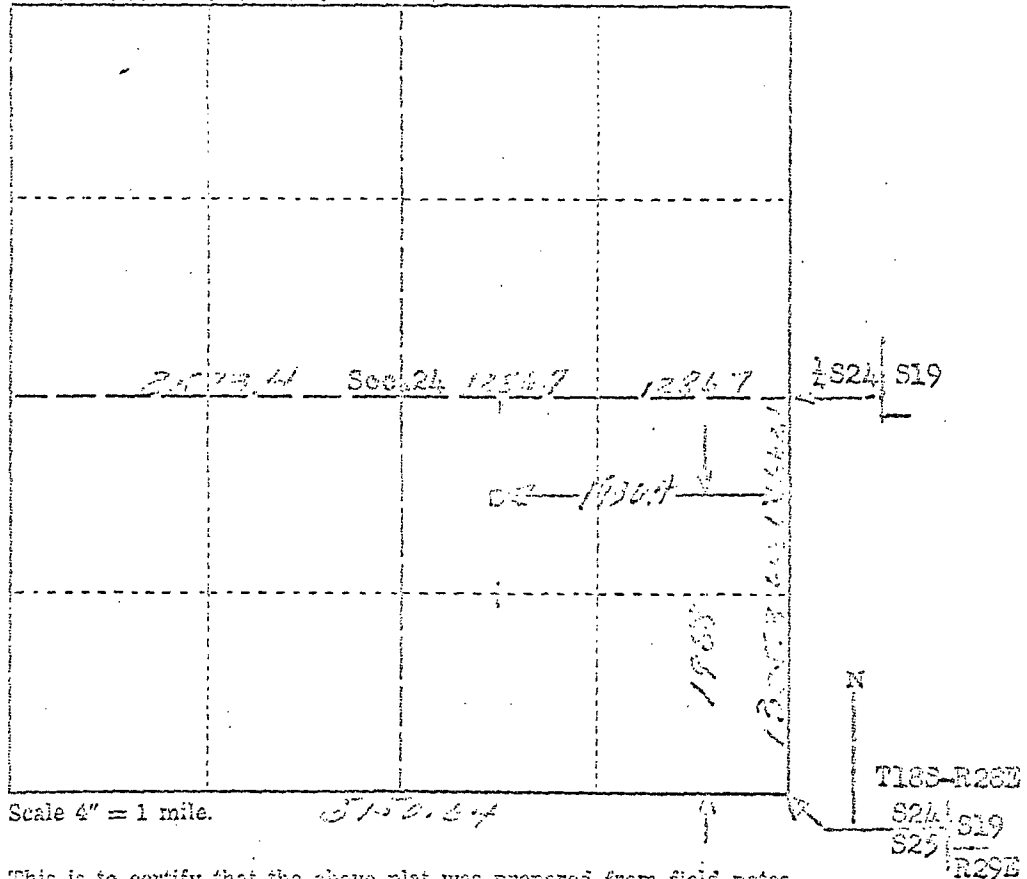
Lease Gulf State Well No. 2

Sec. 24 T. 28 S., R. 28 E., N.M.P.M.

Location NW 1/4 Sec. 24 (1987.9' from South Line & 1930.4' from East Line)

County Eddy New Mexico

Chained Distances 5711.44



This is to certify that the above plat was prepared from field notes of actual surveys made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief.

Seal:

Artesia, New Mexico

Registered Professional
Land Surveyor.

Surveyed March 16, 1955

17000 Advocate Print

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

Operator Permian Brine Sales & Service, Inc.			Lease		Well No. 1
Unit Letter M J	Section 24	Township 18 South	Range 28 East	County Eddy	
Actual Footage Location of Well: 1987.9 feet from the South line and 1930.4 feet from the East line					
Ground Level Elev. 3503	Producing Formation Salt		Pool Wildcat	Dedicated Acreage: 40 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation **DNA**

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) **DNA**

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.

Re-Entry of Nix & Curtis Gulf State No. 2 Survey Attached			
---	--	--	--

CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name **Hubert W. ...**
 Position **President**
 Company **Permian Brine Sales & Service, Inc.**
 Date **9-19-76**

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

Registered Professional Engineer and/or Land Surveyor

Certificate No.

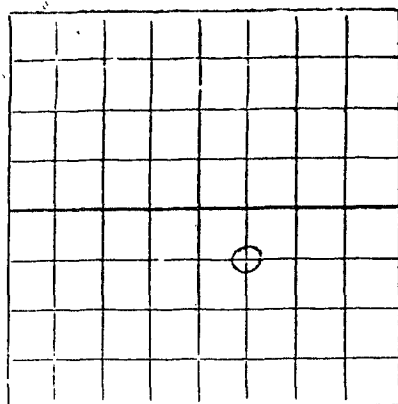
0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

Address Box 605, Artesia, New Mexico

NEW MEXICO OIL CONSERVATION COMMISSION

Santa Fe, New Mexico

WELL RECORD



AREA 640 ACRES
LOCATE WELL CORRECTLY

Mail to District Office, Oil Conservation Commission, to which Form C-101 was sent not later than twenty days after completion of well. Follow instructions in Rules and Regulations of the Commission. Submit in QUINTUPLICATE. If State Land submit 6 Copies

Elkhart and Jerry Martin Gulf State
(Company or Operator) (Lease)

Well No. 2 in 1/4 of 13 1/4 of Sec. 24 T. 18S R. 2E NMPM.

Unassigned Pool, 1/4 County.

Well is 1933 feet from South line and 1850 feet from East line of Section 24. If State Land the Oil and Gas Lease No. is 11595

Drilling Commenced March 19, 19 55 Drilling was Completed April 29, 19 55

Name of Drilling Contractor Boach & Shepard

Address Artesia, New Mexico

Elevation above sea level at Top of Tubing Head Ground 3503' The information given is to be kept confidential until 19

OIL SANDS OR ZONES

No. 1, from 920 to 930 No. 4, from to

No. 2, from 2335 to 2345 No. 5, from to

No. 3, from 2471 to 2983 No. 6, from to

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from 225 to 245 feet.

No. 2, from 2335 to 2345 feet.

No. 3, from 3004 to 3009 feet.

No. 4, from to feet.

CASING RECORD

SIZE	WEIGHT PER FOOT	NEW OR USED	AMOUNT	KIND OF SHOE	CUT AND PULLED FROM	PERFORATIONS	PURPOSE
8 5/8		Used	416		N/T		Water shut-off

MUDDING AND CEMENTING RECORD

SIZE OF HOLE	SIZE OF CASING	WHERE SET	NO. SACKS OF CEMENT	METHOD USED	MUD GRAVITY	AMOUNT OF MUD USED
10	8 5/8	416	50	Benton		

If drill-stem or other special tests or deviation surveys were made, submit report on separate sheet and attach hereto

Rotary tools were used from _____ feet to _____ feet, and from _____ feet to _____ feet.
Cable tools were used from 0 feet to 3009 feet, and from _____ feet to _____ feet.

Put to Producing..... 19.....

GAS WELL: The production during the first 24 hours was.....M.C.F. plus.....barrels of liquid Hydrocarbon. Shut in Pressure.....lbs.

Length of Time Shut in.....

PLEASE INDICATE BELOW FORMATION TOPS (IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE):

Northwestern New Mexico

T. Anhy.....	T. Devonian.....	T. Ojo Alamo.....
T. Salt..... 357	T. Silurian.....	T. Kirtland-Fruitland.....
B. Salt..... 689	T. Montoya.....	T. Farmington.....
T. Yates.....	T. Simpson.....	T. Pictured Cliffs.....
T. 7 Rivers.....	T. McKee.....	T. Menefee.....
T. Queen..... 1000	T. Ellenburger.....	T. Point Lookout.....
T. Grayburg.....	T. Gr. Wash.....	T. Mancos.....
T. San Andres..... 2013	T. Granite.....	T. Dakota.....
T. Glorieta.....	T.	T. Morrison.....
T. Drinkard.....	T.	T. Penn.....
T. Tubbs.....	T.	T.
T. Abo.....	T.	T.
T. Penn.....	T.	T.
T. Miss.....	T.	T.

FORMATION RECORD

From	To	Description	From	To	Description
0	20	Clay	2420	2440	Gr. line
20	30	Sand	2440	2460	Gr. line
30	40	Gravel	2460	2480	Gr. line
40	50	Sand	2480	2500	Gr. line
50	62	Gravel	2500	2520	Gr. line
62	99	R.Beds	2520	2540	Gr. line
99	112	Gravel	2540	2560	Gr. line
112	220	Sand & Gyp.	2560	2580	Gr. line
220	250	R.Beds	2580	2600	Gr. line
250	260	Sand & Gyp. (wtr. 225-245)	2600	2620	Gr. line
260	290	R.Beds	2620	2640	Gr. line
290	335	Gr. shale	2640	2660	Gr. line
335	370	R.Beds (Reduce hole at 309')	2660	2680	Gr. line
370	387	R.Beds & Gyp	2680	2700	Gr. line
387	400	Sand	2700	2720	Gr. line
400	420	Salt	2720	2740	Gr. line

250	250	R.Beds			13 1/3 gal.wtr.)
260	290	Gr. shale			Cr. sand line
290	335	R.Beds (reduce hole at 309')	2921	2935	Cr. line
355	390	R.Beds & gyp	2935	2953	Line (Test 30 min-20 gal.wtr.)
390	397	R.Beds	2953	2960	Cr. line
397	660	Salt	2960	2971	Line (Test 1 hr.-17 gal.wtr. no oil on top of wtr.)
600	865	Anhy	2971	2983	Cr. line
865	905	Bkn.Anhy			White line (Hole full of salt wtr.)
905	940	Anhy			T.D.
940	930	Brn.sand (Gas show)	2983	3004	
930	1045	Anhy	3004	3009	
1045	1040	Bkn.Anhy			
1040	1045	Anhy	3009	-	
1045	1045	Artificial solo			
1045	1045	Artificial measure out-1045-1045) Jan 1402-1404			
1415	1450	Anhy			
1450	1450	Anhy & line			
1450	1534	Anhy			
1534	1540	Brn.line			
1540	1545	Anhy			
1545	1545	Bkn.Anhy			
1545	1545	Anhy			
1545	1540	Bkn.anhy			
1540	1545	Anhy			
1545	1545	Red sand (Strung in 1550-1554)			
1545	1545	Brn.line & anhy			
1545	1540	Anhy & line			
1540	2001	Anhy (Tested-no wtr.)			
2000	2020	Gr. line			
2020	2030	Anhy			
2030	2055	Anhy & line			
2055	2076	Anhy			
2076	2080	Line			
2080	2110	Pink line			
2110	2140	Bkn.anhy			
2140	2150	Anhy			
2150	2150	Pink s.line			
2150	2176	Pink line			
2176	2215	Gr. line			
2215	2225	Gr. sand & B.P.			
2225	2271	Gr. line (Strung in 2271-2276)			
2325	2335	Sandy line			
2335	2345	Gr. sand (Tested 30 min-15 gal.wtr. light show oil)			
2345	2345	Sand			
2345	2410	Gr. line			
2410	2430	Gr. sandy line			
2430	2435	Gr. line			
2435	2440	Gr. sandy line			
2440	2453	Gr. line			
2453	2480	Pink line			
2480	2503	Gr. line			
2503	2515	Pink sandy line			
2515	2545	Pink & gr. line			
2545	2554	Pink line			
2554	2563	Gr. line (1 hr.test-15 gal.wtr.per hr.)			
2563	2595	Pink line			
2595	2600	Sandy line			
2600	2625	Pink line			
2625	2650	Pink gr. line			
2650	2670	White line			
2670	2675	Gr. line			
2675	2705	White line			
2705	2720	Gr. line			

County Eddy 3000' Undesignated* (Nichols)

NEW MEXICO OIL CONSERVATION COMMISSION

Nix & Curtis

Well No. 2

Lease Gulf State

1988' S. Line 1930' E. Line 24 18S 28E

State

Roach & Shepard

3-19-55

Completed 5-11-55

1850

2142

116

50

March 23, 1955 Drlg. 380' R.B.

580' 2142

1520

2225' li

2407' li

2862' ✓

3009' li

Wood, 100' sub wtr

3004' - 09'

NEW MEXICO OIL CONSERVATION COMMISSION

Santa Fe, New Mexico

MISCELLANEOUS REPORTS ON WELLS

Submit this report in TRIPLICATE to the District Office, Oil Conservation Commission, within 10 days after the work specified is completed. It should be signed and filed as a report on Beginning Drilling Operations, Results of test of casing shut-off, result of plugging of well, result of well repair, and other important operations, even though the work was witnessed by an agent of the Commission. See additional instructions in the Rules and Regulations of the Commission.

Indicate Nature of Report by Checking Below

REPORT ON BEGINNING DRILLING OPERATIONS		REPORT ON RESULT OF TEST OF CASING SHUT-OFF	X	REPORT ON REPAIRING WELL	
REPORT ON RESULT OF PLUGGING WELL		REPORT ON RECOMPLETION OPERATION		REPORT ON (Other)	

March 25, 1955

(Date)

Artesia, New Mexico

(Place)

Following is a report on the work done and the results obtained under the heading noted above at the

Ralph Nix and Jerry Curtis (Company or Operator) Gulf State (Lease)

Roach and Shepard (Contractor), Well No. 2 in the NW 1/4 SE 1/4 of Sec. 24

T. 18S, R. 28E, NMPM, Undesignated Pool, Eddy County

The Dates of this work were as follows: Ran pipe 3-22-55 and drilled out 3-24-55

Notice of intention to do the work ~~was~~ (was not) submitted on Form C-102 on _____, 19____
(Cross out incorrect words)

and approval of the proposed plan (was) (was not) obtained. Notice given on form C-101 and permission obtained from Mr. Hanson after he was notified by phone.

DETAILED ACCOUNT OF WORK DONE AND RESULTS OBTAINED

T.D. 416 set. Top salt 397. Water at 240.

On March 22, cemented 416 ft. of 8 5/8" csg. with 50 sax.

On March 24, drilled out cement and tested. Had water shut off.

Witnessed by: E.J. Shepard (Name) Roach & Shepard (Company) Partner (Title)

Approved: OIL CONSERVATION COMMISSION

[Signature]
(Name)

(Title)

(Date)

I hereby certify that the information given above is true and complete to the best of my knowledge.

Name: *[Signature]*

Position: Co-owner

Representing: Nix & Curtis

Address: Box 605, Artesia, New Mexico

NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

NOTICE OF INTENTION TO DRILL OR RECOMPLETE

Notice must be given to the District Office of the Oil Conservation Commission and approval obtained before drilling or recompletion begins. If changes in the proposed plan are considered advisable, a copy of this notice showing such changes will be returned to the sender. Submit this notice in QUINTUPLICATE. One copy will be returned following approval. See additional instructions in Rules and Regulations of the Commission.

Artesia, New Mexico
(Place)March 17, 1955
(Date)OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Gentlemen:

You are hereby notified that it is our intention to commence the (Drilling) (~~Recompletion~~) of a well to be known as

Ralph Nix and Jerry Curtis

(Company or Operator)

Gulf State

(Lease)

Well No. 2, in J - The well is

(Unit)

located 1988 feet from the South line and 1930 feet from the

East line of Section 24, T. 18S, R. 28E, NMPM.

(GIVE LOCATION FROM SECTION LINE) Undesignated Pool, Eddy County

If State Land the Oil and Gas Lease is No. E-11595

If patented land the owner is

Address

We propose to drill well with drilling equipment as follows: Cable tools to T.D.

The status of plugging bond is: Statewide bond.

Drilling Contractor Roach & Shepard

We intend to complete this well in the San Andres formation at an approximate depth of 3000 feet.

CASING PROGRAM

We propose to use the following strings of Casing and to cement them as indicated:

Size of Hole	Size of Casing	Weight per Foot	New or Second Hand	Depth	Sacks Cement
10"	8 5/8	24	New	340	Set
8"	5 1/2	15 1/2	New	2900	50

If changes in the above plans become advisable we will notify you immediately.

ADDITIONAL INFORMATION (If recompletion give full details of proposed plan of work.)

We will keep Mr. Hanson advised as to conditions so he can direct any changes needed in pipe program.

Ground Elevation 3503'

Approved _____, 19____
Except as follows:

Sincerely yours,

Ralph Nix & Jerry Curtis
(Company or Operator)

By: Jerry Curtis

Position: Co-owner

Send Communications regarding well to

Name: Nix & Curtis

Address: Box 605

Artesia, New Mexico

OIL CONSERVATION COMMISSION

By: L. C. Hanson

Title _____

Company Nix & Curtis

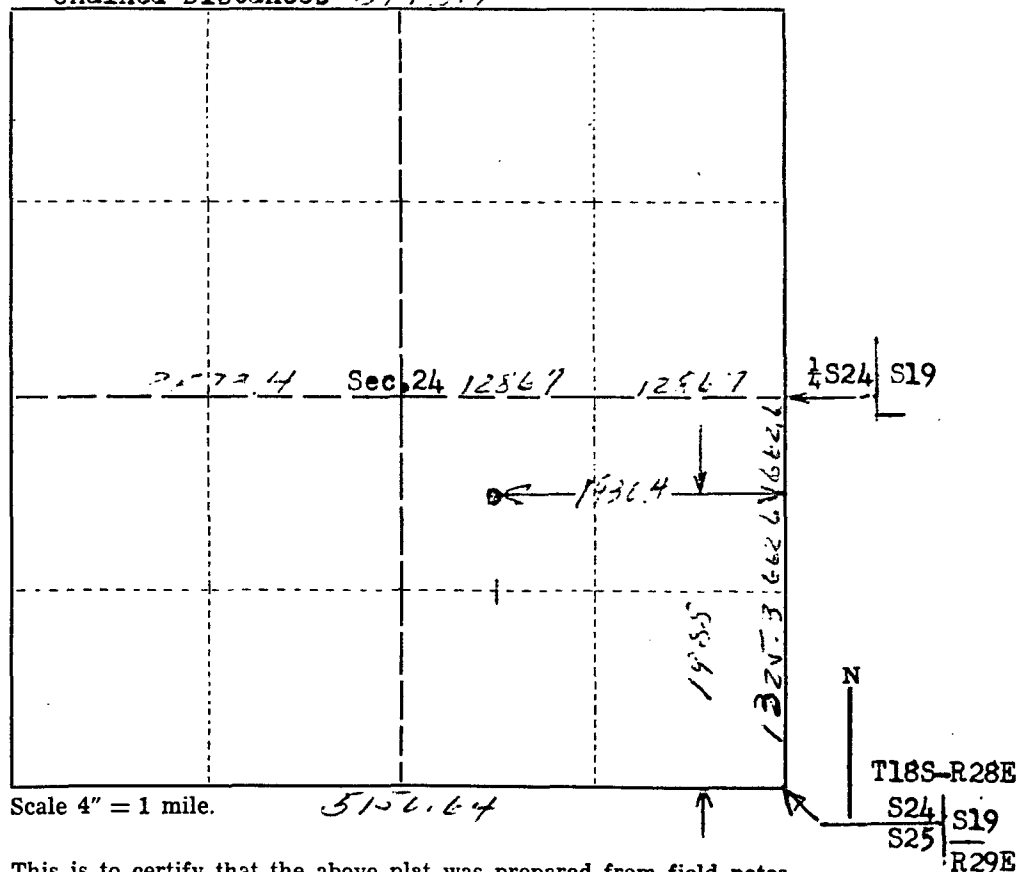
Lease Gulf State Well No. 2

Sec. 24 T. 18 S., R. 28 E., N.M.P.M.

Location NW 1/4 Sec. 24 (1987.9' from South Line & 1930.4' from East Line)

County Eddy New Mexico

Chained Distances 5143.4



This is to certify that the above plat was prepared from field notes of actual surveys made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief.

Seal:

Artesia, New Mexico

William C. Motter Jr.
Registered Professional
~~Engineer~~ Land Surveyor.

Surveyed March 16, 1955

17532 Advocate Print

BILL GUSSETT

7-28-78

Mr. Hickerson

This would be my recommendation
for preparing this well
for a Brine Supply well.

Bill Gussett

Bond # 610 031537 1

approved 7-27-78

5000'

5000

surface

Cement around 8 7/8" of surface.

very little plug @ 400.

Good plug @ 1500' solid

To run log to 1500' spot 355X

Pick up to 1050' & at 50 or 755X

OK go ahead.

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SANTA FE	
FILE	
U.S.G.S.	
LAND OFFICE	
OPERATOR	

NEW MEXICO CONSERVATION COMMISSION

JUL 18 1978

O. C. C.
ARTESIA, OFFICE

Form C-101
Revised 1-1-65

5A. Indicate Type of Lease	
STATE <input checked="" type="checkbox"/>	FEE <input type="checkbox"/>
5. State Oil & Gas Lease No.	
M-19609	
7. Unit Agreement Name	
8. Farm or Lease Name	
State "24"	
9. Well No.	
1	
10. Field and Pool, or Wildcat	
Wildcat	
12. County	
Eddy	
19. Proposed Depth	19A. Formation
680	Salt
20. Rotary or C.T.	
C.T.	
Elevations (Show whether DF, RT, etc.)	21A. Kind & Status Plug. Bond
3503 G.L.	One Well - 5,000
21B. Drilling Contractor	
Not Selected Yet	
22. Approx. Date Work will start	
July 25, 1978	

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1. Type of Work

2. Type of Well

DRILL ☐ DEEPEN ☐ Re-Enter & PLUG BACK ☒

OIL WELL ☐ GAS WELL ☐ OTHER ☐ Brine Water Well ☒ SINGLE ZONE ☒ MULTIPLE ZONE ☐

Name of Operator

Permian Brine Sales & Service, Inc.

Address of Operator

P.O. Box 1591 Odessa, Texas 79760

Location of Well

UNIT LETTER M LOCATED 1987.9 FEET FROM THE South LINE

1930.4 FEET FROM THE East LINE OF SEC. 24 TWP. 18S RGE. 28E NMPM

19. Proposed Depth

680

19A. Formation

Salt

20. Rotary or C.T.

C.T.

Elevations (Show whether DF, RT, etc.)

3503 G.L.

21A. Kind & Status Plug. Bond

One Well - 5,000

21B. Drilling Contractor

Not Selected Yet

22. Approx. Date Work will start

July 25, 1978

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
10"	8 5/8	24#	416'	50 sx	Sealed Off Water

We propose to re-enter the plugged and abandoned Nix & Curtis Gulf State #2 well, clean out the surface plugs and mud to 740', 80' below the bottom of the salt at 680'; set a 80' cement plug, hang 2 7/8" tubing in the open hole and circulate fresh water to dissolve rock salt and make brine.

Cement to surface behind 8 5/8" through 1"
Check plug reported @ 2720 if not as reported plug as follows
Spot a 35 SK plug 2280-2380
" " 35 SK " 1800-1900
" " 35 SK " 880-980

BOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTION. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

Operator certifies that the information above is true and complete to the best of my knowledge and belief.

By John W. McPherson Title President Date 7-17-78

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

** as noted*

INVENTORY OF SOLUTION MINING WELLS

OIL CONSERVATION DIVISION, 1981

B2

* = please attach pertinent documents

I. OPERATOR / LOCATION INFORMATION

Operator Permian Brine SalesAddress P.O. Box 1591, Odessa Tx. 79760Phone 1-915-332-0531 Mr. HickersonWell unit # 1 Lse. St. 24 Location 1987.9 FSL & 1930.4 FEL.T. 18 S R. 28 E Sec. 24 NE 1/4 NW 1/4 SE 1/4 Ut. J.County Eddy .341

Purpose of well (brine supply, LPG storage, potash dissolution) _____

BRINE SUPPLY

II. DRILLING / SITING INFORMATION

Contractor ROACH & SHEPARD, ARTESIA, N.M. NO LONGER A CO.Date drilling started 3-19-55 Date drilling completed 5-4-55Drilling method CABLE TOOLElevation of ground surface 3503 How measured SURVEYED ^{1) DISTANCE ON GROUND CHAINED} 2) Eng. level - Transit?Date measured 3/16/55 Order of survey _____Name of surveyor JOHN A. MATHIS - C-102 FILED FOR RE-ENTRY OF NIX-CURTIS GULF ST#2
ON 7-17-78.Total depth of hole *PB TO 740'.ORIG. TO 3009' PER DRY.

Attach schematic of well, include open hole interval, perforations, etc. *

Type of drilling fluid _____

Type of drilling mud if used (brand if known) _____

List any additives to the drilling mud, or any other chemicals put down well:

Describe casing tests performed Fluid shut off 170# NO leaks indic. by meter.
Csg. tested to 400'. Csg. & cavern tested to 170# NO leak.

Other tests _____

* = please attach pertinent documents

II. DRILLING / SITING (continued)

Casing, tubing, and cementing record (please attach copy)*

Note: if a copy is not available detail casing record on back of this sheet using the following format. Include brand or type of cement if known.

From	To	Size of Hole	Size of Casing	Weight per Foot	Sacks of Cement	Estimated Top of cmt.
------	----	--------------	----------------	-----------------	-----------------	-----------------------

Was mudcake on bore wall removed before cementing production casing? _____

Was salt saturated cementing material used opposite salt formation? NO

Is site within 1/2 mile of another well? If so, use note to explain. yes

Producing Morrow Gas Well HEYCO TRAVIS 24 St. COM #1 H-24-18-28, Anadarko Prod. Co.

Turkey Track St. Com. #2 F-25-18-28 (SI) MORROW GAS WELL - Anadarko Mobil St. #1 F-24-18-28

TA. TD 2950

Site preparation (concrete pad, graded dirt, pit, etc) Graded Dirt & caliche.

Type of surface seal or well-head (locking security cap, welded, etc.) _____

WELL-HEAD SEE ATTACHMENT

Comments (include problems encountered while drilling, loss of circulation, deviation of hole from vertical, centralizers used, tools lost or stuck, fracturing techniques used, etc.) Wtr. @ 225-45'. Show gas. 920-30

wtr. @ 2335-45, 2534-63, 2850-2921, 2953-60, 2971-2983 3004'-09

hole full of salt H₂O.

(use back of sheet if more space is required)

Drilled in 2 steps in 1955 (to 3004) & plugged back to 340

Re-entered in 1976; ~~re-entered~~ sand plugs other than reported in 1955; ² ~~union~~ ^{city} plugged back to 740'

Leak at 42 cement

NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

(Form C-102)
(Revised 7/1/52)

RECEIVED
MAY 24 1955

MISCELLANEOUS REPORTS ON WELLS

Submit this report in TRIPLICATE to the District Office, Oil Conservation Commission, within 10 days after the work specified is completed. It should be signed and filed as a report on Beginning Drilling Operations, Results of test of casing shut-off, result of plugging of well, result of well repair, and other important operations, even though the work was witnessed by an agent of the Commission. See additional instructions in the Rules and Regulations of the Commission.

Indicate Nature of Report by Checking Below

REPORT ON BEGINNING DRILLING OPERATIONS		REPORT ON RESULT OF TEST OF CASING SHUT-OFF		REPORT ON REPAIRING WELL	
REPORT ON RESULT OF PLUGGING WELL	<input checked="" type="checkbox"/>	REPORT ON RECOMPLETION OPERATION		REPORT ON (Other)	

May 20, 1955

Artesia, New Mexico

(Date)

(Place)

Following is a report on the work done and the results obtained under the heading noted above at the

Ralph Nix and Jerry Curtis

(Company or Operator)

Gulf-State #2

(Lease)

Roach and Shepard

(Contractor)

Well No. 2 in the NW 1/4 SE 1/4 of Sec. 24

T. 18S, R. 28E, NMPM, Undesignated Pool, Eddy County.

The Dates of this work were as follows: May 14, 1955

Notice of intention to do the work (was not) submitted on Form C-102 on _____, 19____,

(Cross out incorrect words)

and approval of the proposed plan (was not) obtained. Orally from Mr. Hanson.

DETAILED ACCOUNT OF WORK DONE AND RESULTS OBTAINED

T.D. 3009'. Used Denton Cementing Company.
Pumped 15 sack cement on bottom back to 2965'.
Pumped mud back to 2350' and pumped cement from 2350 to 2320.
Pumped mud to 420' and cement from 420' to 390'.
Mudded to top and cemented marker.

Witnessed by C.E. Roach (Name) Roach and Shepard (Company) Co-owner (Title)

Approved: OIL CONSERVATION COMMISSION

H.A. Johnson (Name)

I hereby certify that the information given above is true and complete to the best of my knowledge.

Name: Jerry Curtis

Position: Co-owner

Representing: Ralph Nix & Jerry Curtis

Address: Box 605, Artesia, New Mexico

Oil and Gas Inspector (Title) JUL 12 1955 (Date)

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FILE	1
U.S.G.S.	2
LAND OFFICE	1
OPERATOR	1

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AUG 28 1978

AUG - 1 1978

O. C. C.

O. C. C.
ARTEBIA, OFFICE

Form C-101
Revised 1-1-65

5A. Indicate Type of Lease
STATE ☒ FEE ☐
5. State Oil & Gas Lease No.
M-19609

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work DRILL <input type="checkbox"/> DEEPEN <input type="checkbox"/> Re-Enter & PLUG BACK <input checked="" type="checkbox"/>		7. Unit Agreement Name
b. Type of Well OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER Brine Water Well <input checked="" type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		8. Farm or Lease Name State "24"
2. Name of Operator Permian Brine Sales & Service, Inc.		9. Well No. 1
3. Address of Operator P.O. Box 1591 Odessa, Texas 79760		10. Field and Pool, or Wildcat Wildcat
4. Location of Well UNIT LETTER <u>HJ</u> LOCATED 1987.9 FEET FROM THE South LINE AND 1930.4 FEET FROM THE East LINE OF SEC. 24 TWP. 18S RGE. 28E NMPM		12. County Eddy
19. Proposed Depth 680		19A. Formation Salt
20. Rotary or C.T. C.T.		
21. Elevations (show whether DF, RT, etc.) 3503 G.L.	21A. Kind & Status Plug. Bond One Well- 5,000	21B. Drilling Contractor Not Selected Yet
22. Approx. Date Work will start Aug 25, 1978		

23. No. 610-031537-1
PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
10"	8 5/8	24#	416'	50 sx	Sealed Off Water

ID 3009 P.A 7-12-55

We propose to re-enter the plugged and abandoned Nix & Curtis Gulf State #2 Well, clean out the surface plugs and mud to 2380', plug as shown below and hang 2 7/8" tubing in the open hole and circulate fresh water to dissolve rock salt and make brine.

PLUGS

Cement to surface behind 8 5/8" through 1"
Check plug reported @ 2320, if not as reported plug as follows
Spot a 35 sk plug 2280-2380
Spot a 35 sk plug 1800-1900
Spot a 35 sk plug 880-980

Tested
MD-1 (CORRECTION)
9-1-78
changed
unit letter

APPROVAL VALID
FOR 90 DAYS UNLESS
DRILLING COMMENCED,

EXPIRES 11-7-78

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE PLUGOUT PREVENTER PROGRAM, IF ANY.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

Signed W. J. Anderson Title President Date 7-31-78

(This space for State Use)

APPROVED BY W. A. Gussert TITLE SUPERVISOR, DISTRICT II DATE AUG - 7 1978

CONDITIONS OF APPROVAL, IF ANY:

Notify N.M.O.C.C. in sufficient time to witness

Cementing & spotting plugs

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OPERATOR		

NEW MEXICO OIL CONSERVATION COMMISSION

RECEIVED

DEC 28 1978

J. C. C.

Form C-103
Supersedes Old
C-102 and C-103
Effective 1-1-65

5a. Indicate Type of Lease State <input checked="" type="checkbox"/> Fee <input type="checkbox"/>
5. State Oil & Gas Lease No. M-19609
7. Unit Agreement Name
8. Farm or Lease Name STATE "24"
9. Well No. 1
10. Field and Pool, or Wildcat WILDCAT
12. County EDDY

SUNDY NOTICES AND REPORTS ON WELLS

ARTESIA, OFFICE

DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR.
AN APPLICATION FOR PERMIT (FORM C-101) FOR SUCH PROPOSALS.

OIL <input type="checkbox"/> WELL <input type="checkbox"/>	1. Well Name BRINE WATER WELL
2. Name of Operator PERMIAN BRINE SALES & SERVICE, INC.	
3. Address of Operator P. O. Box 1591, Odessa, Texas 79760	
4. Location of Well WELL LETTER <u>JA</u> <u>1987.9</u> FEET FROM THE <u>South</u> LINE AND <u>1930.4</u> FEET FROM THE <u>East</u> LINE, SECTION <u>24</u> TOWNSHIP <u>18 S</u> RANGE <u>28 E</u> N.M.P.M.	
15. Elevation (Show whether DF, RT, GR, etc.) 3503 G.L.	

Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

SUBSEQUENT REPORT OF:

PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER <input type="checkbox"/>		Alter plugging program and complete. <input checked="" type="checkbox"/>	

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

Cleaned out surface plug. No Plug at 420-390. Cleaned out and bailed to 1540 feet. Hit cement plug. Called Bill Gressett and received approval to plug as follows:

35 sacks - 1540' - 1400'
50 sacks - 1000' - 740'

Dowell did cementing. Completed by hanging 2-7/8" tubing in open hole in salt section @ 660'.

I, I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNED A. L. Hickerson TITLE President DATE 12-27-78

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

N. OF COPIES RECEIVED	5
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LAND OFFICE	
OPERATOR	3

RECEIVED
NEW MEXICO OIL CONSERVATION COMMISSION

JAN 15 1979

Form C-103
Supersedes Old
C-102 and C-103
Effective 1-1-65

5a. Indicate Type of Lease State <input checked="" type="checkbox"/> Fee <input type="checkbox"/>
5. State Oil & Gas Lease No. M-19609
7. Unit Agreement Name
8. Farm or Lease Name State "24"
9. Well No. 1
10. Field and Pool, or Wildcat Wildcat
12. County Eddy

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR.
USE "APPLICATION FOR PERMIT -" (FORM C-101) FOR SUCH PROPOSALS.)

OIL WELL <input type="checkbox"/>	GAS WELL <input type="checkbox"/>	OTHER- Brine Water Well.
1. Name of Operator Permian Brine Sales & Service, Inc. ✓		
2. Address of Operator P.O. Box 1591, Odessa, Texas 79760		
3. Location of Well UNIT LETTER J 1987.9 FEET FROM THE South LINE AND 1930.4 FEET FROM East LINE, SECTION 24 TOWNSHIP 18S RANGE 28E NMPM.		
15. Elevation (Show whether DF, RT, GR, etc.) 3503 G.L.		

Check Appropriate Box To Indicate Nature of Notice, Report or Other Data
NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF:

PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	OTHER Alter plugging program and complete. <input checked="" type="checkbox"/>

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

Cable tool rig moved in on 12-15-78 and started work on 12-16-78
Cleaned out surface plug. No plug at 420-390. Cleaned out and
bailed to 1540 feet. Hit cement plug. Called Bill Gressett on
12-18-78 and received approval to plug as follows:

35 sacks - 1540' - 1400'
50 sacks - 1000' - 740'

Dowell did cementing. Completed by hanging 2 7/8" tubing in open
hole in salt section @ 660', after tagging top of cement plug at
740' on 12-19-78.

When top of P&A well uncovered found old cellar full of cement; top
of 8 5/8" casing had cement all around it so no additional cement
put down casing and hole annulus.

*Beated IP-2
Prime Supply Well
1-26-79*

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNED <i>W. A. Gressett</i>	TITLE President	DATE 1-12-79
APPROVED BY <i>W. A. Gressett</i>	TITLE SUPERVISOR, DISTRICT II	DATE JAN 23 1979
CONDITIONS OF APPROVAL, IF ANY:		

NO. OF COPIES RECEIVED	6
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SANTA FE	1
FILE	1
U.S.G.S.	22
LAND OFFICE	1
OPERATOR	

RECEIVED
 NEW MEXICO OIL CONSERVATION COMMISSION
 WELL COMPLETION OR RECOMPLETION REPORT AND LOG
 JAN 15 1979

Form O-105
 Revised 10-68

5a. Indicate Type of Lease	State <input checked="" type="checkbox"/> Fee <input type="checkbox"/>
5b. State Oil & Gas Lease No.	M-19609

O. C. C.

ARTESIA, OFFICE

1. TYPE OF WELL	Brine Water Well
2. TYPE OF COMPLETION	Re-Entry

3. State of Completion	State "24"
4. Section	1

Jerian Brine Sales & Service, Inc. ✓
 P.O. Box 1591 Odessa, Texas 79760

Wildcat

3. Location of Well
 J 1987.9 South 1930.4
 East 24 18S 28E

Eddy

15. Date Logged	12-15-78	16. Date T.D. Reached	12-18-78	17. Date Compl. (Ready to Prod.)	12-19-78	18. Elevations (DF, RKB, RT, GR, etc.)	3503 G.L.	19. Elev. Casinghead	3505
20. Total Depth	1540	21. Plug back T.D.	660-740	22. If Multiple Compl., How Many		23. Intervals Drilled By	Rotary Tools	Cable Tools	X
24. Producing Interval(s), of this completion - Top, Bottom, Name								25. Was Directional Survey Made	
Top 416' Bottom 680' Rock Salt								No	
26. Type Electric and Other Logs Run								27. Was Well Cored	
None								No	

28. CASING RECORD (Report all strings set in well)					
CASING SIZE	WEIGHT LB./ FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8 5/8"	24"	416'	10"	50SX	None
Cleaned out to 1540'. Set 35SX plug from 1540-1400 and a 50SX plug from 1000-740' hung tubing in open salt section @ 660'					

29. LINER RECORD					30. TUBING RECORD		
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
	None				2 7/8"	660'	No

31. Perforation Record (Interval, size and number)				32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.							
None				<table border="1"> <tr> <td>DEPTH INTERVAL</td> <td>AMOUNT AND KIND MATERIAL USED</td> </tr> <tr> <td>None</td> <td></td> </tr> </table>				DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED	None	
DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED										
None											

33. PRODUCTION							
Date First Production		Production Method (Flowing, gas lift, pumping - Size and type pump)				Well Status (Prod. or Shut-in)	
Date of Test	Hours Tested	Choke Size	Prod'n. Per Test Period	Oil - Bbl.	Gas - MCF	Water - Bbl.	Gas-Oil Ratio
Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl.	Gas - MCF	Water - Bbl.	Oil Gravity - API (Corr.)	

34. Disposition of Gas (Sold, used for fuel, vented, etc.)	Test Witnessed By
--	-------------------

35. List of Attachments

36. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief.		
SIGNED	TITLE	DATE
<i>[Signature]</i>	President	1-12-79

NO. OF COPIES RECEIVED	3
DISTRIBUTION	
SANTA FE	1
FILE	1
U.S.G.S.	
LAND OFFICE	
OPERATOR	1

RECEIVE MEXICO OIL CONSERVATION COMMISSION

JAN 25 1979

O. C. C.
ARTESIA, OFFICE

Supersedes Old
C-102 and C-103
Effective 1-1-65

5a. Indicate Type of Lease	State <input checked="" type="checkbox"/> Fee <input type="checkbox"/>
5. State Oil & Gas Lease No.	M-19609
7. Unit Agreement Name	
8. Form or Lease Name	State "24"
9. Well No.	1
10. Field and Pool, or Wildcat	Wildcat
12. County	Eddy

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO REFINISH WELLS BACK TO A DIFFERENT RESERVOIR. USE APPLICATION FOR PERMIT - FORM C-101, FOR SUCH PROPOSALS.)

1. ☐ OIL WELL ☐ GAS WELL ☐ OTHER- Brine Water Well

2. Name of Operator
Permian Brine Sales & Service, Inc.

3. Address of Operator
P. O. Box 1591

4. Location of Well
UNIT LETTER J 1987.9 FEET FROM THE South LINE AND 1930.4 FEET FROM
THE East LINE, SECTION 24 TOWNSHIP 18S RANGE 28E N.M.P.M.

15. Elevation (Show whether DF, RT, GR, etc.)
3503 G.L.

16. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input checked="" type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER <input type="checkbox"/>	CASING TEST AND CEMENT JOBS <input type="checkbox"/>	

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

After completion as shown on Form C-105, dated 1-12-79, it was found that there was a hole in the 8 5/8" casing at 42". After consultation with Mike Williams, we squeezed the hole with 100 sacks of cement containing 3% CaCl₂. We then dug out the cement from around the top of the 8 5/8" casing and filled up the hole around the casing with 4 yards of concrete mix. We drilled out the cement plug and tested the casing to 400' with 170# pressure. Meter on water line indicated no leak. We then drilled out the plug at 400 ft. and tested the casing and cavern to 170#. Again the water meter indicated no leak. The 2 7/8 tubing was hung in the open hole and the well head reinstalled for service.

18. I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNED <u>W. A. Gussert</u>	TITLE <u>President</u>	DATE <u>1-23-79</u>
APPROVED BY <u>W. A. Gussert</u>	TITLE <u>SUPERVISOR, DISTRICT II</u>	DATE <u>JAN 26 1979</u>

CONDITIONS OF APPROVAL, IF ANY:

NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

(Form 1-1-53)
(Revised 7/1/52)

MAR 26 1955

MISCELLANEOUS REPORTS ON WELLS

Submit this report in TRIPLICATE to the District Office, Oil Conservation Commission, within 10 days after the work specified is completed. It should be signed and filed as a report on Beginning Drilling Operations, Results of test of casing shut-off, result of plugging of well, result of well repair, and other important operations, even though the work was witnessed by an agent of the Commission. See additional instructions in the Rules and Regulations of the Commission.

Indicate Nature of Report by Checking Below

REPORT ON BEGINNING DRILLING OPERATIONS		REPORT ON RESULT OF TEST OF CASING SHUT-OFF	<input checked="" type="checkbox"/>	REPORT ON REPAIRING WELL	
REPORT ON RESULT OF PLUGGING WELL		REPORT ON RECOMPLETION OPERATION		REPORT ON (Other)	

March 25, 1955

(Date)

Artesia, New Mexico

(Place)

Following is a report on the work done and the results obtained under the heading noted above at the

Ralph Nix and Jerry Curtis (Company or Operator) Gulf-State (Lease)

Roach and Shepard (Contractor), Well No. 2 ✓ in the NW 1/4 SE 1/4 of Sec. 24 ✓

T. 18S, R. 28E, NMPM, Undesignated ✓ Pool, Eddy County.

The Dates of this work were as follows: Ran pipe 3-22-55 and drilled out 3-24-55

Notice of intention to do the work ~~was~~ (was not) submitted on Form C-102 on _____, 19____, (Cross out incorrect words)

and approval of the proposed plan (was) (was not) obtained. Notice given on form C-101 and permission obtained from Mr. Hanson after he was notified by phone.

DETAILED ACCOUNT OF WORK DONE AND RESULTS OBTAINED

T.D. 416 set. Top salt 397. Water at 240.

On March 22, cemented 416 ft. of 8 5/8" csg. with 50 sax.

On March 24, drilled out cement and tested. Had water shut off.

Witnessed by E.J. Shepard (Name) Roach & Shepard (Company) Partner (Title)

Approved: OIL CONSERVATION COMMISSION

H. C. Hanson (Name)

Oil and Gas Inspector (Title)

I hereby certify that the information given above is true and complete to the best of my knowledge.

Name Jerry Curtis

Position Co-owner

Representing Nix & Curtis

Address Box 605, Artesia, New Mexico

* = please attach pertinent documents

III. FORMATION INFORMATION

			Formation Record
From	To	Thickness	Formation (name, description)

SEE ATTACHED FM. REPORT.

Logs (specify type) NO Electrical logs on file w/OCD. on subject well

OFFSET TO N. (Gamma ray-Neutron on Simms/Reese Gulf St. #1 330ESL/330FEL. 24-18-28
TID 2324' (logger)

Identify where logs are on file NMOCD ARTESIA.

REC) OF DRILL-STEM AND SPECIAL TESTS

If drill-stem or other special tests or deviation surveys were made, submit report on separate sheet and attach hereto

TOOLS USED

ary tools were used from.....feet to.....feet, and from.....feet to.....feet.
ble tools were used from.....0.....feet to.....3009.....feet, and from.....feet to.....feet.

PRODUCTION

t to Producing....., 19.....

L WELL: The production during the first 24 hours was.....barrels of liquid of which.....% was
was oil;% was emulsion;% water; and.....% was sediment. A.P.I.
Gravity.....

S WELL: The production during the first 24 hours was.....M.C.F. plus.....barrels of
liquid Hydrocarbon. Shut in Pressure.....lbs.

length of Time Shut in.....

PLEASE INDICATE BELOW FORMATION TOPS (IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE):

Southeastern New Mexico

Northwestern New Mexico

Anhy.....	T. Devonian.....	T. Ojo Alamo.....
Salt.....397	T. Silurian.....	T. Kirtland-Fruitland.....
Salt.....680	T. Montoya.....	T. Farmington.....
Yates.....	T. Simpson.....	T. Pictured Cliffs.....
7 Rivers.....	T. McKee.....	T. Menefee.....
Queen R.Sd. 1830	T. Ellenburger.....	T. Point Lookout.....
Grayburg.....	T. Gr. Wash.....	T. Mancos.....
San Andres.....2643	T. Granite.....	T. Dakota.....
Glorieta.....	T.	T. Morrison.....
Drinkard.....	T.	T. Penn.....
Tubbs.....	T.	T.
Abo.....	T.	T.
Penn.....	T.	T.
Miss.....	T.	T.

FORMATION RECORD

From	To	Formation	From	To	Formation
0	20	Caliche	2720	2740	White line
20	30	Sand	2740	2760	Gravel

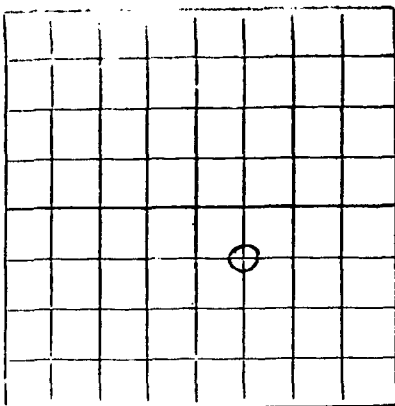
NEW MEXICO OIL CONSERVATION COMMISSION

Santa Fe, New Mexico

MAY 24 1955

WELL RECORD

Mail to District Office, Oil Conservation Commission, to which Form C-101 was sent not later than twenty days after completion of well. Follow instructions in Rules and Regulations of the Commission. Submit in QUINTUPLICATE. If State Land submit 6 Copies

AREA 640 ACRES
LOCATE WELL CORRECTLYRalph Hix and Jerry Curtis
(Company or Operator)Gulf-State
(Lease)

Well No. 2 ✓, in NW 1/4 of SE 1/4, of Sec. 24 ✓, T. 18S, R. 28E, NMPM.

Undesignated ✓

Pool,

Eddy

County.

Well is 1988 ✓ feet from South line and 1930 ✓ feet from East line

of Section 24. If State Land the Oil and Gas Lease No. is B-11595

Drilling Commenced March 19, 1955. Drilling was Completed April 29, 1955

Name of Drilling Contractor Rouch & Shepard

Address Artesia, New Mexico

Elevation above sea level at top of casing head round 3503. The information given is to be kept confidential until

, 19

OIL SANDS OR ZONES

No. 1, from 920 to 930 No. 4, from to

No. 2, from 2335 to 2345 No. 5, from to

No. 3, from 2971 to 2983 No. 6, from to

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from 225 to 245 feet.

No. 2, from 2335 to 2345 feet.

No. 3, from 3004 to 3009 feet.

No. 4, from to feet.

CASING RECORD

SIZE	WEIGHT PER FOOT	NEW OR USED	AMOUNT	KIND OF SHOE	CUT AND PULLED FROM	PERFORATIONS	PURPOSE
8 5/8		Used	416		NOT		Water shut-off

MUDDING AND CEMENTING RECORD

SIZE OF HOLE	SIZE OF CASING	WHERE SET	NO. SACKS OF CEMENT	METHOD USED	MUD GRAVITY	AMOUNT OF MUD USED
10	8 5/8	416	50	Denton		

RECORD OF PRODUCTION AND STIMULATION

(Record the Process used, No. of Qts. or Gals. used, interval treated or shot.)

Result of Production Stimulation

Depth Cleaned Out

From	To	Formation	From	To	Formation
0	20	Caliche	2720	2740	White lime
20	30	Sand	2740	2768	Gr. lime
30	40	Gravel	2768	2788	Brn. lime
40	50	Sand	2788	2803	Dark lime
50	62	Gravel	2803	2820	Sand & lime
62	99	R. Beds	2820	2829	Gr. lime
99	112	Gravel	2829	2836	Brn. lime
112	220	R&B. Beds	2836	2850	Dark lime
220	250	Sand & Gyp. (wtr. 225-245)	2850	2921	Gr. lime (Tested 1 hr.- 18 1/3 gal. wtr.)
250	260	R. Beds	2921	2935	Gr. sandy lime
260	290	Gr. shale	2935	2953	Gr. lime
290	335	R. Beds (Reduce hole at 309')	2953	2960	Lime (Test 30 min- 20 gal. wtr.)
335	390	R. Beds & gyp	2960	2971	Gr. lime
390	397	R. Beds	2971	2983	Lime (Tested 1 hr.- 47 gal. wtr. & show of oil on top of wtr.)
397	680	Salt	2983	3004	Gr. lime
680	865	Anhy	3004	3009	White lime (Hole full of salt wtr.)
865	905	Bkn. Anhy	3009	-	T.D.
905	920	Anhy			
920	930	Brn. sand (Gas show)			
930	1045	Anhy			
1045	1080	Bkn. Anhy			
1080	1355	Anhy			
1355	1390	Anhy & dolo			
1390	1415	Anhy (Corrected measurement- 1384-1393) Ran SLM 1402-1404			
1415	1450	Anhy			
1450	1488	Anhy & lime			
1488	1534	Anhy			
1534	1540	Brn. lime			
1540	1675	Anhy			
1675	1745	Bkn. Anhy			
1745	1785	Anhy			
1785	1820	Bkn. anhy			
1820	1835	Anhy			
1835	1885	Red sand (Strung in 1850-1854)			
1885	1905	Brn. lime & anhy			
1905	1930	Anhy & lime			
1930	2000	Anhy (Tested-no wtr.)			
2000	2020	Gr. lime			
2020	2030	Anhy			
2030	2055	Anhy & lime			
2055	2078	Anhy			
2078	2080	Lime			
2080	2110	Pink lime			
2110	2140	Bkn. anhy			
2140	2150	Anhy			
2150	2160	Pink s. lime			
2160	2176	Pink lime			
2176	2215	Gr. lime			
2215	2225	Gr. sand & R.R.			
2225	2325	Gr. lime (Strung in 2274-2278)			
2325	2335	Sandy lime			
2335	2345	Gr. sand (Tested 30 min- 18 gal. wtr. & light show oil)			
2345	2348	Sand			
2348	2410	Gr. lime			
2410	2420	Gr. sandy lime			
2420	2435	Gr. lime			
2435	2440	Gr. sandy lime			
2440	2458	Gr. lime			
2458	2480	Pink lime			
2480	2503	Gr. lime			
2503	2515	Pink sandy lime			
2515	2545	Pink & gr. lime			
2545	2554	Pink lime			
2554	2563	Gr. lime (1 hr. test- 15 gal. wtr. per hr.)			
2563	2595	Pink lime			
2595	2600	Sandy lime			
2600	2625	Pink lime			
2625	2650	Pink gr. lime			
2650	2670	White lime			
2670	2695	Gr. lime			
2695	2705	White lime			

* = please attach pertinent documents

V. PRODUCTION / BRINE STORAGE (continued)

Brine storage facilities (describe) LINED
PIT, sales lines, Leak det. pit (unlined)

Current condition/status of brine storage pit GOOD SHAPE, NO
LEAKS INDICATED AROUND PIT, would have showed in
unlined mon. pit.

Is brine storage pit currently being monitored for leakage? yes
Specify company or agency which is monitoring leakage B&E INC.

If pit leakage has been monitored in past use note to explain. _____

Comments on production history (note if production rates or brine
concentrations have changed through time) _____

* = please attach pertinent documents

VI. ABANDONMENT / PLUGGING RECORD

Date well abandoned/plugged NO INTENTIONS TO P/A

Reason for well abandonment or plugging _____

Method of Plugging (describe fully, include amounts of cement, est. top, plug type, depth, etc.) _____

VII. Further comments (subsidence noted, subsidence monitoring, leakage noted, natural subsidence features noted nearby, LPG storage data, etc.)

NO NOTED SUBSIDENCE, NO LEAKAGE, NO SUBS. MONIT.

Recorded by Larry Brooks

Date 10/26/81

* = please attach pertinent documents

IV. AQUIFER INFORMATION

Aquifers encountered during drilling

From	To	Aquifer Description	Amount of Water entering hole	Quality of Water
225'	245'		NO vol. given	
2335'	2345'		36 gal./hr.	
2554'	2563'		15 gal./hr.	
2850'	2921'		18.33 gph.	
2953'	2960'		40 gal/hr.	
2971'	2983'		47 gal/hr.	
3004'	3009'		Filled hole.	BRINE

Note: if water quality analyses are available please attach.*

Source of aquifer description OCD WELL RECORDS (C-105)Depth at which water was first encountered 225'-45'

Depth to which water rose _____

Source of water level data _____

Comments (include information regarding determination of piezometric level and method of sealing off water zone) CIRC. CMT. on 8 5/8" csg. string.NO WINDMILLS W/IN 1/2 MI. H₂O shut off by running csg. 100' below lowest water sands, & circ. cmt.

* = please attach pertinent documents

V. PRODUCTION / BRINE STORAGE INFORMATION

Method of production (describe fully) Tbg. @ 660'. Inj down tbg. & circulate brine to surface thru annular space between tbg. & hole, and @ 416', thru sur. csq. & tubing annulus. *f*

Was well used previously for some purpose other than brine supply, potash dissolution, or LPG storage. If so use note to explain. Well was proj to the S Andres for possible oil prod. No other useage.

Use of brine DRILLING & PROD.

Source of injection water (be specific) Water co-op. (Double Eagle)

Attach detailed production history (include dates of production, amount of water injected, injection rates, amount of brine produced, production rates, method of gaging injection/production rates)*

Note: If the cavity was used for LPG storage include volumes of product injected and withdrawn as well as a summary of the maximum and minimum pressures during injection, storage and withdrawal.

Chemical analyses of injection water (attach)* Not available.

Note : Chemical analyses should include sampling point and method, pH, temperature, method of analysis, name and location of laboratory, etc.

Chemical analyses of water produced (attach)*

Production info:
attached to #1 & #2
Eugenie totals.

- 1.) AFTER FW PASSES THRU TRUCKERS METER, BEFORE IT IS PUMPED INTO THE SALT-SECT. WATER HAS BEEN LOST, VIA BREAKS IN LINE, UND. CONSTRUCTION, SALES OF FW OF WHICH THERE IS NO RECORD
- 2.) PROBLEM OF KEEPING CONSISTENT METER READINGS & W/ SALES.
- 3.) NO TOTALIZING METER ON PROD. BRINE. TOTALED BY SALES
- 4.) AS PER MARY HUGHES STABLE INJ. RATE 30 MIN. ON 30 MIN OFF. 150-160 bbls/hr. Total. CONC. OF FW IN WILL NOT EQUAL BRINE OUT

RECEIVED

CHEMICAL and PHYSICAL ANALYSES MAY 20 1982
for WATER SAMPLES

CONSULT SLS Lab Annex I. for proper presentation of sample(s). TYPE or PRINT with Ball Point Pen

Water Supply System Name: Double Eagle City or Location: Carlsbad County: Eddy State: N.M.
Collection Date: 3/29/79 Collection Time: 4:00 PM Collection Point: 1005 W. Tennessee Ave
Collected by: John Keener Owner: Carlsbad Gas Co.
TYPE OF SYSTEM (Check one): ☒ PRIVATE ☐ PUBLIC ☒ Community ☐ Non-community
ANALYSES: Check individual items for analysis. INTERIM PRIMARY PARAMETER GROUP ☒ 3 ☐ Complete Secondary
Water Supply System Code No. 2
SLS user code No. 71141
Check one: ☐ Organic ☐ Radiological
☐ TREATED WATER ☒ RAW WATER

CATIONS	mg/l	ANIONS	mg/l	PHYSICAL	mg/l	HEAVY METALS	mg/l	PARAMETER	mg/l	ORGANIC	mg/l
00930 Sodium (as Na)	3911	00940 Chloride (as Cl)	397	70300 Total Filterable Residue	351	01000 Arsenic				39390 Endrin	
00935 Potassium (as K)	273	00950 Fluoride (as F)	084	38260 Foaming Agents (as Las)	2005	01005 Barium				39732 Lindane	
00900 Tot. Hardness (as CaCO ₃)	176	00620 Nitrate (as N)		00095 Conductance Micromhos 25°C	545	01025 Cadmium				38270 Methoxychlor	
00915 Calcium (as Ca)	544	00430 Alkalinity (as CaCO ₃)	155	00400 pH	808	01030 Chromium				39400 Toxaphene	
00925 Magnesium (as Mg)	96	00440 Bicarbonate (as HCO ₃)	1843	01330 Odor	0	01049 Lead				39730 2, 4-D	
01045 Iron Total (as Fe)	25	00445 Carbonate (as CO ₃)	0	00080 Color	0	07180 Mercury				39740 2, 4, 5-TP (Silver)	
01056 Manganese (as Mn)	205	00945 Sulfate (as SO ₄)	411	00070 Turbidity	02	01145 Selenium					
						01075 Silver					

LABORATORY REMARKS: RECEIVED
MAY 8 1979
CARLSBAD OFFICE
Reviewed by: W. D. Anderson
Date reported: 4/20/79

Attac. I

G.L. 3503

PBS&S.
St. 24 #1
J-24-18-28
Re-entry of
R. Nix & Jerry Curtis
Gulf St. #2.5
See sketch II

caliche 0
Sand 20
Gravel 30
Sand 40
Gravel 50
Red Beds 62
gravel 99
112

Red Beds.

220

Rustler

Sand & gyp

Red Beds 250

260

Gr. Sh.

290

Red beds

Red. hole @ 309 385

Red beds & gyp.

Red beds 390

397

WARR 225-245

TX 397'

cl. c 3%
CaCl.

8 5/8" csq. @ 416' 50 SX. CMT. + 100 SX. SQUEEZE
@ 42' (hole in csq.) + 4 yds redimix.

Salt Sect.

BX 680'

Tbg @ 660' 2 1/8".

appx. YAKS 700

appx. S. RIV. 790

50 sx. plug tagged w/tbg. @ 740'.

1000' 260' plug.

BOWERS SD. 1330'-1350'

1400

140' plug

CORD

Queen 1540'

1540'

cleaned out to 1540'

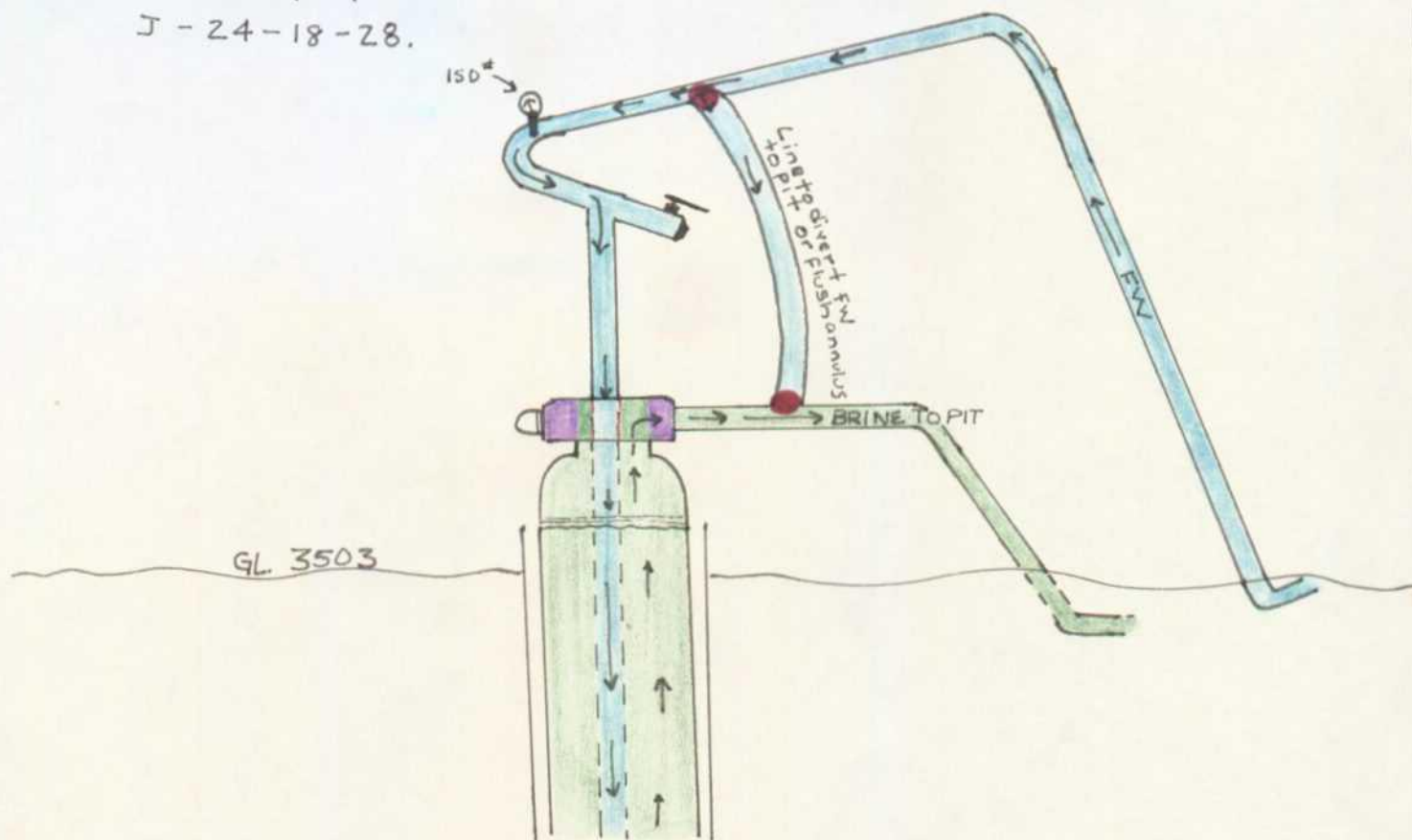
35 sx plug fm. 1540-1400

Wellhead sketch:

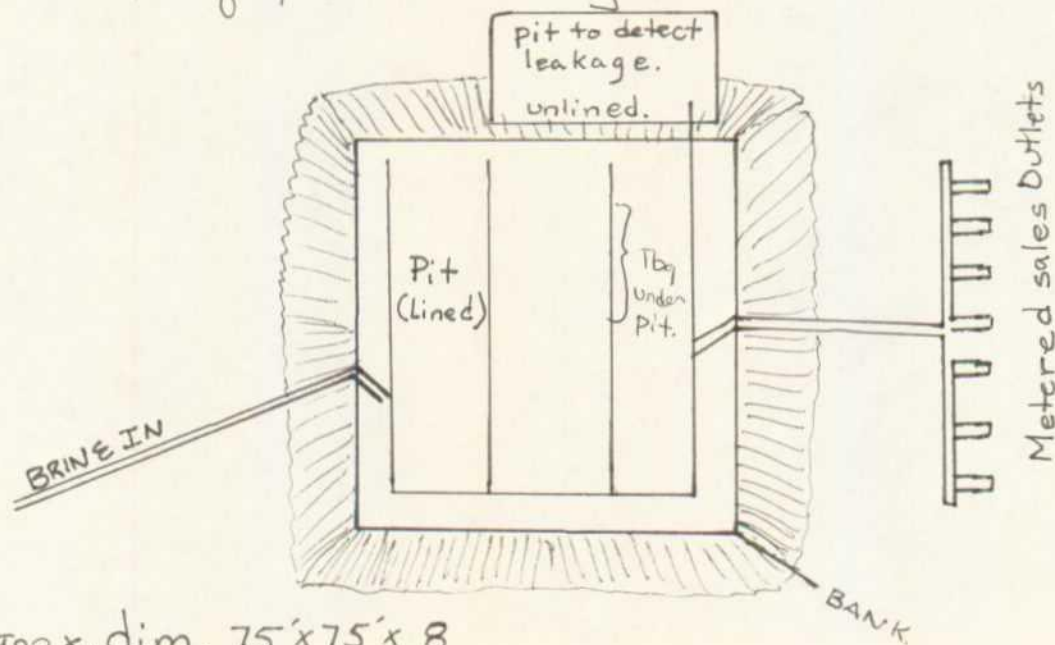
PBS&S COB&E Inc.

St. 24#1

J-24-18-28.



Sur. equip (Brine Storage)



appx. dim. 75'x75'x 8

Sideview:



II.) Attached schematic.

Ralph Nix & Jerry Curtis Gulf St. #2

Wells in 19-18-29

Redmixed w/ 4 yds.
cmt. SQ20 H₂O @ 42' w/ 100 SXS.
Water 225-45

Comp. 2270 - 2420

24-18-28

10" hole 891' - 416 - 50 SXS.

Comp. 2696 - 2975

Tip X 397

Line X 680

Bx 680

Anhy

Yates 860

Sl. an. gas 920-30

35 SX 850-950

Triv
appx
1000

800

35 SX 1800-1900

Queen 1830

1000

1000

2220
2350

Gyba 2348.

Water 2335-45 18 gal 30"

SH 2303

Test Lin @ 2563 - 15 gal PH

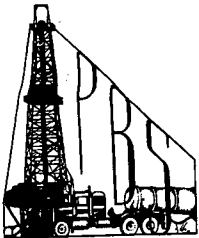
" " 2921 18 1/3 gal PH

" " 2960 20 " " @ 2983 Test 47 gal w PH

TP 3009

@ 3009 HFXW

55 SX
2965



PERMIAN BRINE SALES, INC.

24-HOUR BRINE SERVICE THROUGHOUT THE PERMIAN BASIN

ODESSA, TEXAS

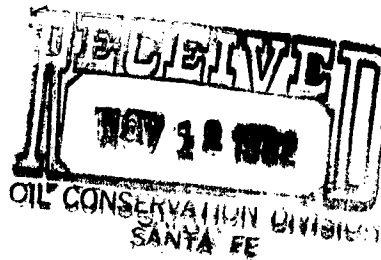
79760

PHONE 332-0531

P. O. BOX 1591

November 8, 1982

State of New Mexico
Energy and Mineral Department
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501



Attention: Mr. Joe D. Ramey
Division Director

Dear Sir:

Pursuant to your letter of September 9, 1982, and to subsequent telephone conversations with Mr. Oscar Simpson, attached hereto is a filing of a discharge plan for an in situ extraction well for brine. This filing is for the well located in:

Section 24, Township 18 South,
Range 28 East in Eddy County.

If additional information is required, please call me.

Very truly yours,

PERMIAN BRINE SALES, INC.

A.L. Hickerson
A.L. Hickerson
President

ALH/rdt
Attachment

CC/Mr. Phil Withrow
B. & E. INC.

ARTESIA BRINE STATION

Permian's Artesia Brine Station is located in the SE/4, Section 24, Township 18 South, Range 28 East, Eddy County, New Mexico. See drawing No. 1 and map 1. The station was developed by re-entering an abandoned dry hole, Nix & Curtis - No. 2 Gulf State, Drilled in 1959. The plugs were drilled out and the original well plugged back to 680', at the base of the salt section, in 1979. There was 416' of 8 5/8" O.D. 24# casing, cemented in the original drilling and left in the hole. Permian ran 680' of 2 7/8" tubing to the bottom and completed the well as a brine well, after spotting a cement plug from 980 ft. to 850 ft.

Fresh Water for operations is obtained from the city of Carlsbad, Double Eagle Water System's pipeline, approximately 1.5 miles Northwest of the brine station. The Fresh Water is injected down the well tubing, at pipeline pressure, and brine returned to the surface storage pit at 30 GPM rate. A booster pump on Permian's pipeline lateral has been installed to increase the Fresh Water flow rate to 75 GPM when sales demand requires additional volumes.

A 10,000 BBL. brine storage pit, lined with 30 mil Dupont Hypalon film, with a leak detection system, has been constructed approximately 800' Southeast of the brine well. Truck loading facilities have been provided adjacent to the Loco Hills - Illinois Camp Highway, see drawing No. 2.

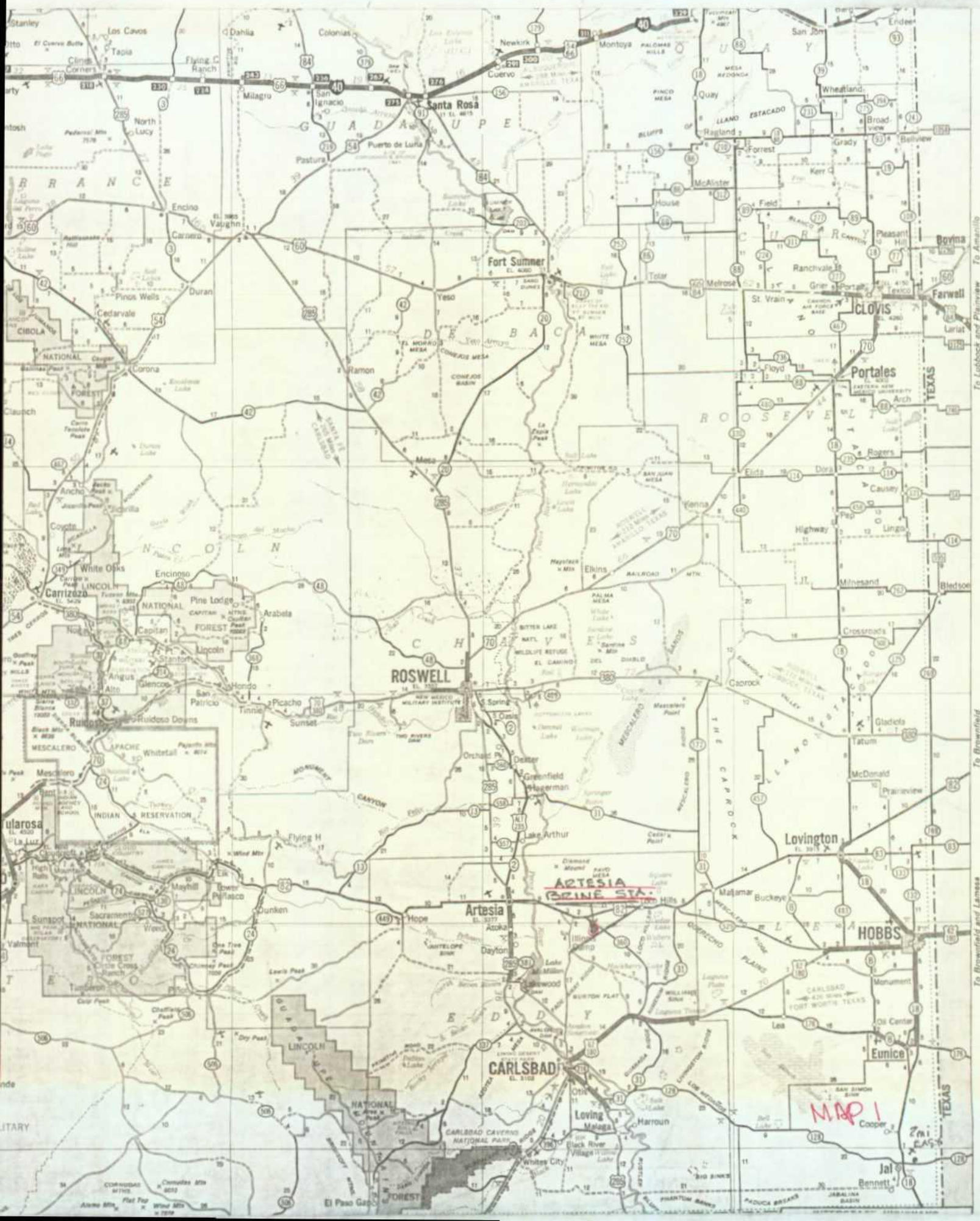
There is no potable underground water aquifer in this area. As indicated on the drillers log exhibit 1, there is a sand lens containing 'GYP' water at 220'. See exhibit 1, attached. There is no analysis of this underground water available.

The flooding potential of this station site is non-existent. As indicated on the USGS map 2, the brine station is located on the side of major elevated area, approximately 30' above the drainage course. The annual precipitation in this semi-arid region is of proportions that run-off rarely fills the barrow ditches.

Sample connection for the fresh water is at the brine wellhead and the brine can be sampled at the truck loading header. The fresh water volume is metered at the junction of the Carlsbad water system pipeline and the Permian Brine pipeline lateral. Brine volume is measured through meters at the truck loading header, see drawing No. 2.

A drillers log is attached, Exhibit 1, which describes the lithological character of the underground formations.

Since there is no fresh water aquifer and, to our knowledge, no underground water production in this area, the possibility of contamination of underground water is non-existent. Therefore, there are no provisions or need for monitoring facilities.



To Lubbock and Plainview

To Brownfield

To Brownfield and Lamasa



SCALE 1" = 2000'

PERMIAN BRINE SALES, INC.
ODESSA, TEXAS

ARTESIA BRINE STATION

BRINE WELL LOCATION

1988' FSL - 1930' FEL SEC. 24 - R28E - T18S
EDDY CO. N. MEX.

DATE: 10-18-82

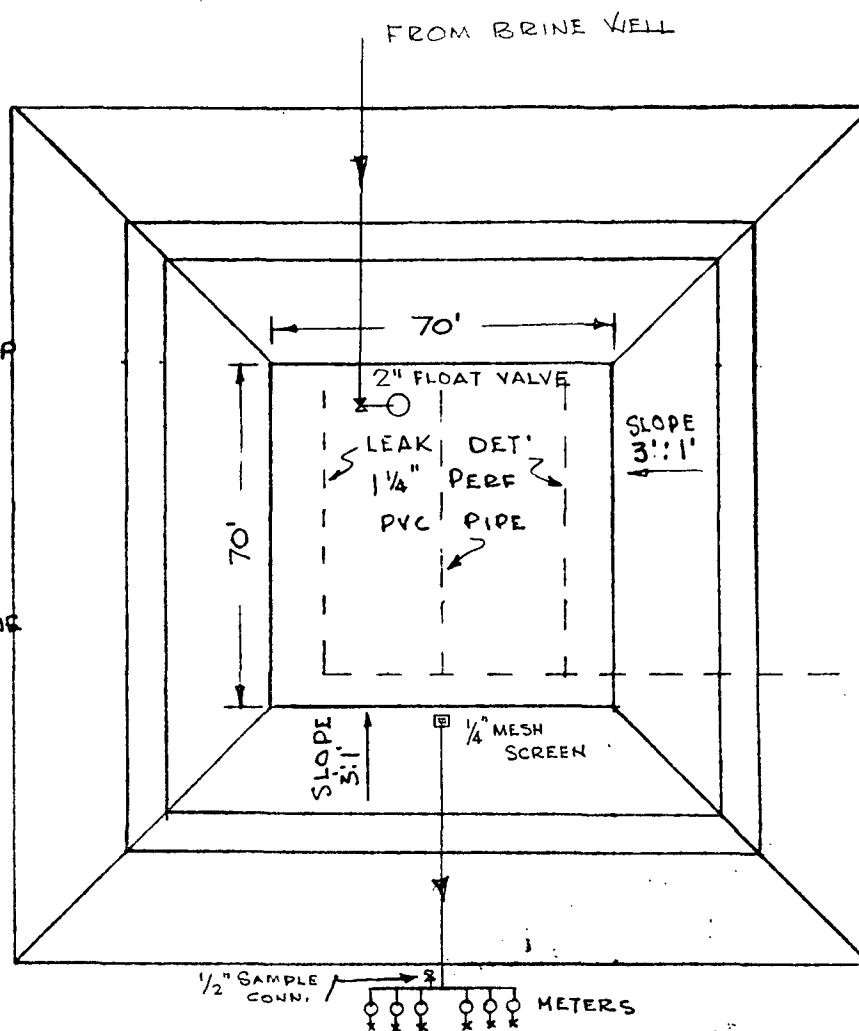
R. C. McCUTCHAN
P.E. TEX 9844

DRAWING NO.
1

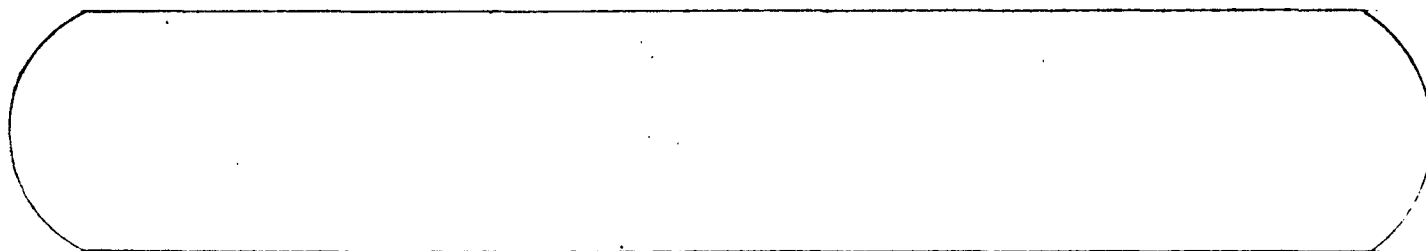
PIT - 7.5' DEEP

CAPACITY
10,000 BBL.

PIT LINED
WITH 30 MIL
POLYETHYLENE
FILM



TRUCK LOADING



HIGHWAY

PERMIAN BRINE SALES, INC.
ODESSA, TEXAS

ARTESIA BRINE STATION
BRINE STORAGE PIT

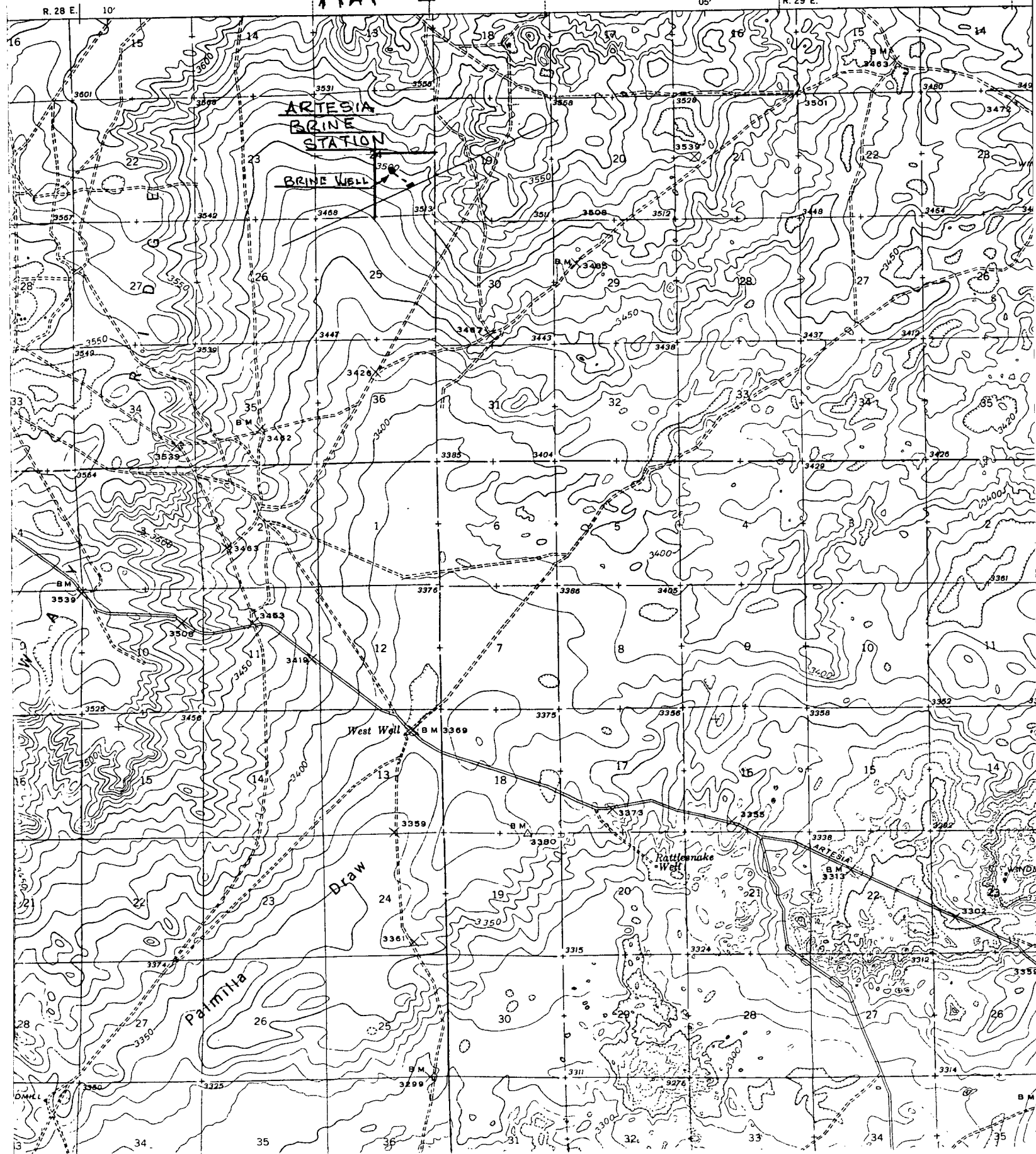
DATE: 10-18-82

R.C. McCUTCHAN
P.E. TEX 9844

DRAWING NO.
2

MAP 2

R. 28 E. 10' 05' R. 29 E.



Pieces
Bc
B4
NAM
OCC

From	To	Formation
0	20	Caliche
20	30	Sand
30	40	Gravel
40	50	Sand
50	62	Gravel
62	99	R.Beds
99	112	Gravel
112	220	Red.Beds
220	250	Sand & Gyp.(wtr. 225-245)
250	260	R.Beds
260	290	Gr. shale
290	335	R.Beds(Reduce hole at 309')
335	390	R.Beds & gyp
390	397	R.Beds
397	680	Salt
680	865	Anhy
865	905	Bkn.Anhy
905	920	Anhy
920	930	Brn.sand (Gas show)
930	1045	Anhy
1045	1080	Bkn.Anhy
1080	1355	Anhy
1355	1390	Anhy & dolo
1390	1415	Anhy (Corrected measurement-
1415	1450	Anhy
1450	1468	Anhy & lime
1468	1534	Anhy
1534	1540	Brn.lime
1540	1675	Anhy
1675	1745	Bkn.Anhy
1745	1785	Anhy

880

980

From	To	Formation
2720	2740	White lime
2740	2768	Gr. lime
2768	2788	Brn.lime
2788	2803	Dark lime
2803	2820	Sand & lime
2820	2829	Gr. lime
2829	2836	Brn.lime
2836	2850	Dark lime
2850	2921	Gr. lime (Tested 1 hr.- 18 1/3 gal.wtr.)
2921	2935	Gr. sandy lime
2935	2953	Gr. lime
2953	2960	Lime(Test 30 min- 20 gal.wtr.)
2960	2971	Gr. lime
2971	2983	Lime(Tested 1 hr.- 47 gal.wtr.& show of oil on top of wtr.)
2983	3004	Gr. lime
3004	3009	White lime(Hole full of salt wtr.)
3009	-	T.D.

EXHIBIT 1

UNICHEM INTERNATIONAL

601 NORTH LEECH

P.O. BOX 1499

HOBBS, NEW MEXICO 88240

COMPANY : B AND E INC.

DATE : 5-20-82

FIELD, LEASE & WELL : STATE #24 #1 (now Permian)

SAMPLING POINT: BRINE WELL

DATE SAMPLED : 5-19-82

SPECIFIC GRAVITY = 1.202

TOTAL DISSOLVED SOLIDS = 298670

PH = 6.83

		ME/L	MG/L
CATIONS			
CALCIUM	(CA)+2	70	1402.
MAGNESIUM	(MG)+2	35	425.
SODIUM	(NA), CALC.	4992.	114772.
ANIONS			
BICARBONATE	(HCO3)-1	1.8	109.
CARBONATE	(CO3)-2	0	0
HYDROXIDE	(OH)-1	0	0
SULFATE	(SO4)-2	104.	5000
CHLORIDES	(CL)-1	4991.	176960.
DISSOLVED GASES			
CARBON DIOXIDE	(CO2)	NOT RUN	
HYDROGEN SULFIDE	(H2S)	NOT RUN	
OXYGEN	(O2)	NOT RUN	
IRON(TOTAL)	(FE)		.7
BARIUM	(BA)+2	NOT RUN	
MANGANESE	(MN)	NOT RUN	

SCALING INDEX	TEMP
	30C
	86F
CARBONATE INDEX	-.39
CALCIUM CARBONATE SCALING	UNLIKELY
SULFATE INDEX	-.14
CALCIUM SULFATE SCALING	UNLIKELY

ARTESIA, OFFICE
O. C. D.
MAY 25 1982

RECEIVED

- WATER ANALYSIS REPORT -

CARLSBAD CITY LABORATORY
1502 West Stevens
Carlsbad, New Mexico 88220

SAMPLE SENT BY City of Carlsbad ANALYSIS NO.
FROM Well Field SAMPLE RECEIVED April 30, 1982
ADDRESS SAMPLE REPORTED April 30, 1982
WATER SOURCE Composite

PHYSICAL CHARACTERISTICS AS RECEIVED

Color	Odor	Turbidity
-------	------	-----------

CHEMICAL CHARACTERISTICS

	PARTS per MILLION	PPM as CaCO ₃	As CaCO ₃ Grains per Gallon
Alkalinity-N:		220	
Alkalinity-P:		0	
Calcium-Ca:	72	180	10.5
Magnesium-MG:	33	132	7.7
Sodium-Na:			
Sulphates-So ₄ :	112		
Chlorides-Cl:	30		
Silica-Sio ₂ :			
Iron-Fc:			
Free Chlorine:			
Fluoride:	0.38		
PH: As received:	7.6		
Aquapoise (PHs) at 70°F:			
TOTAL HARDNESS: (As CaCO ₃):		312	18.2
TOTAL DISSOLVED SOLIDS (As CaCO ₃): .			

Jose A. Renteria

TONEY ANAYA
GOVERNOR

DENISE D. FORT
DIRECTOR



STATE OF NEW MEXICO

ENVIRONMENTAL IMPROVEMENT DIVISION

P.O. Box 968, Santa Fe, New Mexico 87504-0968
(505) 984-0020

January 3, 1986

Mickey Monk
B&E, Inc.
PO Box 2292
Hobbs, NM 88240

Re: Discharge plan for B&E Loco Hills brine station

Dear Mr. Monk:

This is to correct the error in my December 11th letter to you which you pointed out in a phone call to me on December 18th. On reviewing the file on B&E State 24-1 Brine Station, I realized that you had submitted copies of two bonds which you hold with two different state agencies. I informed you in my December 11th letter that the bond you hold with the State Land Commission will not serve the purpose of the financial assurance required of injection well facilities. However, as you pointed out to me by telephone, you also hold a bond with the Oil Conservation Division which is specifically intended to cover plugging of the brine well. If you can demonstrate that the amount of this bond is adequate to cover the cost of plugging by an outside contractor, then the bond will be accepted by this agency as meeting the terms of Section 5-210.B.17 of the Water Quality Control Commission (WQCC) regulations.

Sorry for the confusion.

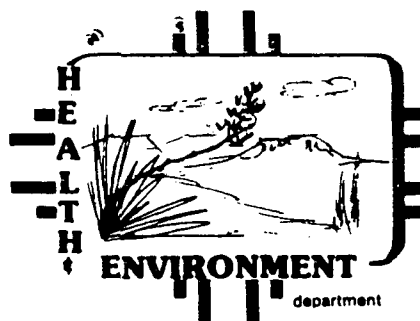
I will be in touch with you by separate letter regarding B&E's Carlsbad brine station. Briefly, the materials describing the transfer of ownership are deemed by our legal counsel not to meet the terms of Section 5-101.I. of the WQCC regulations, which governs transfer of a discharge plan upon the change in ownership of a facility.

Sincerely,

Paige Grant Morgan
Water Resource Specialist
Ground Water Section

PGM:pgm

cc: John Guinn, EID District IV Manager.



TONEY ANAYA
GOVERNOR

DENISE D. FORT
DIRECTOR

STATE OF NEW MEXICO

ENVIRONMENTAL IMPROVEMENT DIVISION

P.O. Box 968, Santa Fe, New Mexico 87504-0968
(505) 984-0020

December 18, 1985

Mickey Monk
B&E, Inc.
PO Box 2292
Hobbs, NM 88240

Dear Mr. Monk:

I enclose a copy of the Assurance of Discontinuance for B&E, Inc., which has been signed by all parties. I look forward to receiving your discharge plan for the State 24-1 brine station on or before April 10, 1986, as specified in the Assurance. If you have any questions about the contents of the discharge plan, please be in touch.

Sincerely,

Paige Grant Morgan
Water Resource Specialist
Ground Water Section

PGM:pgm

cc: John Guinn, EID District IV Manager.

ASSURANCE OF DISCONTINUANCE

WHEREAS, on September 18, 1985, staff of the New Mexico Environmental Improvement Division (EID) requested Phil and Julie Withrow, owners of B&E, Inc, to submit a Discharge Plan pursuant to Sections 3-104 and 5-101.B.3 of the New Mexico Water Quality Control Commission (Commission) regulations for discharges from the brine facility and brine well "State 24-1", located in Section 24, Township 18 South, Range 28 East, N.M.P.M., Eddy County, New Mexico; and

WHEREAS, neither the regulations nor an extension to discharge without an approved Discharge Plan issued by the Director, nor any Court Order, allows B&E, Inc. to operate an injection well and associated surface facilities beyond December 20, 1982, and discharges at "State 24-1" Brine Station therefore constitute a violation of Section 5-101.B.3 of the Commission regulations and of Section 74-6-5 of the Water Quality Act; and

WHEREAS, the following information indicates that there is no present contamination of drinking water sources as a result of this operation:

- (a) A 24-hour pressure test of the well casing and salt cavity indicated no leakage from the injection well;
- (b) An inspection by EID staff indicated no sources of potential ground water contamination by surface activities; and
- (c) A representative of the State Engineer's Office has reported that no water wells exist within three miles of the "State 24-1" Brine Station; and

WHEREAS, B&E, Inc. has committed to the Commission to proceed with all diligence to prepare and secure an approved Discharge Plan; and

WHEREAS, the Commission and B&E, Inc. deem it appropriate to enter into this Assurance of Discontinuance.

B&E, Inc. assures the Commission as follows:

1. ASSURANCE: A Discharge Plan shall be prepared for the "State 24-1" Brine Station according to the schedule in Paragraph 2, thus discontinuing the practice of operating a brine well without a Discharge Plan in violation of Section 5-101.B.3 of the Commission regulations. This Assurance shall expire concurrently with the approval or disapproval of the Discharge Plan. If the Discharge Plan is approved, all operations at the facility shall be consistent with the terms of the Discharge Plan. If the Discharge Plan is disapproved, all injection operations and the use of associated surface facilities at the "State 24-1" Brine Station shall be terminated.

2. SCHEDULE OF COMPLIANCE: It is agreed that preparation of the Discharge Plan shall comply with the following schedule:

- | | |
|--|--------------------------------|
| A. B&E, Inc. shall submit to EID a complete Discharge Plan which shall address all applicable requirements of the Commission regulations | on or before April 10, 1986 |
| B. EID shall complete review of Discharge Plan application and shall provide comments to B&E, Inc. | on or before June 10, 1986 |
| C. B&E, Inc. shall submit responses to the EID comments to EID | on or before August 10, 1986 |
| D. EID shall review materials submitted under C and shall provide comments to B&E, Inc. | on or before October 10, 1986 |
| E. B&E, Inc. shall respond to EID comments provided under D | on or before November 10, 1986 |
| F. EID Director's approval or disapproval of the Discharge Plan shall be promulgated | on or before January 10, 1987 |

If a public hearing is scheduled by the EID Director pursuant to Section 3-108 of the Commission's regulations, all deadlines in Paragraphs 2.B through 2.F shall be 45 days later.

3. MUTUAL COOPERATION: B&E, Inc. and the EID shall mutually cooperate in accomplishing on a timely basis the matters contemplated by this Assurance. In this respect, direct communication among B&E, Inc. representatives and EID personnel is encouraged.

4. EXTENSIONS FOR GOOD CAUSE: It is expressly agreed and understood by the parties hereto that events not reasonably foreseeable on the date of execution of this Assurance may occur which will make it impossible or extremely difficult for B&E, Inc. to comply in a timely fashion with those compliance dates set out in numbered paragraph 2. In the event such unforeseen events do occur, B&E, Inc. may apply to the Commission for an extension for an additional reasonable period of time to comply with such tasks in numbered paragraph 2. The additional reasonable period of time, if granted, shall in all cases be governed by the relevant circumstances.

5. ENFORCEMENT: The Commission shall not undertake enforcement against "State 24-1" Brine Station for the continuation of current discharges occurring during the pendency of this Assurance without first giving B&E, Inc. 15 days prior written notice by the Director that he is in violation of the terms of this Assurance. This Paragraph shall not preclude appropriate action by the Director or the Commission under Section 74-6-11 N.M.S.A. 1978.

Failure by B&E, Inc. to comply with any condition of this Assurance of Discontinuance shall be actionable as a violation of the Water Quality Act and of this Assurance under Sections 74-6-5 and 10 N.M.S.A. 1978, as applicable.

Nothing in this Assurance of Discontinuance shall relieve B&E, Inc. from the responsibility for complying with all the provisions of the Water Quality Act, the regulations promulgated thereunder or any other provision of law except as otherwise specifically provided herein.

6. PENALTIES: The Commission's approval of this Assurance of Discontinuance does not imply that the Commission waives the right to seek penalties for violations occurring prior to its approval of the Assurance, pursuant to Section 74-6-10.B.N.M.S.A. 1978, if B&E, Inc. should violate any term of this Assurance.

Signed and acknowledged this 29 day of Nov, 19 85.

Julie Withrow
Phil or Julie Withrow

Phillip B. Withrow
PHILLIP B. WITHROW

(Notary for this signature only
on next page, No. 2.)

ACKNOWLEDGEMENTS

(choose appropriate form)

1. Natural Person

*STATE OF NEW MEXICO)

COUNTY OF (place where notarized) LEA) : SS

The foregoing instrument was acknowledged before me this 29th day of November, 19 85 by Julie Withrow

My Commission expires:

8/29/86

Karen Gobble
Notary Public

Karen Gobble

* (Note: If the Assurance is signed and acknowledged outside New Mexico, the name of the state should be inserted.)

2. Partnership, by one or more partners

*STATE OF NEW MEXICO)

: SS

COUNTY OF Santa Fe)

The foregoing instrument was acknowledged before me this 10th day of December, 19 85, by (name of acknowledging partner or partners) PHILLIP B. WITHEOW, partner(s) on behalf of (name of partnership) B & E Incorporated, a partnership.

My Commission expires:

8-04-86

Celia R. Martinez
Notary Public

3. Limited partnership, by one or more general partners

*STATE OF NEW MEXICO)

: SS

COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 19____, by (name of acknowledging general partner or partners) _____, partner(s), on behalf of (name of limited partnership) _____, a limited partnership.

My Commission expires:

Notary Public

4. Corporation or incorporated association

*STATE OF NEW MEXICO)

: SS

COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 19____, by (name of officer) _____, (title of officer) _____, of (name of corporation acknowledging) _____, a (state of corporation) corporation, on behalf of the corporation.

My Commission expires:

Notary Public

APPROVAL

WATER QUALITY CONTROL COMMISSION

By: Denise Fort
Denise Fort, Chairman (Acting)
Water Quality Control Commission

STATE OF NEW MEXICO)
COUNTY OF SANTA FE) : SS

The foregoing instrument was acknowledged before me this 16th day of December, 19 85, by Richard Holland d/b/a Acting Chairman,
Water Quality Control Commission

My Commission expires:

10/25/86

Cecilia Lopez
Notary Public

CHECK ONE:

☐ LETTER TO _____
for Director's signature

☐ MEMO TO _____

☐ PRESS RELEASE

☒ OTHER
SUBJECT: Assurance of DiscontinuanceDRAFTED BY: Morgan/Rose
11/26/85
(Date)

CONCURRENCES:

NAME:		INITIAL	DATE REC'D	DATE APPROVED
<u>Don Conrad</u>	Sect. Mgr.	<u>RC</u>	<u>12/11/85</u>	<u>12/11/85</u>
<u>Ernie Rebutik</u>	Bur. Chief	<u>ER</u>		<u>12/11/85</u>
<u>Richard Holland</u>	Dep. Dir.			
<u>Denise Fort</u>	Director			

FINAL DECISION NEEDED BY

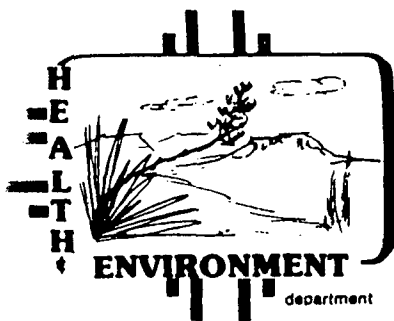
ASAP
(date)

BECAUSE

AofD
does not take effect until signed

COMMENTS BY DRAFTER OR REVIEWER(S):

Commission approved AofD pending signature by both partners of company; second partner's signature obtained, please approve AofD on behalf of Commission.



TONEY ANAYA
GOVERNOR

DENISE D. FORT
DIRECTOR

STATE OF NEW MEXICO

ENVIRONMENTAL IMPROVEMENT DIVISION

P.O. Box 968, Santa Fe, New Mexico 87504-0968
(505) 984-0020

Mickey Monk
B&E, Inc.
PO Box 2292
Hobbs, NM 88240

December 11, 1985

Dear Mr. Monk:

Thank you for the materials pertaining to B&E's Carlsbad and Artesia brine stations, which we received at EID on December 2nd. The documents related to transfer of the Carlsbad station from Permian Brine Sales to B&E are undergoing review by our legal staff to determine their adequacy.

Most of the materials you submitted for the Artesia station are not relevant to a discharge plan for that facility. The bond which you hold with the State Land Commission as one of the terms of a salt mining lease with the state, will not serve the purpose of the bond or other financial assurance (see Section 5-210.B.17 of the Water Quality Control Commission regulations) which our agency requires as a term of a discharge plan for an injection well. The reason for this is that the State Land Office bond only serves to protect improvements belonging to owners of the surface of the land. On the other hand, the EID financial assurance is used to guarantee that the injection well will be properly plugged upon abandonment and that any damage caused to protected ground water by operation of the well will be repaired. As part of the discharge plan for the Artesia station, you will be required to provide an estimate of the cost of plugging the brine well with cement from the foot of the casing to ground surface, and then submit some form of financial assurance for at least that amount.

I should let you know that I did not arrive independently at this conclusion regarding your state mining lease bond, but in consultation with Art Waskey, General Counsel of the State Land Office, whose telephone number in Santa Fe is 827-5713.

Please be in touch with me at the above address or by phone at 827-2901, if I can help to clarify any other requirement of a ground water discharge plan for a brine station.

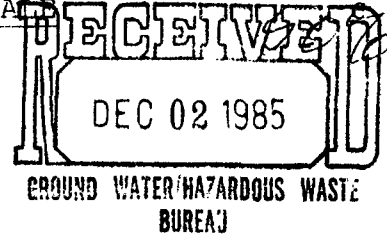
Sincerely,

Paige Grant Morgan
Water Resource Specialist
Ground Water Section

PGM:pgm

cc: John Guinn, EID District IV Manager

File - Gall & Artesia state 24



STATE OF NEW MEXICO X
COUNTY OF LEA X

WHEREAS, by Letter Agreement accepted in December 1978, PERMIAN BRINE SALES, INC. (successor to Permian Brine Sales and Service, Inc.) ("PBS) and B & E, Inc. (B&E) entered into an agreement for the joint operation of that certain brine water station located in the NW/4 SE/4 Section 24, T-18-S, R-28-E, Eddy County, New Mexico (the "Station");

WHEREAS, PBS desires to sell and B&E desires to buy all of the right, title and interest of PBS in and to the Station;

NOW, THEREFORE, in consideration of the premises and the covenants herein contained, the parties hereto agree as follows:

1. The December 1978, Letter Agreement (copy attached) is hereby terminated effective April 30, 1983, at 11:59 p.m.
2. In consideration of \$10.00 and other goods and valuable considerations in hand paid by B&E to PBS, the receipt and sufficiency of which is hereby acknowledged, PBS hereby conveys, sells, transfers and assigns all of its right, title and interest in and to the following:
 - a. That certain Salt Mining Lease, No. M19609, dated June 26, 1978, (copy attached) from the State of New Mexico to Permian Brine Sales and Service, Inc., covering the NW/4 SE/4, Section 24, T-18-S, R-28-E, Eddy County, New Mexico (the "Salt Mining Lease").
 - b. That certain Row and Water Easement, No. RW 19824, dated September 18, 1978 (copy attached) from the State of New Mexico to Permian Brine Sales and Service, Inc., covering the pipeline

in Sections 14, 23 and 24, T-18-S, R-28-E,
Eddy County, New Mexico (the "Pipeline Row
and Water Easement");

- c. The brine well hole at the Station, including
the casing, and tubing therein;
 - d. The lined pit at the Station;
 - e. The Station, including all pipe, valves, fittings
associated therewith;
 - f. All other personal property used in connection
with the joint operations by the parties hereto
at the Station.
3. B&E hereby covenants that it shall assume all
obligations of the lessee under the terms of the Salt
Mining Lease and the water pipeline row and easement
hereby agrees to hold PBS harmless from any and all
claims arising after April 30, 1983, in connection
with the obligations of the lessee under the terms
of the Salt Water Lease and the Water Pipeline Row
Easement.

IN WITNESS WHEREOF, the parties hereto have executed
this instrument effective April 30, 1983.

B & E, INC.

BY: 

PHIL WITHROW, PRESIDENT

PERMIAN BRINE SALES, INC.

BY: 

A.L. HICKERSON, PRESIDENT

THE STATE OF

COUNTY OF

BEFORE ME, the undersigned authority, on this day, personally appeared Phil Withrow, known to me to be the person whose name is subscribed to the foregoing instrument as President of B&E, Inc., a corporation, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 7
day of July, 1983.

John Grimlow
Notary Public in and for
Dea County.

Notary Commission expires on
June 20 1987.

THE STATE OF TEXAS

COUNTY OF ECTOR

BEFORE ME, the undersigned authority, on this day personally appeared A.L. Hickerson, known to me to be the person whose name is subscribed to the foregoing instrument as President of Permian Brine Sales, Inc., a corporation, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the _____
day of June 30, 1983.

John Grimlow
Notary Public in and for
Dea County.

Notary Commission expires on
June 20 1987.

St. Carlsbad
operating agreement filed

A G R E E M E N T

THIS AGREEMENT made this _____ day of December, 1978,
between B & E, INC., a New Mexico Corporation, "B & E", and
PERMIAN BRINE SALES, INC., a Texas Corporation, "Permian".

WHEREAS, Permian is the lessee of the following described
state land in Eddy County, New Mexico:

NW/4 SE/4 Section 24 Township 18 South Range
28 East, containing 40 acres, more or less.

WHEREAS, B & E is the holder of a contract to purchase
fresh water from the city of Carlsbad water line in Section
14, Township 18 South Range 28 East

WHEREAS, the parties desire to establish a process to
produce brine water on the above described property in Section
24.

NOW, THEREFORE, IT IS MUTUALLY AGREED AS FOLLOWS:

1. Permian agrees to install a brine process on the
above described premises, including the re-entry of a plugged
and abandoned oil well to make a brine well, construction of
a storage pit and truck loading facilities. Permian will in-
stall a fresh water pipeline from the city of Carlsbad line
in Section 14, to provide water for the brine making process.

2. Permian agrees to install the process in a workmanlike
manner, in accordance with the best proved methods and use its
best efforts in good faith to minimize the cost of construction.

3. The actual cost of construction shall be borne by the parties in the following percentages:

<u>NAME OF PARTY</u>	<u>PERCENTAGE</u>
B & E, Inc.	60%
Permian	40%

after payment of the aforesaid percentage, B & E shall own 50 percent of the process, and the water line.

4. B & E shall be the operator of the process and shall have exclusive charge, control and supervision of the operation. B & E, as operator, shall be subject to all the valid rules and regulations of any authority having jurisdiction of the premises, including agencies of the State of New Mexico.

B & E shall pay and discharge all costs and expenses in connection with the operation of the process, including mineral royalties to the state from the process' income, ^{pw. 1/2} which shall be operating expenses under #5 below.

B & E shall establish an independent set of books for the process. The operation expenses and profit shall be determined by generally accepted accounting principles. Said books shall be available to Permian for its inspection and an audit by an accountant of its choosing at its expense. Permian shall be responsible to obtain and file all bonds and assurances with the State of New Mexico and its agencies during the construction of the process and during its operation.

5. Division of income and profits: B & E shall receive 10 percent of the process' gross revenues as consideration for its operation of the process. The 10 percent received by B & E shall be charged to operating expenses and the net income after deducting the 10 percent and other operating expenses shall be divided between the parties as follows:

<u>NAME OF PARTY</u>	<u>PERCENTAGE</u>
B & E, Inc.	50%
Permian	50%

Income distribution shall be made monthly by B & E.

6. Delinquent Accounts: Any accounts which are delinquent for a two year period will be charged off as an operating expense.

7. Purchases of brine water by B & E, Inc.: It is contemplated that B & E will purchase a substantial portion of the brine produced by the process. B & E shall pay the price normally paid in the area for the brine purchased by it.

8. Termination: This Agreement shall remain in full force and effect so long as commercial quantities of brine are produced or until terminated as provided for herein. In the event a party wishes to abandon the operation, he shall give the other party 15 days' written notice of his intention to abandon and the parties will jointly agree upon the salvage value of the equipment located upon the premises and the party wishing to continue the operation shall pay to the abandoning party a percentage of the salvage value equal to the abandoning party's percentage ownership in the operation as determined in paragraph 3 above. Such abandonment shall constitute the termination of this Agreement.

9. Amendment: This Agreement expresses the full Agreement of the parties and shall not be amended, except by written agreement executed with the same formalities of this Agreement and shall be binding upon the heirs, Personal Representatives and assigns of the parties.

ATTEST:

B & E, INCORPORATED

By:

Mary J. Evans
Secretary

By:

Phil Withrow
Phil Withrow, President

ATTEST:

PERMIAN BRINE SALES, INC.

By:

Mona Ireland
Corporate Secretary

By:

A. L. Hickerson
A. L. Hickerson, President



NEW MEXICO STATE LAND OFFICE

SALT MINING LEASE

M-19609

JUL 13 9 24 AM '78

STATE LAND OFFICE
SANTO DOMINGO, N.M.

THIS AGREEMENT, dated this 26TH day of JULY, 1978, made and entered into between the STATE OF NEW MEXICO, acting by and through the undersigned, its COMMISSIONER OF PUBLIC LANDS, hereinafter called the "Lessor, and PERMIAN BRINE SALES & SERVICE, INC.

BOX 1591 ODESSA, TEXAS 79760, hereinafter called the "Lessee".

WITNESSETH:

WHEREAS, the lessee had duly filed an application for a mining lease for the purpose stated herein, covering the lands hereinafter described, and with said application has tendered as the first annual rental the sum of \$ 25.00, and the further sum of \$10.00 application fee, and the lessor has accepted said application as tendered;

WHEREFORE, lessor does grant, demise and lease for the sole and only purpose of exploring for, mining and removing chloride of sodium, usually called and known as "common salt", thereon and therefrom, the following described lands situated in EDDY County, New Mexico:

INSTITUTION	SECTION	TOWNSHIP	RANGE	SUBDIVISION	ACRES
UNIV.	24	18S	28E	NW 1/4 SE 1/4	40.00

TO HAVE AND TO HOLD said land for a term of 10 years and as long thereafter as said salt in paying quantities shall be produced from the leased land, subject to the terms and conditions hereinafter provided:

1. In addition to the advance annual rental of \$ 25.00 hereinbefore provided, lessee agrees to pay the lessor a sum equal of 10% of the actual sale price at the place of extraction, as royalty for all salt mined and removed from the premises. Payment of said royalty shall be made on the 20th day of the month next following the first calendar quarter in which the salt was sold. Further, lessee agrees to keep an accurate record of all production and to submit quarterly reports of same to the lessor upon forms to be furnished by the lessor.

2. The right and privilege of the lessee to mine and remove the salt shall be exclusive, in that the lessor will not grant the same rights and privileges to anyone else during the term of this lease.

3. The lessee, with the consent of the lessor, may at any time surrender or relinquish this lease, in whole or in part, to the lessor; provided however, that no relinquishment of any undivided interest herein nor less than a legal subdivision shall be approved or recognized by the lessor. Provided, further, that no relinquishment shall be approved or recognized by the lessor where the rentals and royalties have not been paid and the lease is not otherwise in good standing.

4. The lessee, with the consent of the lessor, may assign this lease, in whole or in part; provided, however that no assignment or an undivided interest in the lease, or any part thereof, nor any assignment of less than one legal subdivision, shall be recognized or approved by the lessor. Upon approval of an assignment in writing by the lessor, the assignor shall stand relieved from all obligations to the lessor with respect to the lands embraced in the assignment, and the lessor shall likewise be relieved from all obligations to the assignor as to such tracts, and the assignee shall succeed to all of the rights and privileges of the assignor with respect to such tracts and shall be held to have assumed all of the duties and obligations of the assignor to the lessor as to such tracts.

5. Lessor may cancel this lease for violation of any of the terms, covenants, and conditions thereof; provided, however, that before any such cancellation shall be made, lessor must mail to the lessee, by registered mail addressed to the post office address of such lessee as shown by the records, a thirty day notice of intention to cancel said lease, specifying the default for which the lease is subject to cancellation. No proof of receipt of notice shall be necessary and thirty days after such mailing the lessor may enter cancellation unless the lessee shall have sooner remedied the default.

(a) Lessees, including their heirs, assigns, agents, and contractors shall at their own expense fully comply with all laws, regulations, rules, ordinances, and requirements of the city, county, state, federal authorities and agencies, in all matters and things affecting the premises and operations thereon which may be enacted or promulgated under the governmental police powers pertaining to public health and welfare, including but not limited to conservation, sanitation, aesthetics, pollution, cultural properties, fire, and ecology.

(b) The State has a continuing option to purchase at any time and from time to time, at the market price prevailing in the area on the date of purchase, all or any part of the minerals (SALT) that will be produced from the lands covered by this lease (or other conveyance).

6. Lessor shall have the right to inspect all records, books or accounts pertaining to mining, extraction, transportation and returns of materials taken from the lands.

7. Lessee may make or place such improvements and equipment upon the land as may be reasonable necessary to explore for, mine and remove the materials, and upon termination of this lease for any reason, lessee may remove such improvements and equipment as can be removed without material injury to the premises; provided, however, that all rentals and royalties have been paid and that such removal is accomplished within two years of the termination date or before such earlier date as the lessor may set upon thirty days' written notice to the lessee. All improvements and equipment remaining upon the premises after the removal date, as set in accordance with this paragraph, shall be forfeited to the lessor without compensation.

8. Before lessee shall commence development or operations upon the lands embraced herein, he shall execute and file with the lessor a good and sufficient bond in the amount of \$ 1,000.00 in favor of the State of New Mexico, for the benefit of the lessor, its surface lessee, patentee or contract purchaser, to secure the payment of such damage to the livestock, water, crops or other tangible improvements on the lands as may be suffered by reason of development, use and occupation of the lands by the said lessee, and the lessee shall be liable and agrees to pay for all such damages to the livestock, growing crops, or other improvements upon the land. In addition, lessee shall furnish a bond in the amount of \$ 1,000.00 in favor of lessor to guarantee payment of royalties to become due under this lease, or in the alternative to filing said performance bond, lessee may pay to the lessor on or before the first day of each calendar quarter of the year, in advance, the sum of \$****NIL**** as advance royalty to be credited against royalty becoming due during the quarter.

9. This lease is made subject to all the provisions and requirements applicable thereto which are to be found in various acts of the Legislature of New Mexico, the same as though they were fully set forth herein, and said laws, so far as applicable to this lease, are to be taken as a part hereof.

10. Nothing herein contained shall be held or construed to prevent the lessor from leasing or letting the said lands or any portion thereof for grazing or agricultural purposes, or for leasing them for the exploration, development and production of products from deposits other than the item, including but not limited to oil and gas, potash and coal, or for leasing them for the operation of a business, or for selling them under a deferred purchase contract with minerals reserved, or for patenting them with minerals reserved, or for the issuance of rights of way, and easements over, upon, or across them for public highways, railroads, tramways, telegraph, telephone and power lines, irrigation works, mining, logging, and for any of the purposes mentioned hereinabove in this paragraph, and for other purposes.

11. The lease herein is issued subject to all valid existing rights and with special but not exclusive reference to the present existence of the matters mentioned in the paragraph above.

12. All mining operations hereunder shall be in conformance with good mining practices, shall be carried on in a workmanlike manner, and shall be in conformance with all of the laws of the State of New Mexico and all rules and regulations of the State Land Office as may be issued from time to time under authority of law for the protection of valuable deposits of other minerals in or upon the lands but not covered by this lease.

13. Payment of all sums due the lessor by the lessee under the terms of this lease, including but not limited to payment for royalties and fees, shall be made at the office of the Commissioner of Public Lands, P. O. Box 1148, Santa Fe, New Mexico 87501, and after notice given, lessor may require such payments to be made in cash or certified exchange.

IN WITNESS WHEREOF, the State of New Mexico has hereunto signed and caused its name to be signed by its Commissioner of Public Lands thereunto duly authorized, with the seal of his office affixed, and the lessee has signed this agreement to be effective the day and year above written.

STATE OF NEW MEXICO

BY:

COMMISSIONER OF PUBLIC LANDS

Lessor

Permian Brine Sales & Service, Inc.

Lessee

PERSONAL ACKNOWLEDGMENT

STATE OF _____)

COUNTY OF _____)

ss:

The foregoing instrument was acknowledged before me on this _____ day of _____, 19____
by _____

My Commission Expires:

Notary Public

ACKNOWLEDGMENT BY ATTORNEY

STATE OF _____)

COUNTY OF _____)

ss:

The foregoing instrument was acknowledged before me on this _____ day of _____, 19____
by _____ as attorney-in-fact on behalf of _____

Notary Public

ACKNOWLEDGMENT BY CORPORATION

STATE OF Texas _____)

COUNTY OF Ector _____)

ss:

The foregoing instrumen was acknowledged before me on this 10th. day of July, 19 78
by A.L. Hickerson, President of Permian Brine Sales & Service, Inc.
(name) (title) (corporation)

a Texas corporation, on behalf of said corporation
(state or county)

My Commission expires:

Notary Public

August 31, 1978



NEW MEXICO STATE LAND OFFICE

Right-Of-Way and Easement
For Pipeline

OUR FILE

J. E. Antunes
State Files

APPLICATION NO. RW-19824

NO. RW-19824

THIS INDENTURE, made this 18TH day of SEPTEMBER, 19 78,

by and between the STATE OF NEW MEXICO, acting by and through _____

PHIL R. LUCERO, its Commissioner of Public Lands, grantor,

and PERMIAN BRINE SALES & SERVICE, INC., a corporation duly organized

and existing under and by virtue of the Laws of the State of TEXAS,

duly authorized to transact business in the State of New Mexico, grantee.

WITNESSETH:

That the grantor for and in consideration of the sum of (\$369.00-----)

THREE HUNDRED SIXTY-NINE AND NO/100----- dollars, lawful money of the United States, in hand paid by grantee, receipt whereof is hereby acknowledged, has granted and by these presents does grant to grantee, its successors and assigns, a right-of-way and easement for the purpose of laying, constructing, replacing, renewing, maintaining and operating a pipeline for the transportation of gas, petroleum or any of its products, water or other substances, or either thereof, and as incident thereto, the right to erect and maintain, operate, change, renew and reconstruct a telephone and telegraph line or either of them, as may be necessary in connection with the use of said pipeline, together with the rights of ingress and egress on, over and through the lands described by the centerline description and survey plat(s) included in grantee's Application For Right-Of-Way Easement and approved by grantor; said centerline description and survey plat are incorporated herein by reference.

TO HAVE AND TO HOLD unto grantee, its successors and assigns, so long as the granted premises shall be used for the purpose above specified, or any of them, with a reversion of said lands so granted to the State of New Mexico upon the cessation of their use for said purposes, or any of them, by the grantee, its successors and assigns.

This grant is made upon the following terms and conditions:

1. The State of New Mexico, its lessees, permittees and assigns shall be permitted to use and enjoy the premises except as the same may be necessary for the purpose herein granted; that grantee, its successors and assigns, hereby agree carefully to avoid destruction or injury to any improvements or livestock lawfully upon said premises, carefully to close all gates and pay the reasonable and just damages for such injury or destruction, if any, arising from laying, maintaining, operating and removing said pipeline.

2. All pipelines laid on the said lands by virtue of this grant shall be buried not less than twenty inches (20") deep, excepting if hard rock is encountered which would require blasting, the pipeline shall be buried to the greatest depth possible without blasting, but in no such event shall the pipeline be buried less than eight (8"). Deviation of the twenty inch (20") depth must be shown on the plat accompanying the application for said right-of-way.

3. Pipelines laid on land subject to cultivation shall have a minimum of twenty inches (20") cover and shall be so laid as not to interfere with ordinary cultivation of such land after construction has been completed.

4. Grantee, its successors and assigns, shall have the right at any time to lay an additional line or lines of pipe alongside of the first line as herein provided, and to change the size of its pipe, subject to the same rights, terms and conditions as herein provided.

5. Grantee shall have the right to assign this Right-Of-Way and Easement, subject to the approval of grantor.

6. In crossing any other right-of-way, previously granted by grantor to a third party, grantee shall exercise due care so as not to interfere with said rights-of-way and will comply with all laws, rules and regulations in connection with the making of such crossing.

7. Grantor expressly reserves the right to authorize or grant rights-of-way and easements to third parties, which subsequent rights-of-way and easements will cross over or bisect this right-of-way. In such cases, the subsequent grantee will be required to post a bond guaranteeing payment for damages to the installations and improvements of grantee, unless such bond is waived by grantee.

8. Grantor reserves the right to execute leases for oil and gas, coal, and minerals of whatsoever kind and for geothermal resource development and operation and the right to sell or dispose of same and the right to grant rights-of-way and easements for the purpose of this paragraph.

9. The rights granted herein are subject to valid existing rights.

10. Grantee, including its heirs, assigns, agents, and contractors shall at their own expense fully comply with all laws, regulations, rules, ordinances, and requirements of the city, county, state, federal authorities and agencies, in all matters and things affecting the premises and operations thereon which may be enacted or promulgated under the governmental police powers pertaining to public health and welfare, including but not limited to conservation, sanitation, aesthetics, pollution, cultural properties, fire and ecology. Such agencies are not to be deemed third party beneficiaries hereunder; however, this clause is enforceable by the grantor as herein provided or as otherwise permitted by law.

11. Non-user of the right-of-way and easement granted herein for a period in excess of one (1) year without the prior written permission of grantor shall be conclusive proof of abandonment and non-user for shorter periods shall place upon grantee the burden of proving that there was no intent to abandon.

12. Grantee shall save and hold harmless, indemnify and defend the State of New Mexico, the Commissioner of Public Lands, and his agent or agents, in their official and individual capacities, of and from any and all liability claims, losses, or damages arising out of or alleged to arise out of or indirectly connected with the operations of grantee hereunder, off or on the hereinabove described lands, or the presence on said lands of any agent, contractor or subcontractor of grantee.

13. Notwithstanding anything contained herein to the contrary, grantor may cancel this grant for violation of any of the covenants of this agreement; provided, however, that before any such cancellation shall be made, grantor must mail to grantee or approved assignee, by registered or certified mail, addressed to the post office address of such grantee or assignee, shown by the records, a thirty (30) day notice of intention to cancel said grant, specifying the default for which the grant is subject to cancellation. No proof of receipt of notice shall be necessary and thirty (30) days after such mailing, the grantor may enter cancellation unless the grantee shall have sooner remedied the default.

IN WITNESS WHEREOF, the State of New Mexico has caused this instrument to be executed by its Commissioner of Public Lands, thereunto duly authorized, with the seal of his office affixed, the day and year first above written.

STATE OF NEW MEXICO

(SEAL)

BY: Phil R. [Signature]
COMMISSIONER OF PUBLIC LANDS



PHIL R. LUCERO
COMMISSIONER

State of New Mexico



Commissioner of Public Lands

P. O. BOX 1148
SANTA FE, NEW MEXICO 87501

- PERMIAN BRINE SALES & SERVICE, INC.
- P.O. BOX 1591
- ODESSA, TEXAS 79760

Reference RW-19824
Letter No. 14-11-4
Date 11-7-78

SUBJECT: THE ATTACHED DOCUMENT IS FOR YOUR COMPLIANCE WITH THE REQUIREMENTS INDICATED WITH CHECK MARKS.

- ☐ Please sign enclosed copy(ies) on referenced Lease(s) before a Notary Public and return in order to complete the Lease(s).
- ☐ Enclosed referenced assignment(s) transferred by _____ and approved by Commissioner on _____.
- ☐ Assignment(s) will not be accepted due to: ☐ Erasures in description, ☐ Strikeover(s) in description, ☐ Executed on improper forms, ☐ Incomplete description, ☐ Acknowledgment is incomplete. Please re-issue a new assignment.
- ☐ Please furnish this office with \$500.00 Single Damage Bond or \$1,000.00 Blanket Damage Bond, as required by Statute so Lease can be approved.
- ☐ Lands applied for are under Purchase Contract. You must obtain written consent from _____. Your application will be held in abeyance awaiting this consent.
- ☒ Approved copy(ies) of your RIGHT OF WAY AND EASEMENT (is/ate) enclosed for your files.
- ☐ Other: _____

FLOYD O. PRANDO, Supervisor

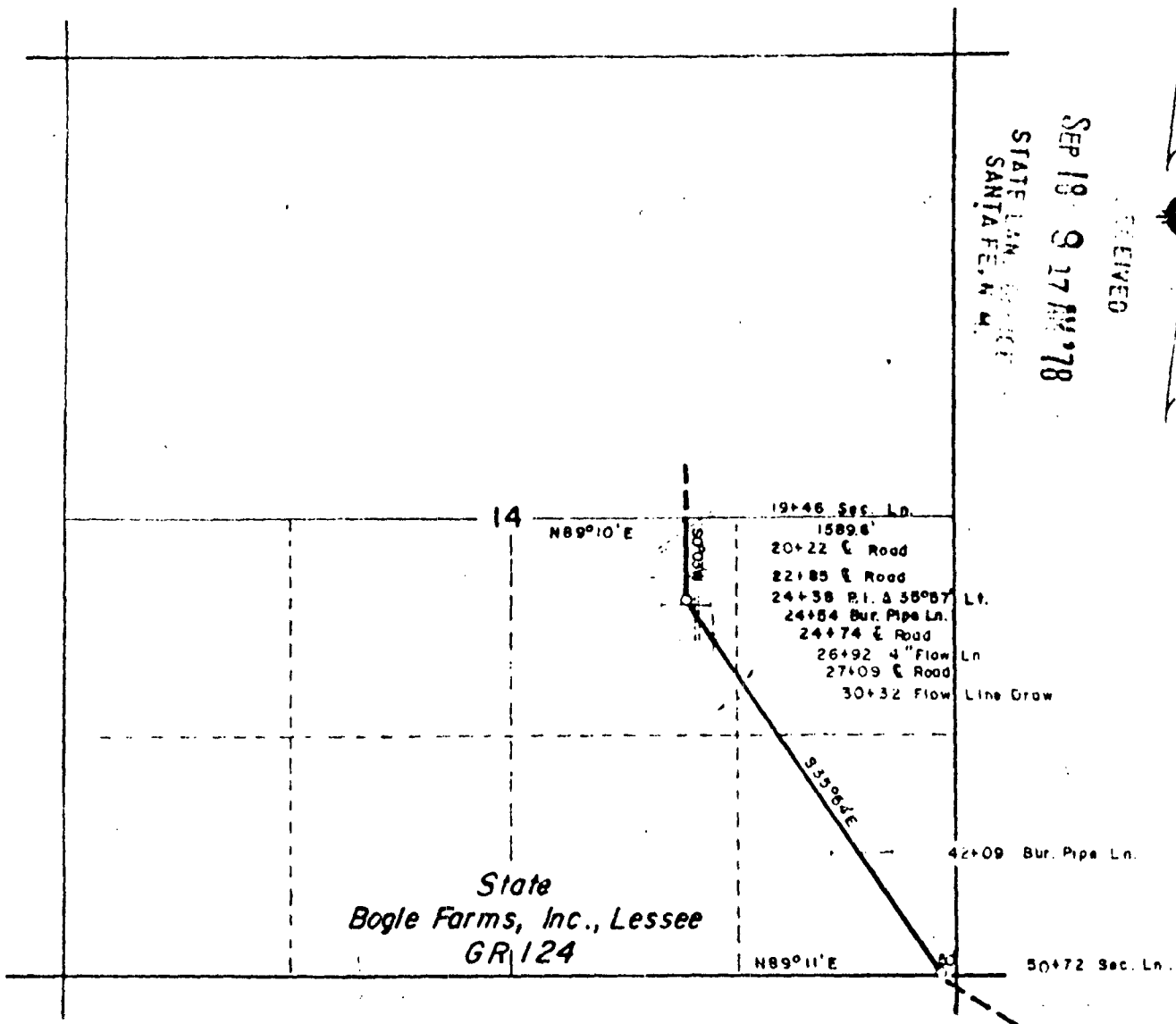
CENTRAL LEASING AND FILING

TELEPHONE: 827-2247

FOP:tg

SEC. 14, T18S, R28E, N.M.P.M.,

EDDY COUNTY, NEW MEXICO



DESCRIPTION OF RIGHT-OF-WAY

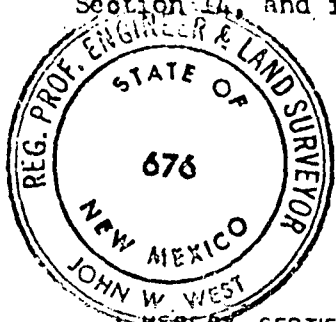
A strip of land 30 feet wide being 15 feet right and 15 feet left of the following described survey of centerline:

Beginning at Eng. Sta. 19+46, a point on the north boundary line of the south half of Section 14, Township 18 South, Range 28 East, N. M. P. M., Eddy County, New Mexico, from which the east quarter corner of the said Section 14 bears north 89°10' east a distance of 1589.6 feet; thence, south 0°03' west, crossing the State of New Mexico land a distance of 492 feet to Eng. Sta. 24+38; thence, south 35°54' east a distance of 2634 feet to Eng. Sta. 50+72, a point on the south boundary line of the said Section 14, from which the southeast corner of the said Section 14 bears north 89°11' east a distance of 50 feet.

The said tract of land contains 2.15 acres, more or less, all within the said Section 14, and is allocated by forties as follows:

NW $\frac{1}{4}$ SE $\frac{1}{4}$ 0.71 acres
NE $\frac{1}{4}$ SE $\frac{1}{4}$ 0.31 acres

SE $\frac{1}{4}$ SE $\frac{1}{4}$ 1.13 acres



I HEREBY CERTIFY THAT THIS PLAT WAS MADE FROM NOTES TAKEN IN THE FIELD IN A BONA FIDE SURVEY MADE UNDER MY SUPERVISION, AND THAT THE SAME IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

JOHN W. WEST, N.M. P.E. & L.S. NO. 676
TEXAS R.P.S. NO. 1138

RONALD J. EIDSON, N.M. L.S. NO. 3239
TEXAS R.P.S. NO. 1883

PERMIAN BRINE SALES & SERVICE, INC.

Proposed water pipeline crossing the State of New Mexico land in Section 14, Township 18 South, Range 28 East, N. M. P. M., Eddy County, New Mexico.

JOHN W. WEST ENGINEERING COMPANY
CONSULTING ENGINEERS HOBBS, NEW MEXICO

Scale: 1" = 1000'

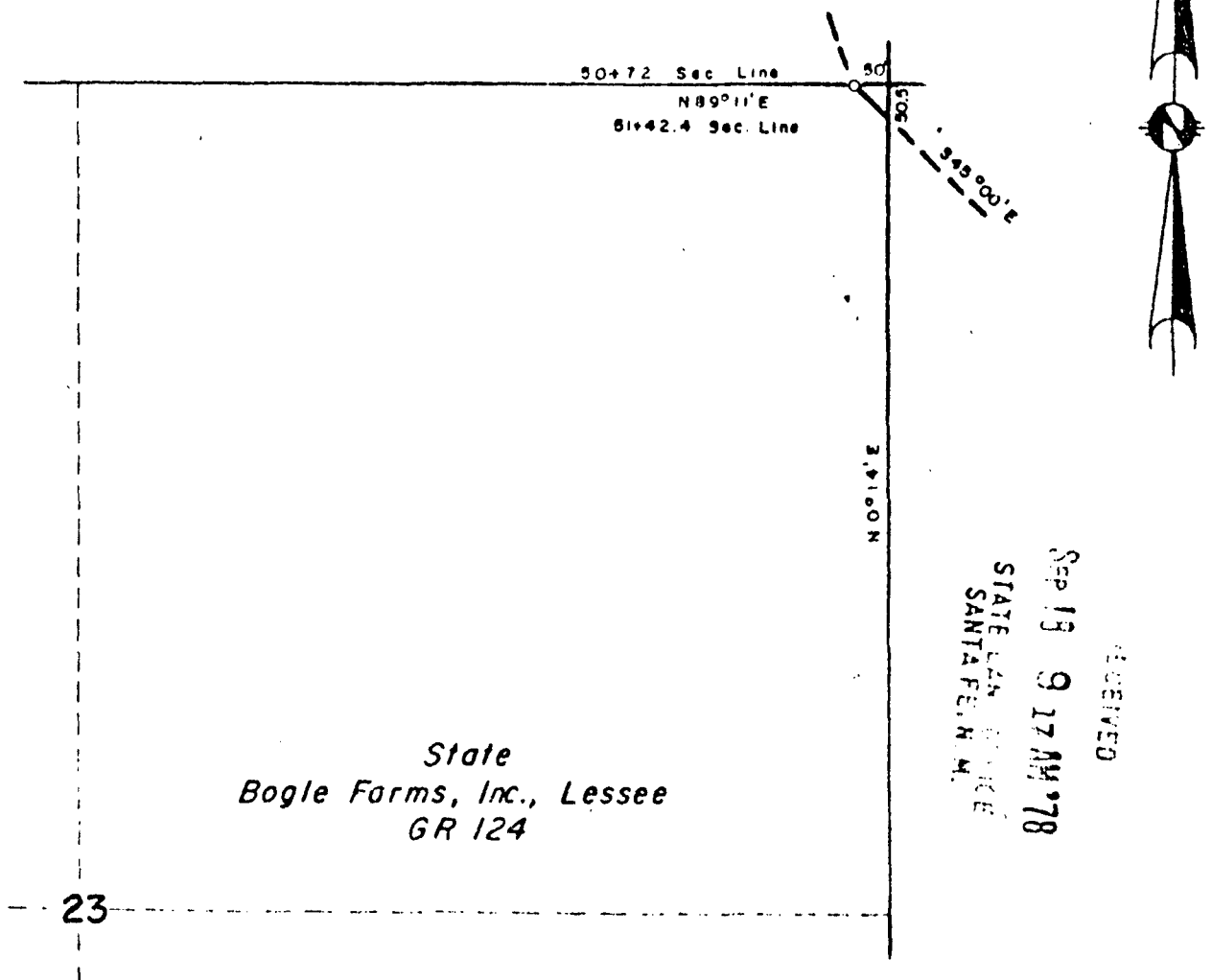
Drawn by: chb

Date: Sept. 7, 1978

Sheet 1 of 1 Sheets

SEC.23, T18S, R28E, N.M.P.M.,

EDDY COUNTY, NEW MEXICO



DESCRIPTION OF RIGHT-OF-WAY

A strip of land 30 feet wide being 15 feet right and 15 feet left of the following described survey of centerline:

Beginning at Eng. Sta. 50+72, a point on the north boundary line of Section 23, Township 18 South, Range 28 East, N. M. P. M., Eddy County, New Mexico, from which the northeast corner of the said Section 23 bears north 89°11' east a distance of 50 feet; thence, south 45°00' east, crossing the State of New Mexico land a distance of 70.4 feet to Eng. Sta. 51+42.4, a point of the east boundary line of the said Section 23, from which the northeast corner of the said Section 23 bears north 0°14' east a distance of 50.5 feet.

The said tract of land contains 0.05 acres, more or less, all within the said Section 23, and is allocated by forties as follows:

NE $\frac{1}{4}$ NE $\frac{1}{4}$ 0.05 acres



I HEREBY CERTIFY THAT THIS PLAT WAS MADE FROM NOTES TAKEN IN THE FIELD IN A BONA FIDE SURVEY MADE UNDER MY SUPERVISION, AND THAT THE SAME IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

John W. West
JOHN W. WEST, N.M. P.E. & L.S. NO. 676
TEXAS R.P.S. NO. 1138
RONALD J. EIDSON, N.M. L.S. NO. 3239
TEXAS R.P.S. NO. 1883

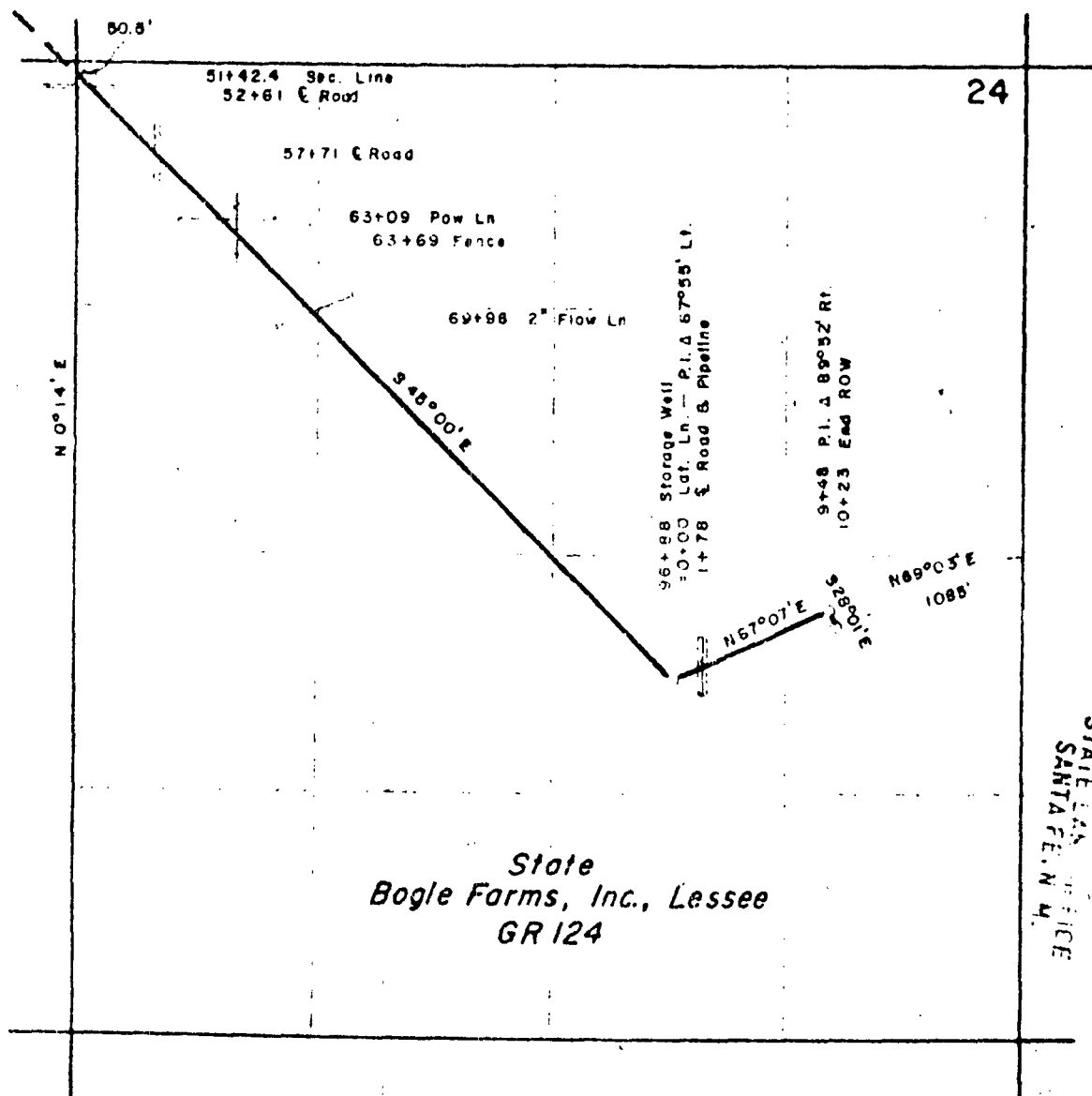
PERMIAN BRINE SALES & SERVICE, INC.

Proposed ~~water~~ water pipeline crossing the State of New Mexico land in Section 23, Township 18 South, Range 28 East, N. M. P. M., Eddy County, New Mexico.

JOHN W. WEST ENGINEERING COMPANY
CONSULTING ENGINEERS HOBBS, NEW MEXICO
Scale: 1" = 300'
Date: Sept. 7, 1978
Drawn by: chb
Sheet 1 of 1 Sheets

SEC. 24, T18S, R28E, N.M.P.M.,

EDDY COUNTY, NEW MEXICO



State
Bogle Farms, Inc., Lessee
GR 124

RECEIVED
SEP 19 9 17 AM '78
STATE LAND OFFICE
SANTA FE, N.M.

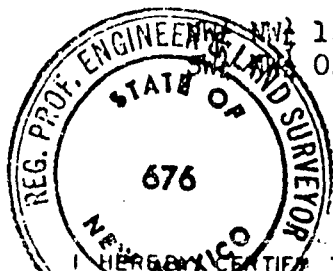
DESCRIPTION OF RIGHT-OF-WAY

A strip of land 30 feet wide being 15 feet right and 15 feet left of the following described survey of centerline:

Beginning at Eng. Sta. 51+42.4, a point on the west boundary line of Section 24, Township 18 South, Range 28 East, N. M. P. M., Eddy County, New Mexico, from which the northwest corner of the said Section 24 bears north 00°14' east a distance of 50.5 feet; thence, south 45°00' east, crossing the State of New Mexico land a distance of 4545.6 feet to Eng. Sta. 96+88 equals Eng. Sta. 0+00; thence, north 67°07' east a distance of 948 feet to Eng. Sta. 9+48; thence, south 28°01' east a distance of 75 feet to Eng. Sta. 10+23, ending this right-of-way, from which the east quarter corner of the said Section 24 bears north 69°03' east a distance of 1085 feet.

The said tract of land contains 3.84 acres, more or less, all within the said Section 24, and is allocated by forties as follows:

NW 1/4 1.22 acres	SE 1/4 NW 1/4 1.21 acres	NW 1/4 SE 1/4 1.09 acres
SW 1/4 0.05 acres	NE 1/4 SW 1/4 0.04 acres	NE 1/4 SE 1/4 0.23 acres



I HEREBY CERTIFY THAT THIS PLAT WAS MADE FROM NOTES TAKEN IN THE FIELD IN A BONA FIDE SURVEY MADE UNDER MY SUPERVISION, AND THAT THE SAME IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

JOHN W. WEST, N.M. P.E. & L.S. NO. 676
TEXAS R.P.S. NO. 1138

RONALD J. EIDSON, N.M. L.S. NO. 3239
TEXAS R.P.S. NO. 1883

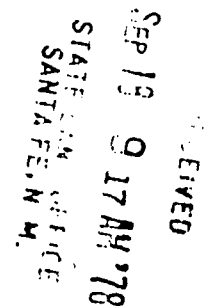
PERMIAN BRINE SALES & SERVICE, INC.

Proposed water pipeline crossing the State of New Mexico land in Section 24, Township 18 South, Range 28 East, N. M. P. M., Eddy County New Mexico.

JOHN W. WEST ENGINEERING COMPANY
CONSULTING ENGINEERS HOBBS, NEW MEXICO

Scale: 1" = 1000'	Drawn by: chb
Date: Sept. 8, 1978	Sheet 1 of 1 Sheets

EDDY COUNTY, NEW MEXICO



Scale: 1" = 1000'	Drawn by: ohb
Date: Sept. 7, 1978	Sheet 1 of 1 Sheets



NEW MEXICO STATE LAND OFFICE
APPLICATION FOR RIGHT-OF-WAY EASEMENT

RECEIVED
9 17 AM '78
STATE LAND OFFICE
SANTA FE, N. M.

COMMISSIONER OF PUBLIC LANDS
State Land Office
Santa Fe, New Mexico 87501

Dear Sir:

The Permian Brine Sales & Service, Inc., a Texas Corporation, hereby submits an application for a Pipeline Right-of-Way Easement across State land for the purpose of Transporting fresh water to make brine

Enclosed herewith are two copies of survey plats or maps showing in red the survey centerline, also the legal description of the proposed right of way allocated by forty acre tracts and certified by a New Mexico registered professional engineer and land surveyor or land surveyor duly qualified under the laws of the State of New Mexico.

Enclosed herewith are: (Either of the following is sufficient to cover payment for any damages that might accrue to any improvements to surface lessee.)

- () Consent to right-of-way and waiver of property damage bond.
- () A bond in the amount of \$500.00 for each individual right of way.
- (X) A blanket bond in the amount of \$2,500.00 is on file with the State Land Office.

Enclosed is a draft in the amount of \$ 399.00 for 7.38 acres at \$ 50.00 per acre, plus \$10.00 application fee, and \$20.00 appraisalment fee.

Permian Brine Sales & Service, Inc.

P.O. Box 1591, Odessa, Texas 79760
Address

I, A.L. Hickerson, President of the
(Specify applicant, attorney in fact, or officer of corporation)

above named applicant, do solemnly swear that each and every statement made in this application is true and correct to the best of my knowledge and belief.

Dated this 14th. day of September, 19 78.

A.L. Hickerson
Applicant

By President
Attorney in Fact or Authorized Agent

State of Texas)
County of Ector) ss

Subscribed and sworn to before me by A.L. Hickerson - President of
Permian Brine Sales & Service, Inc.
(Applicant, agent, attorney in fact, or officer of corporation)

the above named applicant, this 14th. day of September, 19 78.

Mona Deland
NOTARY PUBLIC - In and for
Ector County, Texas

My Commission expires:

8-31-79



PERMIAN BRINE SALES & SERVICE, INC.

NEW MEXICO STATE LAND OFFICE

APPRAISEMENT OF STATE INSTITUTIONAL LANDS
FOR right-of-way PURPOSES

RECEIVED
SEP 13 9 17 AM '78
STATE LAND OFFICE
SANTA FE, N.M.

R-19824

To the Commissioner of Public Lands, Santa Fe, N. M.

SIR:

I have personally inspected the following described tract of land in Eddy County, New Mexico, and submit this appraisal report together with a statement of the natural character and conditions thereof:

Subdivision	Sec.	Twp.	Range	Acres
See Exhibit				

Attach Exhibit if more space is needed for entire description or to complete answers below

CHARACTER OF LAND

Answer the following questions in all appraisals:

State the best use for which the land may be adapted native pasture and wildlife habitat
State what other uses, if any, it may be or is being used for none
What is the general terrain or topography of the land? level to gently sloping
What type(s) of soil? gravelly fine sand loam Are there any signs of erosion? yes
If so, what type and to what extent? severe wind
What kind of vegetation is on the land, including grasses, if any? blue grama, black grama, side-oat grama, little bluestem, Javelina, snakeweed, sand muhly, sand sagebrush, and mesquite
Is the land cultivated, grassland, or other? grassland
If cultivated, is it dry land or irrigated farm land? (state acreage involved) not cultivated

Are there natural streams, rivers, springs, ponds, and water holes on the land? If so, describe same none

State kind of merchantable timber, quality, and present condition, if any none

What irrigation ditches are on the land? If none, then distance of nearest one none

12 miles west to the Pecos River Valley

State the number of wells, depth, and type, on the land, whether used for domestic, irrigation, or other purposes none

State nearest distance to city, town, or village limits and name of municipality Artesia, New Mexico
12 miles northwest

Are there any existing or abandoned utility (electric, telephone, or telegraph) lines, railroads, public roads or highways, pipelines, borrow pits, material pits, cooperative irrigation ditches, reservoirs, airports, land strips, or trash dumps on the land? none If so, please describe and give approximate location none If any of the above are found on the land, are they a benefit or detriment to the land? Explain none

List all improvements, their location, and value (including, but not limited to, houses, barns, stables, their sizes and how built; wells and their depth and description; windmills; fences, their amount, kind, and length; and all other improvements) none

Name and address of present owner of improvements is: none
State if any trespass or waste has been done to the land, or to any existing natural products thereon, and in what manner, by whom if known, and how it detracts from the value of the land only the trespass to graze cattle and operate oil wells

Does the land have any recreational potential, such as cabin sites, etc? Explain none

Answer the following questions in specific category for which application is made by applicant:

BUSINESS LEASE:

If known, what type of business is the land going to be used for by the applicant? none

Or is the land being leased for speculative purposes, if known? none

Estimate how much the parcel would lease for on a yearly basis for commercial purposes none

List amounts for which parcels of fee land similarly situated lease for (monthly or annual rentals) none
If land applied for is within municipal limits, state type and none

State what (type and kind) improvements are located on this land that are beneficial to and consistent with business or commercial use of this land _____

If known, what damage will be done, if any, to the tangible property of state's prior patentees or lessees of this land by reason of applicant's use in making and constructing of a right of way (water easement) as requested? none

What tangible surface damage, if any, will occur to other state lessees or patentees by the proposed salt water disposal site, roadway, or pipeline?

Based upon your examination of the land applied for, is there an existing abandoned dry hole(s) located thereon? . To what depth, if known

How? Provide water for making brine for drilling of Oil and Gas Wells.

STATE OF NEW MEXICO) ss
County Lea)

After having personally inspected the within described tract of land, I HEREBY APPRAISE THE SAME at and state the ACTUAL CASH VALUE of same for the purpose desired to be \$50.00 per acre (indicate per acre, square foot, or other), and certify that I am not interested in said land or leasing or sale thereof.

Signed [Signature]
412 North Dal Paso
P.O. Hobbs, New Mexico 88240

Subscribed and sworn (affirmed) to before me this 8th day of September, 1978

My Commission Expires: August 10, 1980

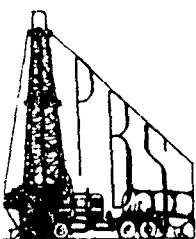
NOTE: The Laws of New Mexico require that all statements in appraisements must be made from personal knowledge, and not upon information and belief; save only those with reference to the actual value of the land appraised. This appraisement must be sworn to before a Notary Public or County Magistrate.

EXHIBIT

Subdivision	Sec.	Twp.	Range	Acres
QW $\frac{1}{4}$ SE $\frac{1}{4}$	14	18S	28E	0.71
NE $\frac{1}{4}$ SE $\frac{1}{4}$	14	18S	28E	0.31
SE $\frac{1}{4}$ SE $\frac{1}{4}$	14	18S	28E	1.13
NE $\frac{1}{4}$ NE $\frac{1}{4}$	23	18S	28E	0.05
NW $\frac{1}{4}$ NW $\frac{1}{4}$	24	18S	28E	1.22
SW $\frac{1}{4}$ NW $\frac{1}{4}$	24	18S	28E	0.05
SE $\frac{1}{4}$ NW $\frac{1}{4}$	24	18S	28E	1.21
NE $\frac{1}{4}$ SW $\frac{1}{4}$	24	18S	28E	0.04
NW $\frac{1}{4}$ SE $\frac{1}{4}$	24	18S	28E	1.09
NE $\frac{1}{4}$ SE $\frac{1}{4}$	24	18S	28E	<u>0.23</u>
Sub-Total				6.04
NW $\frac{1}{4}$ NE $\frac{1}{4}$	14	18S	28E	0.43
SW $\frac{1}{4}$ NE $\frac{1}{4}$	14	18S	28E	<u>0.91</u>
Sub-Total				1.34
Total				7.38

R. 19824

RECEIVED
 SEP 16 9 17 AM '78
 STATE LAND OFFICE
 SANTA FE, N.M.



PERMIAN BRINE SALES, INC.

24-HOUR BRINE SERVICE THROUGHOUT THE PERMIAN BASIN

ODESSA, TEXAS

79760

PHONE 332-0531

P. O. BOX 1591

SUPPLEMENT TO ASSIGNMENT & BILL OF SALE STATE 24 - ARTESIA STATION

PERMIAN BRINE SALES, INC. further covenants that it does not have any liens, liabilities or commitments against the brine wells or the facilities connected thereto. PERMAIN BRINE SALES, INC. has not entered into any agreements obligating the brine station or B & E, INC.

IN WITNESS WHEREOF, we have executed this Supplement, effective April 30, 1983.

PERMIAN BRINE SALES, INC.

BY:

A.L. Hickerson
A.L. HICKERSON, PRESIDENT

STATE OF TEXAS X

COUNTY OF ECTOR X

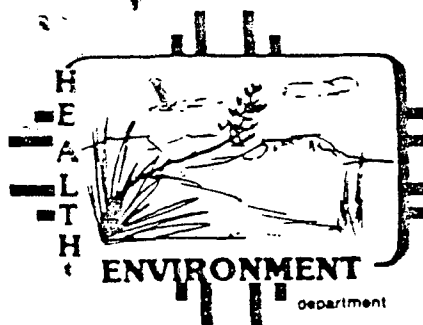
BEFORE ME, the undersigned, A Notary Public in and for said County and State, on this day personally appeared A.L. Hickerson, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that the same was the act of the said PERMIAN BRINE SALES, INC., a corporation, and that he executed the same as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 6th day of July, A.D., 1983.

Sam Carr Huff
NOTARY PUBLIC IN AND FOR ECTOR.
COUNTY, TEXAS

TONEY ANAYA
GOVERNOR

DENISE D. FORT
DIRECTOR



STATE OF NEW MEXICO

ENVIRONMENTAL IMPROVEMENT DIVISION

P.O. Box 968, Santa Fe, New Mexico 87504-0968
(505) 984-0020

November 26, 1985

Phil and Julie Withrow
B&E, Inc.
700 North Shipp
Hobbs, NM 88240

Dear Mr. and Mrs. Withrow:

Enclosed is a revised Assurance of Discontinuance which I prepared on the basis of the Assurance which Stan Watson of Quality Brine put together for you. I have enclosed a copy of that earlier version of the Assurance so you can see what has been changed. These changes were mainly recommended by our EID legal counsel upon review of your earlier Assurance.

The most important changes are as follows:

- (1) Third WHEREAS, first page: I have added the fact that you have conducted a recent pressure test on the brine well. This information was provided with the first portion of the discharge plan for the "State 24-" Brine Station, received at EID on November 15. This is the best indication we have that the brine well is not causing contamination of ground water.
- (2) SCHEDULE OF COMPLIANCE: rather than requiring the discharge plan to be submitted in stages, you are required to submit a complete discharge plan four months after the Assurance is approved, and we then have another nine months to negotiate particular terms of the discharge plan between us. The materials that you have already submitted will count toward your discharge plan. I have enclosed an outline to guide the submittal of an injection well discharge plan.
- (3) The "NO ADMISSION" language of Paragraph 6 has been replaced by a section on PENALTIES.

If you have any questions on the enclosed revised Assurance, please contact me by phone (827-2901) on Wednesday, November 27th. The reason for the rush is that Thursday and Friday of this week are holidays, and in order to have your Assurance placed on the agenda for the Water Quality Control Commission meeting of December 10th, I must receive it back from you with a notarized signature no later than the morning of Tuesday, December 3rd. If you will be sending it in so that I will receive it Tuesday morning, please give me a call on Monday, December 2nd, so that I can advise the Commission secretary to place your Assurance on the agenda. We will need to have your Assurance in hand, however, before the agenda goes out to the Commissioners on Tuesday, or else your agenda item will be removed.

I apologize for the last-minute rush, and will very much appreciate your cooperation in meeting this deadline. It is to your advantage to enter into this formal agreement with the Commission, so that you will be assured that EID will not take action against you for remaining in operation without an approved discharge plan.

Thank you for submitting the additional information that I requested from Mr. Monk in order that I could support your Assurance before the Commission.

Sincerely,



Paige Grant Morgan
Water Resource Specialist

PGM:pgm

cc: Richard Perkins, Acting Chief, Ground Water/Hazardous Waste Bureau
Louis Rose, EID Legal Bureau
John Guinn, EID District IV Manager

ASSURANCE OF DISCONTINUANCE

WHEREAS, on September 18, 1985, staff of the New Mexico Environmental Improvement Division (EID) requested Phil and Julie Withrow, owners of B&E, Inc, to submit a Discharge Plan pursuant to Sections 3-104 and 5-101.B.3 of the New Mexico Water Quality Control Commission (Commission) regulations for discharges from the brine facility and brine well "State 24-1", located in Section 24, Township 18 South, Range 28 East, N.M.P.M., Eddy County, New Mexico; and

WHEREAS, neither the regulations nor an extension to discharge without an approved Discharge Plan issued by the Director, nor any Court Order, allows B&E, Inc. to operate an injection well and associated surface facilities beyond December 20, 1982, and discharges at "State 24-1" Brine Station therefore constitute a violation of Section 5-101.B.3 of the Commission regulations and of Section 74-6-5 of the Water Quality Act; and

WHEREAS, the following information indicates that there is no present contamination of drinking water sources as a result of this operation:

- (a) A 24-hour pressure test of the well casing and salt cavity indicated no leakage from the injection well;
- (b) An inspection by EID staff indicated no sources of potential ground water contamination by surface activities; and
- (c) A representative of the State Engineer's Office has reported that no water wells exist within three miles of the "State 24-1" Brine Station; and

WHEREAS, B&E, Inc. has committed to the Commission to proceed with all diligence to prepare and secure an approved Discharge Plan; and

WHEREAS, the Commission and B&E, Inc. deem it appropriate to enter into this Assurance of Discontinuance.

B&E, Inc. assures the Commission as follows:

1. ASSURANCE: A Discharge Plan shall be prepared for the "State 24-1" Brine Station according to the schedule in Paragraph 2, thus discontinuing the practice of operating a brine well without a Discharge Plan in violation of Section 5-101.B.3 of the Commission regulations. This Assurance shall expire concurrently with the approval or disapproval of the Discharge Plan. If the Discharge Plan is approved, all operations at the facility shall be consistent with the terms of the Discharge Plan. If the Discharge Plan is disapproved, all injection operations and the use of associated surface facilities at the "State 24-1" Brine Station shall be terminated.

2. SCHEDULE OF COMPLIANCE: It is agreed that preparation of the Discharge Plan shall comply with the following schedule:

- | | |
|--|--------------------------------|
| A. B&E, Inc. shall submit to EID a complete Discharge Plan which shall address all applicable requirements of the Commission regulations | on or before April 10, 1986 |
| B. EID shall complete review of Discharge Plan application and shall provide comments to B&E, Inc. | on or before June 10, 1986 |
| C. B&E, Inc. shall submit responses to the EID comments to EID | on or before August 10, 1986 |
| D. EID shall review materials submitted under C and shall provide comments to B&E, Inc. | on or before October 10, 1986 |
| E. B&E, Inc. shall respond to EID comments provided under D | on or before November 10, 1986 |
| F. EID Director's approval or disapproval of the Discharge Plan shall be promulgated | on or before January 10, 1987 |

If a public hearing is scheduled by the EID Director pursuant to Section 3-108 of the Commission's regulations, all deadlines in Paragraphs 2.B through 2.F shall be 45 days later.

3. MUTUAL COOPERATION: B&E, Inc. and the EID shall mutually cooperate in accomplishing on a timely basis the matters contemplated by this Assurance. In this respect, direct communication among B&E, Inc. representatives and EID personnel is encouraged.

4. EXTENSIONS FOR GOOD CAUSE: It is expressly agreed and understood by the parties hereto that events not reasonably foreseeable on the date of execution of this Assurance may occur which will make it impossible or extremely difficult for B&E, Inc. to comply in a timely fashion with those compliance dates set out in numbered paragraph 2. In the event such unforeseen events do occur, B&E, Inc. may apply to the Commission for an extension for an additional reasonable period of time to comply with such tasks in numbered paragraph 2. The additional reasonable period of time, if granted, shall in all cases be governed by the relevant circumstances.

5. ENFORCEMENT: The Commission shall not undertake enforcement against "State 24-1" Brine Station for the continuation of current discharges occurring during the pendency of this Assurance without first giving B&E, Inc. 15 days prior written notice by the Director that he is in violation of the terms of this Assurance. This Paragraph shall not preclude appropriate action by the Director or the Commission under Section 74-6-11 N.M.S.A. 1978.

Failure by B&E, Inc. to comply with any condition of this Assurance of Discontinuance shall be actionable as a violation of the Water Quality Act and of this Assurance under Sections 74-6-5 and 10 N.M.S.A. 1978, as applicable.

Nothing in this Assurance of Discontinuance shall relieve B&E, Inc. from the responsibility for complying with all the provisions of the Water Quality Act, the regulations promulgated thereunder or any other provision of law except as otherwise specifically provided herein.

6. PENALTIES: The Commission's approval of this Assurance of Discontinuance does not imply that the Commission waives the right to seek penalties for violations occurring prior to its approval of the Assurance, pursuant to Section 74-6-10.B.N.M.S.A. 1978, if B&E, Inc. should violate any term of this Assurance.

Signed and acknowledged this ____ day of _____, 19 ____.

Phil or Julie Withrow

ACKNOWLEDGEMENTS
(choose appropriate form)

1. Natural Person

*STATE OF NEW MEXICO _____)
COUNTY OF (place where notarized) _____) : SS

The foregoing instrument was acknowledged before me this ____ day of _____, 19 ____ by _____

My Commission expires:

Notary Public

* (Note: If the Assurance is signed and acknowledged outside New Mexico, the name of the state should be inserted.)

2. Partnership, by one or more partners

*STATE OF NEW MEXICO

)

: SS

COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 19____, by (name of acknowledging partner or partners) _____, partner(s) on behalf of (name of partnership) _____, a partnership.

My Commission expires:

Notary Public

3. Limited partnership, by one or more general partners

*STATE OF NEW MEXICO

)

: SS

COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 19____, by (name of acknowledging general partner or partners) _____, partner(s), on behalf of (name of limited partnership) _____, a limited partnership.

My Commission expires:

Notary Public

4. Corporation or incorporated association

*STATE OF NEW MEXICO

)

: SS

COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 19____, by (name of officer) _____, of (name of corporation acknowledging) _____, a (state of corporation) corporation, on behalf of the corporation.

My Commission expires:

Notary Public

APPROVAL

WATER QUALITY CONTROL COMMISSION

By: _____
Denise Fort, Chairman
Water Quality Control Commission

STATE OF NEW MEXICO)
COUNTY OF SANTA FE) : SS

The foregoing instrument was acknowledged before me this _____ day of _____, 19____, by _____ d/b/a _____.

My Commission expires:

Notary Public

ASSURANCE OF DISCONTINUANCE

WHEREAS, on _____, the Director of the New
(date)
Mexico Oil Conservation Division (OCD)/Environmental Improvement Division
(EID) requested B & E INC to submit a Discharge Plan
(name of brine well owner)
pursuant to §§ 3-104 and 5-101.B.3 of the New Mexico Water Quality Control
Commission (Commission) Regulations for discharges from the brine facility and
brine well STATE 24 - 1 located in Section 24, Township
(name of facility)
18 North/South, Range 28 East/West, N.M.P.M., EDDY
County, New Mexico; and

WHEREAS, neither the regulations nor an extension to discharge
without an approved Discharge Plan issued by the Director, nor any Court
Order, allows B & E INC. to operate an injection well and
(owner)
associated surface facilities beyond _____, and
(date)

WHEREAS, the following information indicates that there is no present
contaminaiton of drinking water sources: SEE ATTACHED EXHIBIT A

_____ ; and

WHEREAS, B & E INC has committed to the
(owner)
Commission to proceed with all diligence to prepare and secure an approved
Discharge Plan; and

WHEREAS, the Commission and B & E INC deem it
(owner)
appropriate to enter into this Assurance of Discontinuance.

B & E INC assures the Commission as follows:
(owner)

1. ASSURANCE: A discharge plan shall be prepared for the _____
STATE 24 - 1 Brine Facility according to the schedule in Paragraph 2.
This Assurance shall expire concurrently with the approval or disapproval of
the discharge plan.

2. SCHEDULE OF COMPLIANCE: It is agreed that preparation of the
Discharge Plan shall comply with the following schedule:

A. B & E INC
(owner)
shall submit plans and specifications
of the in situ extraction well to the
EID on or before _____

B. B & E INC
(owner)
shall submit a proposal outlining measures
to be taken to correct any possible violation
of the Water Quality Control Commission
Regulations resulting from surface
activities on or before _____

C. EID shall complete review
of materials submitted under Paragraph
2.A and B and shall provide comments to

B & E INC
(owner) on or before _____

D. B & E INC
(owner)
shall submit the information listed in
§ 5-102.B.1d and the information listed
in § 5-203.A of the Water Quality Control
Commission Regulations to the EID on or before _____

E. EID shall complete review of materials submitted under Paragraph 2.D herein and EID shall provide

comments to B & E INC
(owner)

on or before _____

F. B & E INC
(owner)
shall submit a complete Discharge Plan which shall address all applicable requirements of the Water Quality Control Commission Regulations, Parts 3 and 5

on or before _____

G. EID shall complete review of Discharge Plan Application and EID shall provide comments to _____
(owner)

B & E INC

on or before _____

H. B & E INC
(owner)
shall submit responses to the EID comments

on or before _____

I. EID Director's approval or disapproval of Discharge Plan Application shall be promulgated

on or before _____

If a public hearing is scheduled by the EID Director pursuant to §3-108 of the Commission's Regulations, all deadlines in Paragraphs 2.G through 2.I shall be 45 days later.

3. MUTUAL COOPERATION: B & E INC
(owner) and the EID shall mutually cooperate in accomplishing on a timely basis the matters contemplated by this Assurance. In this respect, direct communication among STATE 24 - 1
(brine facility) representatives and EID personnel is encouraged.

4. EXTENSIONS FOR GOOD CAUSE: It is expressly agreed and understood by the parties hereto that events not reasonably foreseeable on the date of execution of this Assurance may occur which will make it impossible or extremely difficult for B & E INC
(owner) to comply in a timely fashion with those compliance dates set out in numbered paragraph 2. In the event such unforeseen events do occur, B & E INC
(owner) may apply to the Commission for an extension for an additional reasonable period of time to comply with such tasks in numbered paragraph 2. The additional reasonable period of time, if granted, shall in all cases be governed by the relevant circumstances.

5. ENFORCEMENT: The Commission shall not undertake enforcement against STATE 24 - 1
(brine facility) for the continuation of current discharges occurring during the pendency of this Assurance without first giving B & E INC
(owner) 15 days prior written notice by the Director that _____ is in violation of the terms of this Assurance. This Paragraph shall not preclude appropriate action by the Director or the Commission under § 74-6-11 N.M.S.A. 1978.

Failure by B & E INC
(owner) to comply with any condition of this Assurance of Discontinuance shall be actionable as a violation of the Water Quality Act and of this Assurance under §§ 74-6-5 and 10 N.M.S.A. 1978, as applicable.

Nothing in this Assurance of Discontinuance shall relieve _____
(owner) B & E INC from the responsibility for complying with all the provisions of the Water Quality Act, the regulations promulgated thereunder or any other provision of law except as otherwise specifically provided herein.

6. NO ADMISSION: The terms, execution and any conduct in accordance herewith shall not constitute an admission of any kind by B & E INC (owner) relating to matters under the Water Quality Act, Commission Regulations, or any other matters relating to health or environment.

Signed and acknowledged this 30th day of OCTOBER, 1985.

B & E INC. Phil Withrow
(owner)

STATE OF NEW MEXICO)

: SS

COUNTY OF Lea ~~SANTA FE~~)

The foregoing instrument was acknowledged before me this 30 day of OCTOBER, 1985, by Phil Withrow d/b/a B & E INC.

My Commission Expires:

7-2-88

Rosemary Jetton
Notary Public

APPROVED:

WATER QUALITY CONTROL COMMISSION

By _____

Denise Fort, Chairman

Water Quality Control Commission

STATE OF NEW MEXICO)

: SS

COUNTY OF SANTA FE)

The foregoing instrument was acknowledged before me this _____ day
of _____, 19____, by Denise Fort, Chairman of the Water Quality
Control Commission, on behalf of the Water Quality Control Commission.

My Commission Expires:

Notary Public

EXHIBIT A



STATE OF NEW MEXICO

STATE ENGINEER OFFICE ROSWELL

S.E. REYNOLDS
STATE ENGINEER

October 16, 1985

DISTRICT 2
909 EAST 2ND ST.
P.O. BOX 1717
ROSWELL, NEW MEXICO 88201

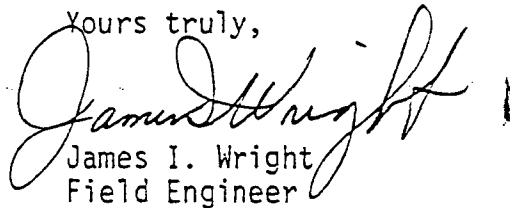
B and E Inc.
Box 2292
Hobbs, New Mexico 88240

Gentlemen:

In accordance with your request regarding fresh water zones in the vicinity of your brine station located in the SE $\frac{1}{4}$ of Section 24, Township 18 South, Range 28 East, please be advised that there are no water wells within three miles of your location.

The closest well is located in the NE $\frac{1}{4}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 21, Township 18 South, Range 28 East. This well is completed in the Artesia Group. A water sample collected from this well on April 10, 1969 had a chloride concentration of 134 parts per million.

Yours truly,


James I. Wright
Field Engineer

JIW/tmg
cc Santa Fe

INFORMATION SHEET TO ACCOMPANY IN SITU EXTRACTION WELL OUTLINE

The purpose of a discharge plan is to provide the technical staff of the regulating agency (in this case, EID) with sufficient information about your operation to demonstrate that your activities will not degrade the quality of ground water that contains less than 10,000 mg/l of total dissolved solids (TDS).

Please note that the word "discharge" covers inadvertent as well as intentional discharge - i.e., leaks and spills. It is necessary in your discharge plan to anticipate where any leaks or spills might occur, to indicate how you will guard against such accidents, and to develop a monitoring system to warn you when they have occurred.

In the event of a leak, spill, casing rupture, or any type of accidental discharge of a water contaminant (as defined in Section 1-101.BBB of the Water Quality Control Commission (WQCC) Regulations) you are required to notify the Ground Water and Hazardous Waste Bureau of EID and take whatever measures are necessary to avoid contamination of surface water or ground water with TDS less than 10,000 mg/l. Similarly, if you plan any significant change in your operation once your discharge plan is approved, you are required to notify this agency, and have the modification approved prior to its implementation.

The following outline condenses the requirements stated in the WQCC Regulations for operations like yours, and sets up a logical sequence in which to present the information required in your discharge plan. Using this format is optional. The final reference for what must be contained in your discharge plan is the WQCC Regulations. The codes in bold type in the outline refer to Sections of the WQCC regulations, for your convenience.

As an in situ extraction well operator, you may either submit a complete discharge plan and have it approved prior to drilling or constructing an in situ extraction well; or you may submit only those portions of this outline that are underlined, by way of "Notification" to the Director of EID at least 90 days prior to beginning construction that you plan to begin construction of an in situ extraction well or well field. You must subsequently receive approval of a complete discharge plan for your facility prior to going into operation, if you take this alternative approach. The advantage of the alternative approach is that it may allow you to start up operations more quickly than ~~if~~ you wait for complete discharge plan approval. The disadvantage is that if you have constructed the well or wells in a fashion that is not approvable by EID, you may never receive permission to operate those wells. For this reason, if you plan to use the alternative approach, it is important to consider carefully the comments of EID technical staff on the material you submit with your Notification.

The attached flow charts summarize the two approaches to obtaining approval for an in situ extraction operation in New Mexico.

B & E , INC
Brine Sales Well St. 24 No. 1

Phil Withrow

P. O. Box 5967

Hobbs, N. M. 88241

505-393-0762

Nov. 1, 1985



STATE OF NEW MEXICO

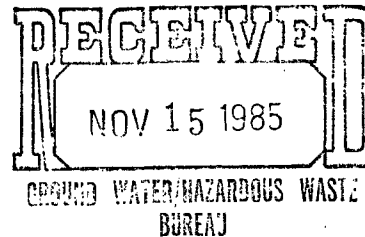
STATE ENGINEER OFFICE ROSWELL

S.E. REYNOLDS
STATE ENGINEER

October 16, 1985

DISTRICT 2
909 EAST 2ND ST.
P.O. BOX 1717
ROSWELL, NEW MEXICO 88201

B and E Inc.
Box 2292
Hobbs, New Mexico 88240



Gentlemen:

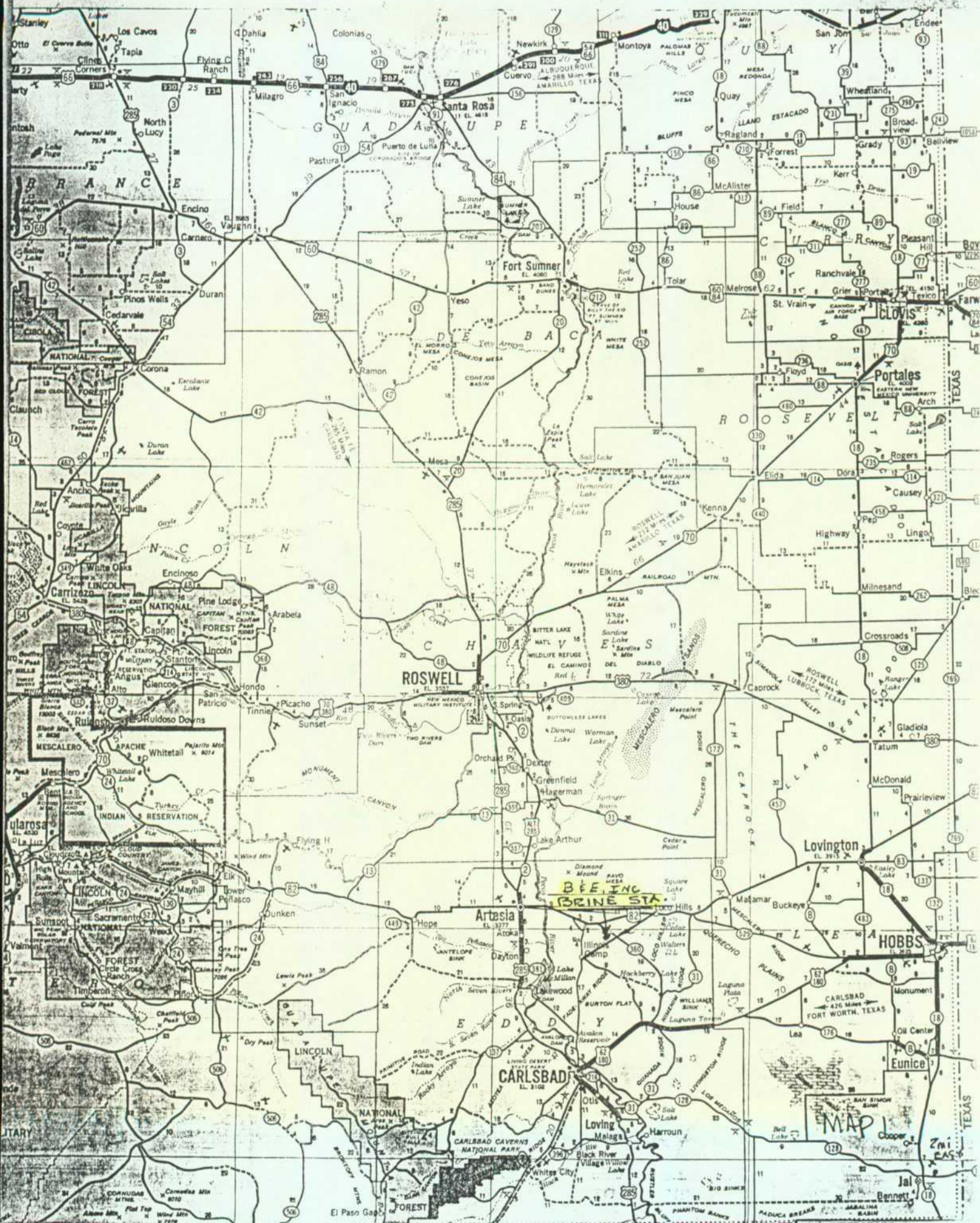
In accordance with your request regarding fresh water zones in the vicinity of your brine station located in the SE $\frac{1}{4}$ of Section 24, Township 18 South, Range 28 East, please be advised that there are no water wells within three miles of your location.

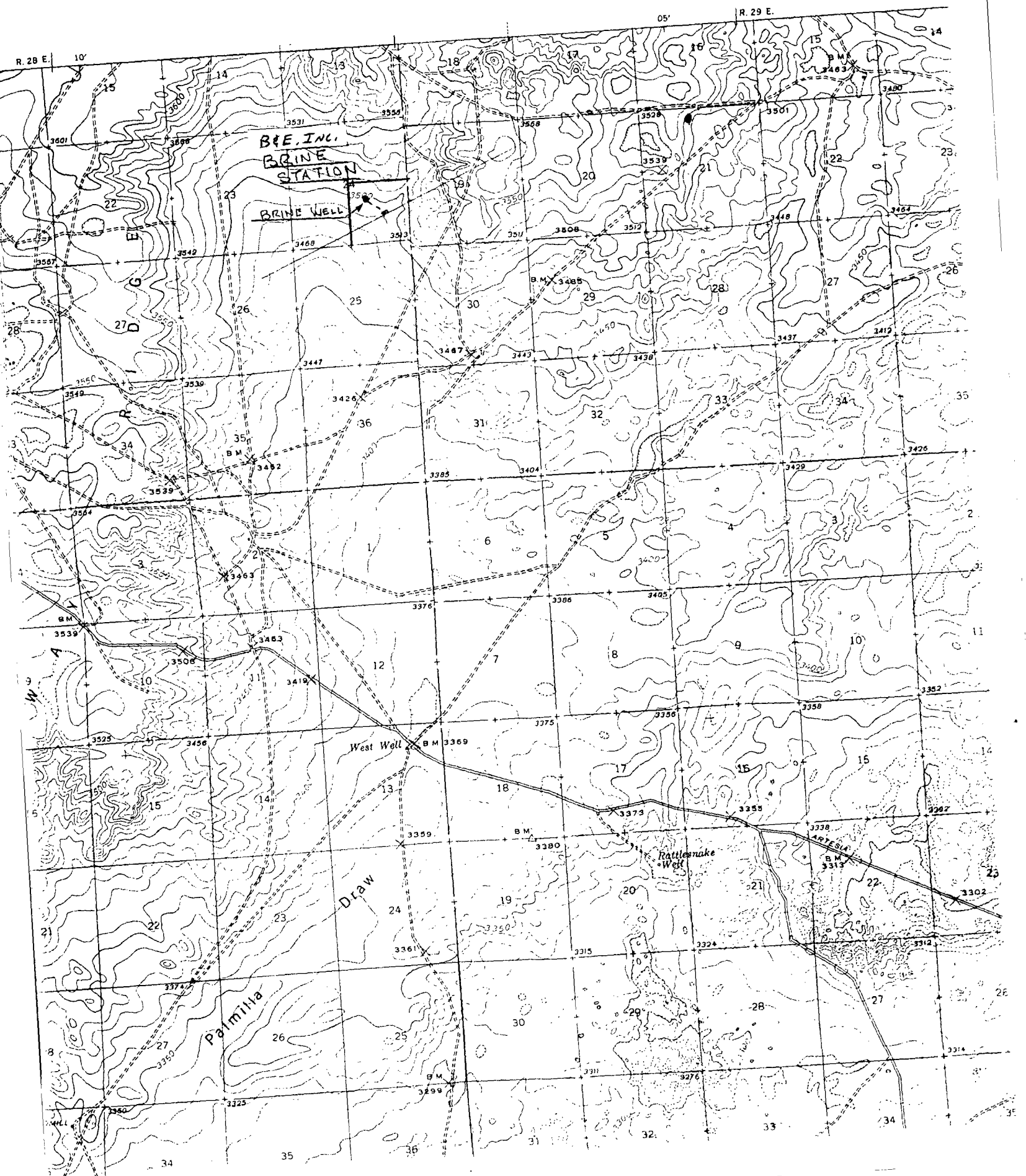
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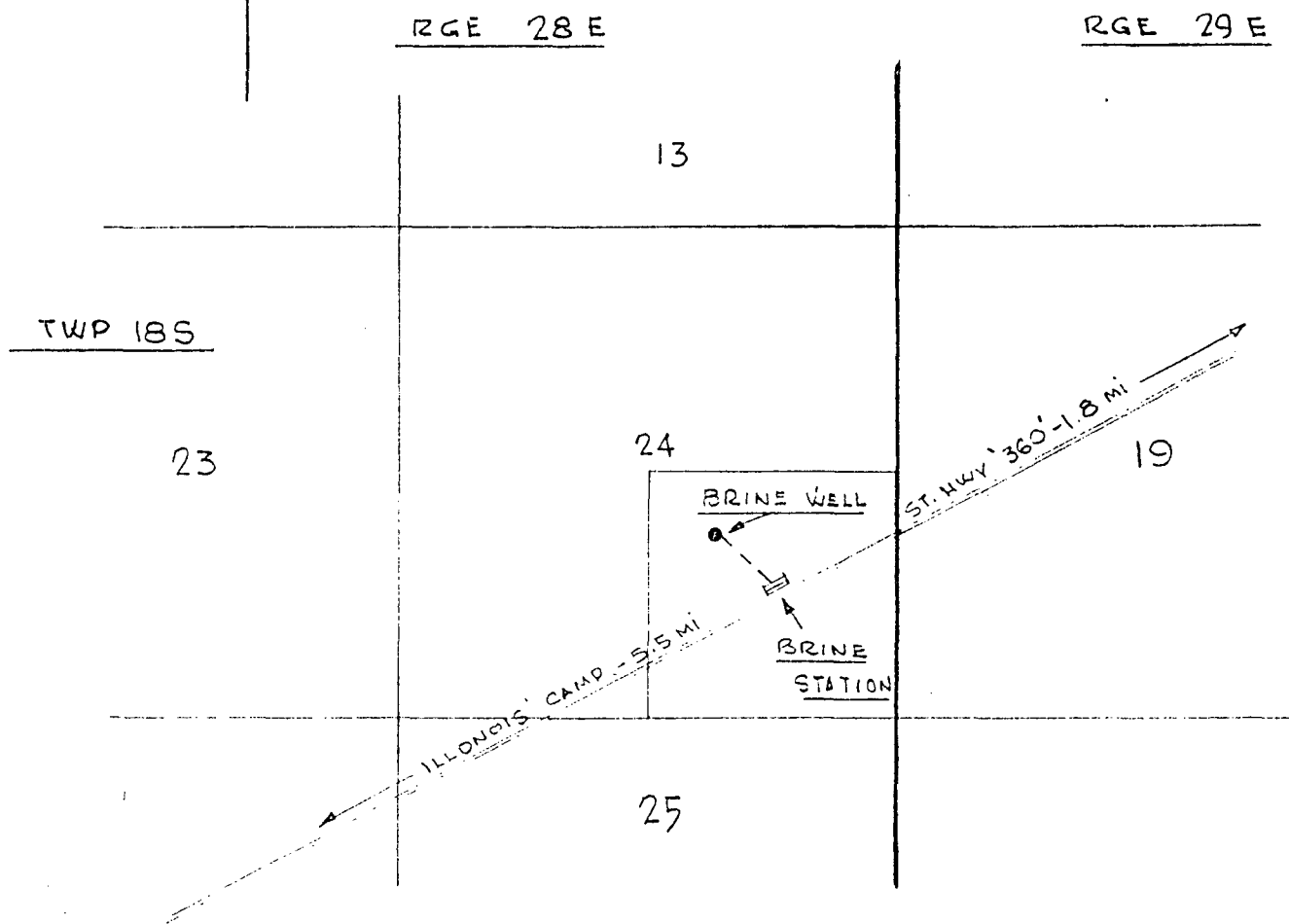
Yours truly,

A handwritten signature in cursive script, reading "James I. Wright".
James I. Wright
Field Engineer

JIW/tmg
cc Santa Fe







SCALE 1" = 2000'

B & E, Inc.
 Brine Sales Well St. 24 #1
 1988' FSL - 1930' FEL
 S.24 T.18S R.28E
 Eddy Co., New Mexico

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

DISTRIBUTION	
SANTA FE	
FILE	
U.S.O.S.	
LAND OFFICE	
TRANSPORTER	OIL
	GAS
OPERATOR	
PERMITS OFFICE	
Operator:	

R-710
FEB 0 7 1984

OIL CONSERVATION DIVISION
P. O. BOX 7088
SANTA FE, NEW MEXICO 87501

RECEIVED BY *[Signature]*
SEP 16 1983
O. C. D.
ARTESIA, OFFICE

REQUEST FOR ALLOWABLE
AND
AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS

B&E, Inc.
Address P.O. Box 2292, Hobbs New Mexico 88240

Reason(s) for filing (Check proper box)		Other (Please explain)	
New Well	<input type="checkbox"/>	Change in Transporter of:	
Recompletion	<input type="checkbox"/>	Oil	<input type="checkbox"/>
Change in Ownership	<input checked="" type="checkbox"/>	Casinghead Gas	<input type="checkbox"/>
		Dry Gas	<input type="checkbox"/>
		Condensate	<input type="checkbox"/>

If change of ownership give name and address of previous owner: Permian Brine Sales, Box 1519, Odessa, Texas 79760

II. DESCRIPTION OF WELL AND LEASE

Lease Name State # 24	Well No. 1	Pool Name, including Formation Wildcat	Kind of Lease State, Federal or Fee State	Lease # M-1960
Location Unit Letter M, 1987.9 Feet From The S Line and 1930.4 Feet From The E Line of Section 24 Township 18S Range 28E, NMPM, Eddy Count				

III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

Name of Authorized Transporter of Oil <input type="checkbox"/> or Condensate <input type="checkbox"/>	Address (Give address to which approved copy of this form is to be sent)
Name of Authorized Transporter of Casinghead Gas <input type="checkbox"/> or Dry Gas <input type="checkbox"/>	Address (Give address to which approved copy of this form is to be sent)
If well produces oil or liquids, give location of tanks.	Unit Sec. Twp. Rge. Is gas actually connected? When

If this production is commingled with that from any other lease or pool, give commingling order number:

V. COMPLETION DATA

Designate Type of Completion - (X)		Oil Well	Gas Well	New Well	Workover	Deepen	Plug Back	Some Restr.	Diff. Fr.
Date Spudded	Date Compl. Ready to Prod.	Total Depth			P.B.T.D.				
Elevations (DF, RKB, RT, GR, etc.)	Name of Producing Formation	Top Oil/Gas Pay			Tubing Depth				
Perforations					Depth Casing Shoe				
TUBING, CASING, AND CEMENTING RECORD									
HOLE SIZE	CASING & TUBING SIZE		DEPTH SET		SACKS CEMENT				

V. TEST DATA AND REQUEST FOR ALLOWABLE OIL WELL (Test must be after recovery of total volume of load oil and must be equal to or exceed top oil able for this depth or be for full 24 hours)

Date First New Oil Run To Tanks	Date of Test	Producing Method (Flow, pump, gas lift, etc.)	
Length of Test	Tubing Pressure	Casing Pressure	Choke Size
Actual Prod. During Test	Oil-Bbls.	Water-Bbls.	Gas-MCF

GAS WELL

Actual Prod. Test-MCF/D	Length of Test	Bbls. Condensate/MMCF	Gravity of Condensate
Testing Method (prior, back pr.)	Tubing Pressure (Shut-in)	Casing Pressure (Shut-in)	Choke Size

VI. CERTIFICATE OF COMPLIANCE

I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

[Signature]
Secretary
9-13-83
(Date)

OIL CONSERVATION DIVISION

APPROVED FEB 0 7 1984
BY *[Signature]*
TITLE OIL AND GAS INSPECTOR

This form is to be filed in compliance with RULE 111.
If this is a request for allowable for a newly drilled or deeper well, this form must be accompanied by a tabulation of the device tests taken on the well in accordance with RULE 111.
All sections of this form must be filled out completely for all able on new and recompleted wells.
Fill out only Sections I, II, III, and VI for changes of well name or number, or transporter, or other such change of condition.
Separate Forms C-104 must be filed for each pool in multi-completed wells.

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

Operator Permian Brine Sales & Service, Inc.			Lease State "24"		Well No. 1
Unit Letter M J	Section 24	Township 18 South	Range 28 East	County Eddy	
Actual Footage Location of Well: 1987.9 feet from the South line and 1930.4 feet from the East line					
Ground Level Elev. 3503	Producing Formation Salt	Pool Wildcat	Dedicated Acreage: 40 Acres		

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation DNA

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) DNA

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.

Re-Entry of Nix & Curtis
Gulf State No. 1
Survey Attached

CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name

Position

Company

Date

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

Registered Professional Engineer and/or Land Surveyor

Certificate No.

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

N.O. OF COPIES RECEIVED	
DISTRIBUTION	
SANTA FE	
FILE	
U.S.G.S.	
LAND OFFICE	
OPERATOR	

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-103
Supersedes Old
C-102 and C-103
Effective 1-1-65

DEC 28 1978

O.C.C.

5a. Indicate Type of Lease	State <input checked="" type="checkbox"/> Fee <input type="checkbox"/>
5. State Oil & Gas Lease No.	M-19609

SUNDY NOTICES AND REPORTS ON WELLS

DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR.
USE "APPLICATION FOR PERMIT -" (FORM C-101) FOR SUCH PROPOSALS.

1. <input type="checkbox"/> OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER- BRINE WATER WELL	7. Unit Agreement Name
2. Name of Operator PERMIAN BRINE SALES & SERVICE, INC.	8. Farm or Lease Name STATE "24"
3. Address of Operator P. O. Box 1591, Odessa, Texas 79760	9. Well No. 1
4. Location of Well UNIT LETTER JM 1987.9 FEET FROM THE South LINE AND 1930.4 FEET FROM THE East LINE, SECTION 24 TOWNSHIP 18 S RANGE 28 E NMPM.	10. Field and Pool, or Wildcat WILDCAT
15. Elevation (Show whether DF, RT, CR, etc.) 3503 G.L.	12. County EDDY

Check Appropriate Box To Indicate Nature of Notice, Report or Other Data
NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF:

PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER <input type="checkbox"/>		Alter plugging program and complete. <input checked="" type="checkbox"/>	

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

Cleaned out surface plug. No Plug at 420-390. Cleaned out and bailed to 1540 feet. Hit cement plug. Called Bill Gressett and received approval to plug as follows:

35 sacks - 1540' - 1400'

50 sacks - 1000' - 740'

Dowell did cementing. Completed by hanging 2-7/8" tubing in open hole in salt section @ 660'.

18. I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNED A. L. Hickerson TITLE President DATE 12-27-78

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

If drill-stem or other special tests or deviation surveys were made, submit report on separate sheet and attach hereto

TOOLS USED

Rotary tools were used fromfeet tofeet, and fromfeet tofeet.
Cable tools were used fromfeet tofeet, and fromfeet tofeet.

PRODUCTION

Put to Producing....., 19.....

OIL WELL: The production during the first 24 hours was.....barrels of liquid of which.....% was
was oil;% was emulsion;% water; and.....% was sediment. A.P.I.
Gravity.....

GAS WELL: The production during the first 24 hours was.....M.C.F. plus.....barrels of
liquid Hydrocarbon. Shut in Pressure.....lbs.

Length of Time Shut in.....

PLEASE INDICATE BELOW FORMATION TOP (IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE):

Southeastern New Mexico

Northwestern New Mexico

T. Anhy.....	T. Devonian.....	T. Ojo Alamo.....
T. Salt..... 337	T. Silurian.....	T. Kirtland-Fruitland.....
B. Salt..... 680	T. Montoya.....	T. Farmington.....
T. Yates.....	T. Simpson.....	T. Pictured Cliffs.....
T. 7 Rivers.....	T. McKee.....	T. Menefee.....
T. Queen..... R. Sd. 1320	T. Ellsburger.....	T. Point Lookout.....
T. Grayburg.....	T. Gr. Wash.....	T. Mancos.....
T. San Andres..... 2613	T. Grants.....	T. Dakota.....
T. Glorieta.....	T.	T. Morrison.....
T. Drinkard.....	T.	T. Penn.....
T. Tubbs.....	T.	T.
T. Abo.....	T.	T.
T. Penn.....	T.	T.
T. Miss.....	T.	T.

FORMATION RECORD

From	To	Formation	From	To	Formation
0	20	Caliche	2720	2740	White lime
20	30	Sand	2740	2768	Gr. lime
30	40	Gravel	2768	2788	Brn. lime
40	50	Sand	2788	2803	Dark lime
50	62	Gravel	2803	2820	Sand & lime
62	99	R. Beds	2820	2829	Gr. lime
99	112	Gravel	2829	2836	Brn. lime
112	220	Red. Beds	2836	2850	Dark lime
220	250	Sand & GY. (utr. 225-245)	2850	2921	Gr. lime (Tested 1 hr. - 18 1/3 gal. utr.)
250	260	R. Beds	2921	2935	Gr. sandy lime
260	290	Gr. shalo	2935	2953	Gr. lime
290	335	R. Beds (reduce hole at 309')	2953	2960	Lime (Test 30 min - 20 gal. utr.)
335	390	R. Beds & RFP	2960	2971	Gr. lime
390	397	R. Beds	2971	2983	Lime (Tested 1 hr. - 47 gal. utr. & show of oil on top of utr.)
397	680	Salt	2983	3004	Gr. lime
680	865	Anhy	3004	3009	White lime (Hole full of salt utr.)
865	905	Brn. Anhy	3009	-	T.P.
905	920	Anhy			
920	930	Brn. sand (less show)			
930	1045	Anhy			
1045	1080	Brn. Anhy			
1080	1355	Anhy			
1355	1390	Anhy & R. Sd.			
1390	1415	Red. sand (Borehole measurement - 1415-1435) R. Sd. 1400-1415			
1415	1450	Anhy			
1450	1465	Anhy & R. Sd.			
1465	1534	Anhy			
1534	1540	Brn. lime			
1540	1675	Anhy			
1675	1745	Brn. Anhy			
1745	1785	Anhy			
1785	1820	Brn. anhy			
1820	1835	Anhy			
1835	1885	Red. sand (Boring to 1850-1885)			
1885	1905	Brn. lime & anhy			
1905	1930	Anhy & R. Sd.			

2" Pipe & Connections

MAX. PRESSURE 120#
Avg. PRESSURE 90#

FRESH WATER

3503' ELEV.

SURFACE

Caliche

GRAVEL

CEMENT

RED BEDS

8 5/8" 24# (N.P.)

2 7/8" N80 Tubing

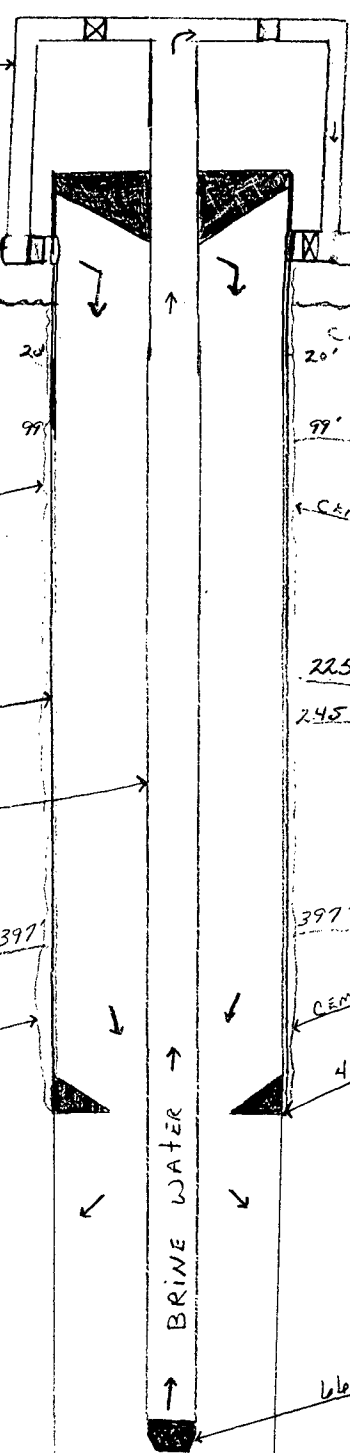
RED BED

CEMENT

SALT

Anhy. Stringers

Anhydrite



2" Pipe

TO STORAGE PIT

Caliche SURFACE

GRAVEL

CEMENT

RED BEDS & GRAVEL

225'

245' SAND & GYP. WATER

RED BED

397'

CEMENT

416' Bottom of 8 5/8" casing

SALT

660' Bottom 2 7/8" Tubing

680'

Anhy. Stringers

740'

50' ST. PLUG

1000'

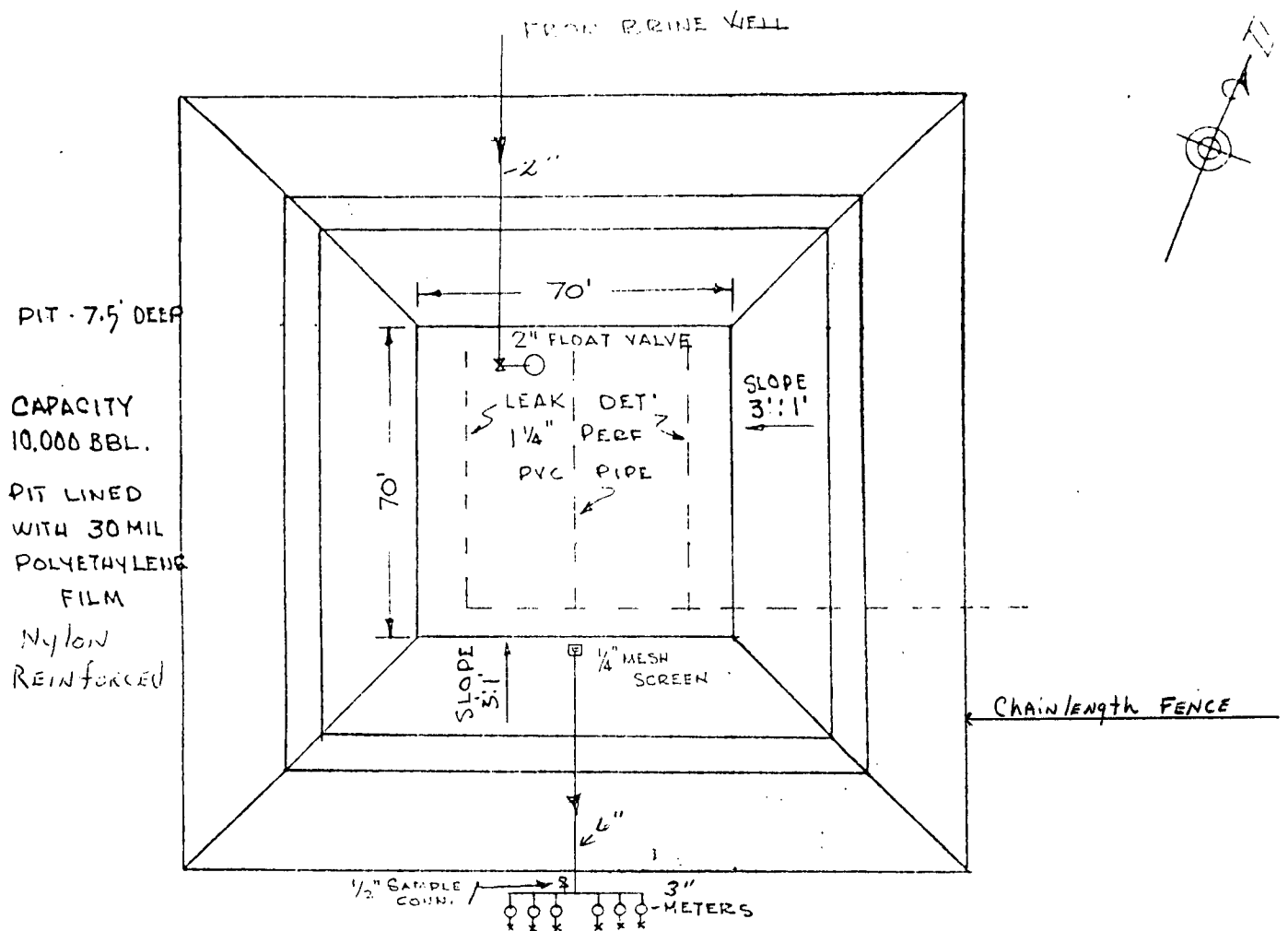
Anhydrite

1100'

1400'

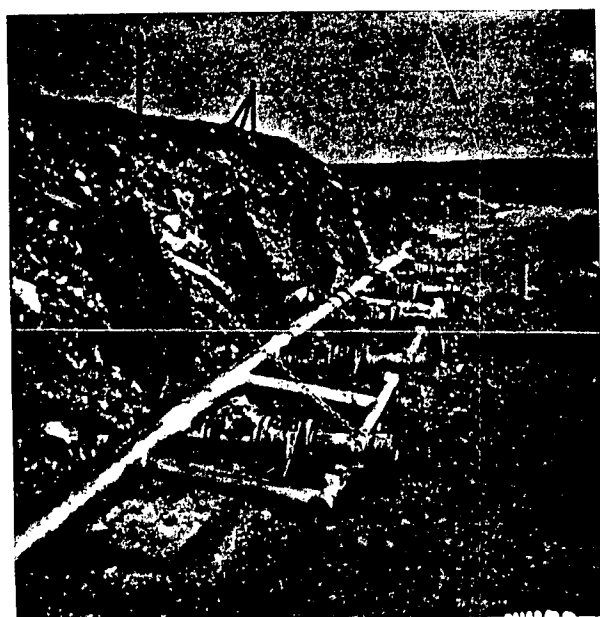
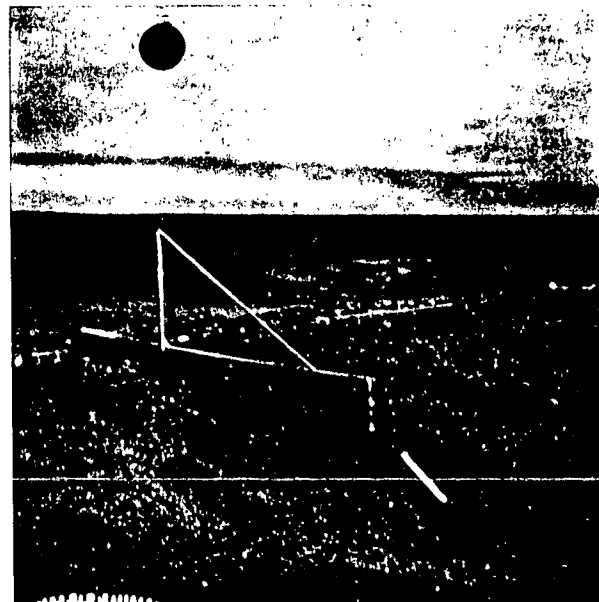
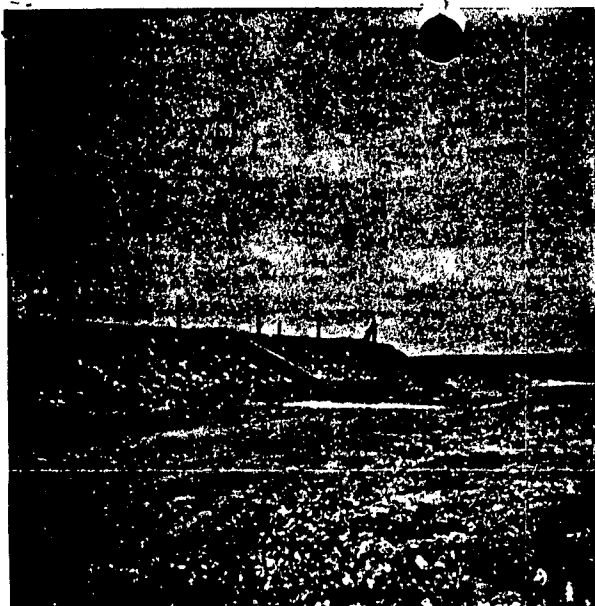
35' ST. PLUG

1540'



Each customer has their own meter. When a transport arrives the driver will make the necessary connections and unlock the valve, then load with his own truck pump. The Brine Water is pumped from the bottom of the reservoir up and over the dam and through the 3" water meter, which determines the volume purchased.

B & E, Inc.
 Brine Sales Well St. 24 #1
 1988' FSL - 1930' FEL
 S.24 T.18S R.28E
 Eddy Co., New Mexico



ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
HOBBS, NEW MEXICO

WATER ANALYSIS

Well Ownership: City of Carlsbad Well No. 1

Land Status: State _____ Federal _____ Fee _____

Well Location: Unit Letter _____ Section _____ Township _____ Range _____

Hudson #1 - Eddy County

Type Well: _____ Depth _____ feet

Well Use: _____

Sample Number: 1 Date Taken: 10-85

Taken By: Mickey Monk

Specific Conductance: 480 m/r 4.7 = 336 mg/l TDS

Total Dissolved Solids: _____ PPM.

Chlorides: 42.9 PPM.

Sulfates: _____ PPM.

Ortho-phosphates: _____ V. LOW _____ LO _____ MED _____ HI

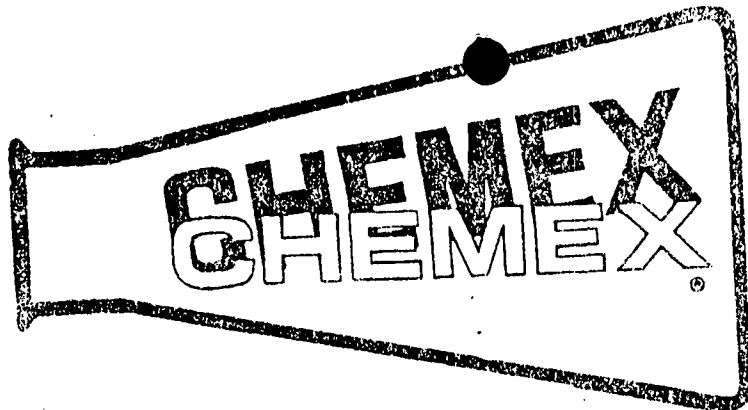
Sulfides: _____ NONE _____ LO _____ MED _____ HI

Date Analyzed: 10-22-85

By: Eddie W. Seay
OIL CONSERVATION DIVISION
Eddie Seay

REMARKS: .3 x 142 titration = 42.9 ppm Cl

Water to be used for brine system intake water.



P. O. Box 423
Artesia, N. M. 88210

WATER ANALYSIS REPORT

Company B+E Brian Locantelli Date 8/15/85

Field ST. 24#1 SEC 24 T18S R28E County _____ State _____

Lease and Well No. _____ Prod. Formation _____

Source of Sample Bottom of Pit

Sample of ☐ Prod. Water ☐ Inj. Water ☐ Other ☐

Date Collected 8/15/85 Analyst James P. Campbell

WATER ANALYSIS PATTERN

(NUMBER BESIDE ION SYMBOL INDICATES mg/l SCALE UNIT)

Na ⁺ 20	15	10	5	0	5	10	15	20 Cl ⁻
Ca ⁺⁺								HCO ₃ ⁻
Mg ⁺⁺								SO ₄ ⁼
Fe ⁺⁺⁺								CO ₃ ⁼

Dissolved Solids
Constituent

MG/L (PPM)

EPM

Calcium 1080
Magnesium 120
Sodium 102,281
Iron _____
Chloride 157,000
Bicarbonate 180
Carbonate 111
Sulfate 4080

54
10
4423
3
85

ph 5.5
Sp. Gravity _____

Total Hardness 1200
Total Dissolved Solids 162,460
Hydrogen Sulfide _____
Oxygen 1.5

Remarks:



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
ARTESIA DISTRICT OFFICE

TONEY ANAYA
GOVERNOR

October 3, 1983

P.O. DRAWER 10
ARTESIA, NEW MEXICO 88210
(505) 746-1283

B & E, Incorporated
P. O. Box 2292
Hobbs, New Mexico 88240

Re: Plugging Bond
State #24
#1-M-24-18-28
Wildcat Pool

Gentlemen:

This office acknowledges receipt of your C-104, requesting a change of ownership from Permian Brine Sales, on the above captioned well.

However, before this change can be approved, we will need a plugging bond on this well.

As soon as we receive a bond letter from Santa Fe for this well, we will approve this change.

Very truly yours,

Leslie A. Clements
Leslie A. Clements
Supervisor, District II

IAC:fc

SECOND NOTICE - FEBRUARY 1, 1984 - PLEASE REPLY IMMEDIATELY.

*Rec'd Verbal approval from
Dine 2/6/84*



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

TONY ANAYA
GOVERNOR

February 6, 1984

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

Safeco Insurance Company
6000 Uptown Blvd., N.E.
Suite 100
Albuquerque, New Mexico 87100

Re: \$5,000 One-Well Plugging Bond
B & E, Inc., Principal
Safeco Insurance Company,
Surety; 1987.9' FSL and 1930.4'
FEL of Sec. 24, T-18-S, R-28-E,
Eddy County; Depth: 5,000 ft.
Bond No. 4477509

Gentlemen:

The Oil Conservation Division hereby
approves the above-captioned one-well plugging
bond effective this date.

Sincerely,

JOE D. RAMEY,
Director

dr/

cc: Oil Conservation Division
Artesia, New Mexico

B & E, Inc.
P. O. Box 2292
Hobbs, New Mexico 88240

REC'D

FEB 08 1984

STATE OF NEW MEXICO
ONE-WELL PLUGGING BOND

FOR ALL COUNTIES EXCEPT:
CHAVES, EDDY, LEA, MCKINLEY, RIO ARriba, ROOSEVELT,
SANDOVAL, AND SAN JUAN

BOND NO. 4477509
(For Use of Surety Company)
AMOUNT OF BOND \$5,000.00
COUNTY Eddy

NOTE For wells less than 5,000 feet deep, the minimum bond is \$7,500.00*
For wells 5,000 to 10,000 feet deep, the minimum bond is \$10,000.00*
For wells more than 10,000 feet deep, the minimum bond is \$12,500.00
* Under certain conditions, a well being drilled under a \$7,500.00 or \$10,000.00 bond may be permitted to be drilled as much as 500 feet deeper than the normal maximum depth, or a well being drilled under a \$7,500.00 bond may be permitted to go to 5,000 feet, and a well being drilled under a \$10,000.00 bond may be permitted to go to 10,500 feet. (See Rule 101)

File with Oil Conservation Commission, P. O. Box 2088, Santa Fe 87501

KNOW ALL MEN BY THESE PRESENTS:

That B & E, Incorporated (An individual)(a partnership)
(a corporation organized in the State of New Mexico, with its principal office in the city of
Hobbs, State of New Mexico, and authorized to do business
in the State of New Mexico), as PRINCIPAL, and Safeco Insurance Company, a
corporation organized and existing under the laws of the State of Washington,
and authorized to do business in the State of New Mexico, as SURETY, are held firmly bound unto the State of New
Mexico, for the use and benefit of the Oil Conservation Commission of New Mexico pursuant to Section 65-3-11, New
Mexico Statutes Annotated, 1953 Compilation, as amended, in the sum of Five Thousand Dollars and no/100-----
Dollars lawful money of the United States, for the payment of which, well and truly to be made, said PRINCIPAL and
SURETY hereby bind themselves, their successors and assigns, jointly and severally, firmly by these presents.

The conditions of this obligation are such that:

WHEREAS, The above principal has heretofore or may hereafter enter into oil and gas leases, or carbon dioxide (CO₂) gas leases, or
helium gas leases with the State of New Mexico; and

WHEREAS, The above principal has heretofore or may hereafter enter into oil and gas leases, or carbon dioxide (CO₂) gas leases, or
helium gas leases on lands patented by the United States of America to private individuals, and on lands otherwise owned by private
individuals; and

WHEREAS, The above principal, individually, or in association with one or more other parties, has commenced or
may commence the ~~drilling of~~^{re-entry} one well not to exceed a depth of 5,000 feet, to prospect for and produce oil
or gas, or carbon dioxide (CO₂) gas or helium gas, ~~or, discover or may acquire, own or operate~~ such well, or such well
started by others on land embraced in said State oil and gas leases, or carbon dioxide (CO₂) leases, or helium gas leases,
and on land patented by the United States of America to private individuals, and on land otherwise owned by private
individuals, the identification and location of said well being 1987.9 feet from the South line and 1930.4 feet from
the East line Section 24, Township 18 (North)(South), Range 28 (East)(West), N.M.P.M.
Eddy County, New Mexico.

NOW, THEREFORE, If the above bounden principal and surety or either of them or their successors or assigns, or any of them, shall
plug said well when dry or when abandoned in accordance with the rules, regulations, and orders of the Oil Conservation Commission of New
Mexico in such way as to confine the oil, gas, and water in the strata in which they are found, and to prevent them from escaping into other
strata;

THEN, THEREFORE, This obligation shall be null and void; otherwise and in default of complete compliance with any and all of said
obligations, the same shall remain in full force and effect.

B E Inc.
PRINCIPAL
P.O. Box 2292, Hobbs NM 88240
Address
By [Signature]
Signature
President
Title

(Note: Principal, if corporation, affix corporate seal here.)

Safeco Insurance Company
SURETY
6000 Uptown Blvd. N.E., Suite 100, Albq. NM
Address
By [Signature]
George T. Dunagan
Attorney-in-Fact

(Note: Corporate surety affix corporate seal here.)

ACKNOWLEDGEMENT FORM FOR NATURAL PERSONS

STATE OF _____)
COUNTY OF _____) ss.

On this _____ day of _____, 19____, before me personally appeared _____, to me known to be the person (persons) described in and who executed the foregoing instrument and acknowledged that he (they) executed the same as his (their) free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the day and year in this certificate first above written.

My Commission expires
Notary Public

ACKNOWLEDGEMENT FORM FOR CORPORATION

STATE OF New Mexico)
COUNTY OF Lea) ss.

On this 27th day of July, 1983, before me personally appeared Phil Withrow, to me personally known who, being by me duly sworn, did say that he is President of B&E, Inc. and that the foregoing instrument was signed and sealed on behalf of said corporation by authority of its board of directors, and acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the day and year in this certificate first above written.

June 19, 1986
My Commission expires
Notary Public

ACKNOWLEDGEMENT FORM FOR CORPORATE SURETY

STATE OF New Mexico)
COUNTY OF Eddy) ss.

On this 19th day of July, 1983, before me appeared George T. Dunagan, to me personally known, who, being by me duly sworn, did say that he is Attorney In Fact of Safeco Insurance Company and that the foregoing instrument was signed and sealed on behalf of said corporation by authority of its board of directors, and acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the day and year in this certificate first above written.

March 31, 1987
My Commission expires
Notary Public

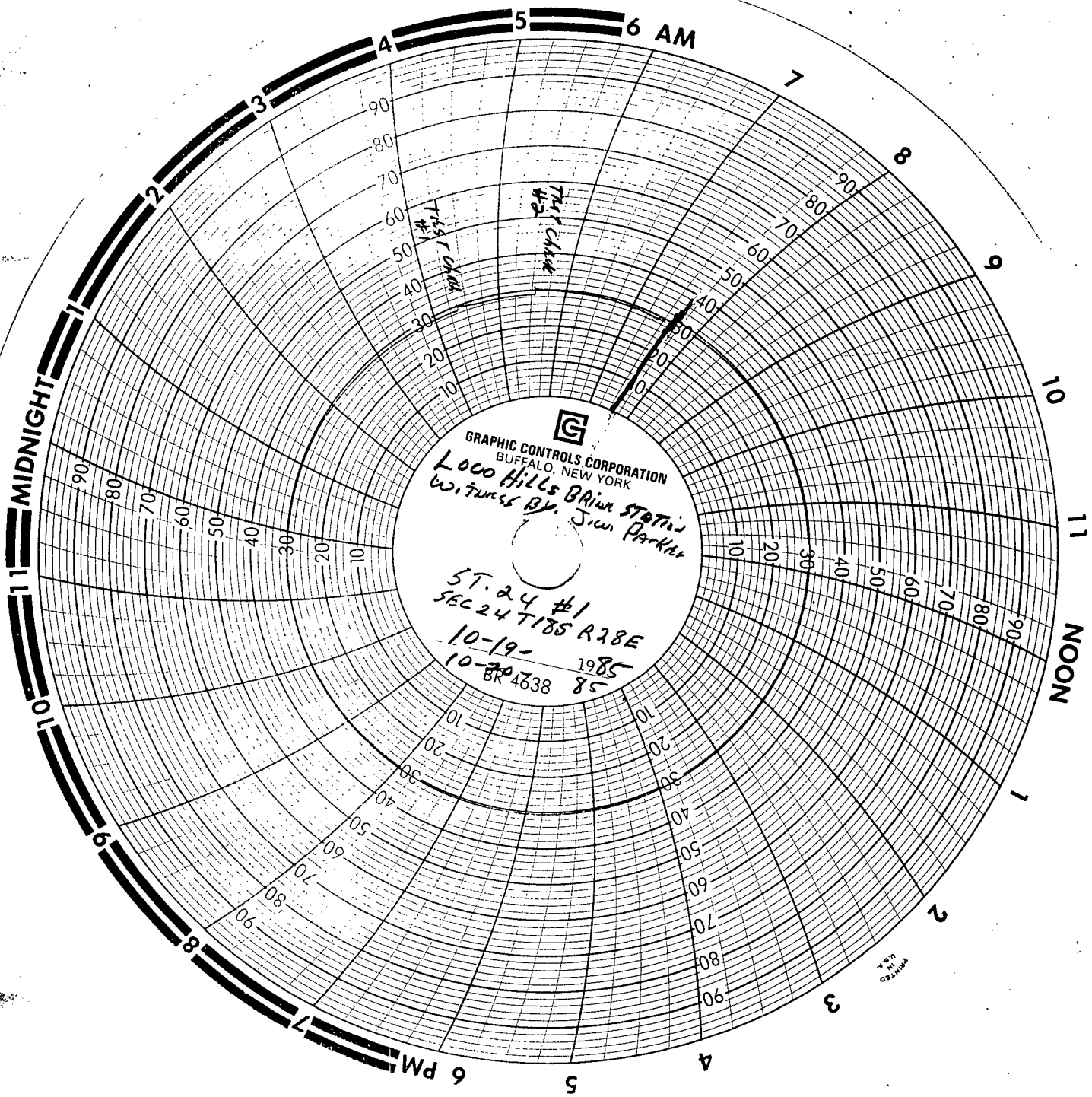
(Note: Corporate surety attach power of attorney.)

APPROVED BY:

OIL CONSERVATION COMMISSION OF NEW MEXICO

By _____

Date _____



G
GRAPHIC CONTROLS CORPORATION
BUFFALO, NEW YORK
Loco Hills Brian Station
W. Turner Bl. Jim Parker
ST. 24 #1
SEC 24 T185 R28E
10-19-1985
10-20-85
BR 4638

PRINTED
IN
U.S.A.

11/6/85: Summary of a week of phone conversations regarding B+E:

I called Phil Withrow to prompt a response to my 9/18 letter. He said he'd turned it over to Mickey Monk for response.

Spoke to Monk (393-6505); he had been relying on Stan Watson, Quality Brine, a "close friend" of Withrow's, to complete the Assurance form I sent.

Stan Watson called Steve Sares (in my absence) and told him he would send in the A of D approx. 10/31. If the A of D appeared complete, that would make it possible to get on the Commission agenda for 11/15 meeting.

I informed Lon Conrad, Section mgr, & Kathy Sioneros, coordinator of items for WDC agenda, that there may be an Assurance to put on agenda.

A of D arrived 11/4. Only info on water-bearing information encountered by

brine well was letter from SEO saying there were no water wells for three miles around facility. I looked up site in NM Inst. Min: Tech Ground Water Rep't #3 (see attached notes): There appears to be slim chance that Albion well may encounter USDW in Rustler. I decided we didn't have enough info to support B+E's contention that continued operation of the well under A of D would not threaten USDW, so should delay until next WQCC info to present assurance, by which time I could require driller's log, maybe pressure test, whatever would contribute to ED supporting the assurance.

Mickey Monk called 11/6. I explained info in above paragraph to him. He was in agreement that another month would give everyone more breathing room. He said Stan Watson was working on first part of SP and would send it in soon. I said I would delay sending a letter until I saw the materials he was sending.

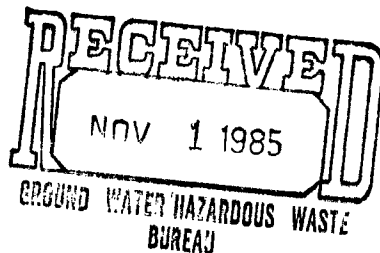
• Larry Morgan

10-30-85

Paige -

We left the dates blank so
you can put in the date. Thanks.

Cynthia Hoover



ASSURANCE OF DISCONTINUANCE

WHEREAS, on Sept 10 1970, the Director of the New Mexico Oil Conservation Division (OCD)/Environmental Improvement Division (EID) requested B & E, INC. to submit a Discharge Plan pursuant to §§ 3-104 and 5-101.B.3 of the New Mexico Water Quality Control Commission (Commission) Regulations for discharges from the brine facility and brine well STATE 24 - 1 located in Section 24, Township 18 North/South, Range 28 East/West, N.M.P.M., EDDY County, New Mexico; and

WHEREAS, neither the regulations nor an extension to discharge without an approved Discharge Plan issued by the Director, nor any Court Order, allows B & E INC. to operate an injection well and associated surface facilities beyond 7/1/71, and

WHEREAS, the following information indicates that there is no present contamination of drinking water sources: SEE ATTACHED EXHIBIT A

_____ ; and

WHEREAS, B & E INC has committed to the Commission to proceed with all diligence to prepare and secure an approved Discharge Plan; and

WHEREAS, the Commission and B & E INC deem it appropriate to enter into this Assurance of Discontinuance.

B & E INC assures the Commission as follows:
(owner)

1. ASSURANCE: A discharge plan shall be prepared for the _____
STATE 24 - 1 _____ Brine Facility according to the schedule in Paragraph 2.
This Assurance shall expire concurrently with the approval or disapproval of
the discharge plan.

2. SCHEDULE OF COMPLIANCE: It is agreed that preparation of the
Discharge Plan shall comply with the following schedule:

A. B & E INC
(owner)
shall submit plans and specifications
of the in situ extraction well to the
EID on or before _____

B. B & E INC
(owner)
shall submit a proposal outlining measures
to be taken to correct any possible violation
of the Water Quality Control Commission
Regulations resulting from surface
activities on or before _____

C. EID shall complete review
of materials submitted under Paragraph
2.A and B and shall provide comments to
B & E INC
(owner) on or before _____

D. B & E INC
(owner)
shall submit the information listed in
§ 5-102.B.1d and the information listed
in § 5-203.A of the Water Quality Control
Commission Regulations to the EID on or before _____

E. EID shall complete review
of materials submitted under Paragraph
2.D herein and EID shall provide

comments to B & E INC
(owner)

on or before _____

F. B & E INC
(owner)
shall submit a complete Discharge Plan
which shall address all applicable
requirements of the Water Quality Control
Commission Regulations, Parts 3 and 5

on or before _____

G. EID shall complete review
of Discharge Plan Application and EID
shall provide comments to _____
(owner)

B & E INC

on or before _____

H. B & E INC
(owner)
shall submit responses to the EID
comments

on or before _____

I. EID Director's approval
or disapproval of Discharge Plan
Application shall be promulgated

on or before _____

If a public hearing is scheduled by the EID Director pursuant to
§3-108 of the Commission's Regulations, all deadlines in Paragraphs 2.G
through 2.I shall be 45 days later.

3. MUTUAL COOPERATION: B & E INC and the EID
(owner)
shall mutually cooperate in accomplishing on a timely basis the matters
contemplated by this Assurance. In this respect, direct communication among
STATE 24 - 1 representatives and EID personnel is encouraged.
(brine facility)

4. EXTENSIONS FOR GOOD CAUSE: It is expressly agreed and understood by the parties hereto that events not reasonably foreseeable on the date of execution of this Assurance may occur which will make it impossible or extremely difficult for B & E INC
(owner) to comply in a timely fashion with those compliance dates set out in numbered paragraph 2. In the event such unforeseen events do occur, B & E INC
(owner) may apply to the Commission for an extension for an additional reasonable period of time to comply with such tasks in numbered paragraph 2. The additional reasonable period of time, if granted, shall in all cases be governed by the relevant circumstances.

5. ENFORCEMENT: The Commission shall not undertake enforcement against STATE 24 - 1
(brine facility) for the continuation of current discharges occurring during the pendency of this Assurance without first giving B & E INC
(owner) 15 days prior written notice by the Director that _____ is in violation of the terms of this Assurance. This Paragraph shall not preclude appropriate action by the Director or the Commission under § 74-6-11 N.M.S.A. 1978.

Failure by B & E INC
(owner) to comply with any condition of this Assurance of Discontinuance shall be actionable as a violation of the Water Quality Act and of this Assurance under §§ 74-6-5 and 10 N.M.S.A. 1978, as applicable.

Nothing in this Assurance of Discontinuance shall relieve (owner)
B & E INC from the responsibility for complying with all the provisions of the Water Quality Act, the regulations promulgated thereunder or any other provision of law except as otherwise specifically provided herein.

6. NO ADMISSION: The terms, execution and any conduct in accordance herewith shall not constitute an admission of any kind by B & E INC (owner) relating to matters under the Water Quality Act, Commission Regulations, or any other matters relating to health or environment.

Signed and acknowledged this 30th day of OCTOBER, 1985.

B & E Inc. by Phil Withrow
(owner)

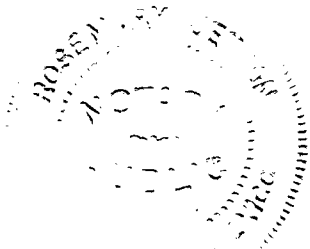
STATE OF NEW MEXICO)
: SS
COUNTY OF Lea ~~SANTA FE~~)

The foregoing instrument was acknowledged before me this 30 day of OCTOBER, 1985, by Phil Withrow d/b/a B & E INC.

My Commission Expires:

7-2-88

Rosemary Jetton
Notary Public



APPROVED:

WATER QUALITY CONTROL COMMISSION

By _____

Denise Fort, Chairman

Water Quality Control Commission

STATE OF NEW MEXICO)

: SS

COUNTY OF SANTA FE)

The foregoing instrument was acknowledged before me this _____ day
of _____, 19____, by Denise Fort, Chairman of the Water Quality
Control Commission, on behalf of the Water Quality Control Commission.

My Commission Expires:

Notary Public



STATE OF NEW MEXICO

**STATE ENGINEER OFFICE
ROSWELL**

S.E. REYNOLDS
STATE ENGINEER

October 16, 1985

DISTRICT 2
909 EAST 2ND ST.
P.O. BOX 1717
ROSWELL, NEW MEXICO 88201

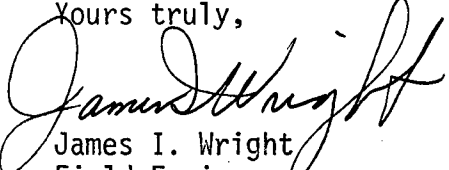
B and E Inc.
Box 2292
Hobbs, New Mexico 88240

Gentlemen:

In accordance with your request regarding fresh water zones in the vicinity of your brine station located in the SE $\frac{1}{4}$ of Section 24, Township 18 South, Range 28 East, please be advised that there are no water wells within three miles of your location.

The closest well is located in the NE $\frac{1}{4}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 21, Township 18 South, Range 28 East. This well is completed in the Artesia Group. A water sample collected from this well on April 10, 1969 had a chloride concentration of 134 parts per million.

Yours truly,


James I. Wright
Field Engineer

JIW/tmg
cc Santa Fe

site situated where Rustler
subcraps, overlain by
"Mescalero sands". Dockum
oilcraps \approx 1.5 mi to north,
sub? more potential for water in
Dockum. Only non-brine
water in Rustler would be
in 35' unit of dolomitic ls.
occurring at top of lower part
of Rustler as defined by Lang.
Generally under confined conditions.

Well listed in 18. 29. 24. 300

TDS 1730, Cl. 110 in 1950.

This well located in Rustler
area delineated on map - but
conceivably traps alluvium?

Another well listed in 18.28.8.830
- on Rustler zone of map., said
to encounter ~~beds~~ Chalk
Bluff ~~l.s.~~ on Rustler, =
redbeds, 350' + l.s

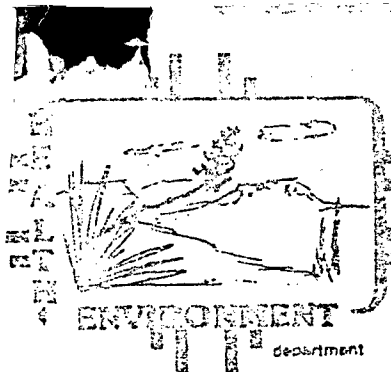
This info from:

Hendrickson, G.E. + R.S. Jones

~~1952 Ground~~

1952 Geology - Ground -
Water Resources of Eddy
County, N. M.

WFO Rep't 3, State Bur Mines-
Min Res., NM Anal. Min's Tech,
Campus Station, Socorro NM.



STATE OF NEW MEXICO

ENVIRONMENTAL IMPROVEMENT DIVISION

P.O. Box 968, Santa Fe, New Mexico 87504-0068
(505) 984-0920

LARRY ANAYA
GOVERNOR

LENORE D. FORT
DIRECTOR

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

September 18, 1985

Phil and Julie Withrow
B&E
PO Box 2292
Hobbs, NM 88240

Dear Mr. and Ms. Withrow:

On August 21, 1985, while on field work in the area, a fellow EID staff member and I drove past a brine well on County Road 217 in Eddy County which was previously unknown to us. Since the EID has regulatory authority for brine extraction wells, we stopped and took a quick look at the surface facilities, and I subsequently called the number on a sign that advertized brine at that location.

During that phone conversation on September 13, 1985, I spoke with Jerry Hanaway, who told me that the well was owned and operated by B&E and provided me with your names as the people responsible for any regulatory arrangements. I recognized Mr. Withrow's name as having some connection with the Quality Brine Station in Tatum, which has been in the process of obtaining discharge plan approval (equivalent to a permit) for nearly two years; so I suspect that the following information will not be entirely new to him.

1) Any operation that results in the discharge of "water contaminants" (defined in the enclosed Water Quality Control Commission (WQCC) regulations as "any substance which alters the physical, chemical or biological qualities of water" - Section 1-101.BBB) - is required to notify the EID (or in certain cases, OCD) prior to discharging. On the basis of the information provided, the technical staff of the appropriate regulatory agency will determine whether a discharge plan is needed. In the case of a brine in situ extraction well, however, the decision whether or not to require a discharge plan is not left to the discretion of technical staff: the WQCC regulations require that all in situ extraction wells have an approved discharge plan prior to start-up of operations (Section 5-101.B).

The purpose of a discharge plan is to provide the EID technical staff with sufficient information about your operation to demonstrate that your activities will not - - degrade the quality of ground water that contains less than 10,000 mg/l of Total Dissolved Solids (TDS). Since the high-density brine produced and stored above ground has the potential to raise the chloride and TDS content of ground water in the area, the discharge plan must cover surface facilities also. Please note the

enclosed "Suggested Outline for Discharge Plan Submittal", which condenses the discharge plan requirements for an in situ extraction well facility, and sets up a logical sequence in which to present the information required in a discharge plan. Using this format is optional. The final reference for what must be contained in your discharge plan is the WQCC regulations. The codes in bold type in the outline refer to Sections of the WQCC regulations, for your convenience.

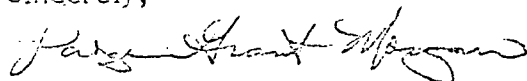
If you can demonstrate to the satisfaction of EID technical staff that there is no ground water containing less than 10,000 mg/l TDS in the vicinity of your operation, you may be allowed to submit a discharge plan under Part 3 of the regulations, containing less information than what is required under Part 5. The "Part A Application" (enclosed) lists the basic information which would be required if you go this route.

2) Technically, the WQCC regulations stipulate that no facility which involves a discharge of water contaminants may begin operation without approval from the Director of the agency which has regulatory authority over that particular type of facility. However, the Water Quality Act under which the WQCC regulations were developed includes, at the discretion of the Commission, a means for allowing an existing facility to remain in operation while preparing a discharge plan.

The mechanism for setting up such an arrangement is called an "Assurance of Discontinuance". A basic form for an Assurance is enclosed. It will be necessary for you to petition the Water Quality Control Commission to be allowed to continue operating while preparing and seeking approval for a discharge plan. The Commission meets on the second Tuesday of each month, and material to be considered by them must be submitted two weeks in advance of that date. I see no reason why you should not be able to prepare an Assurance for submittal to the Commission at their November meeting.

The EID hopes to obtain your voluntary compliance with the ground water quality protection regulations of the State of New Mexico.

Sincerely,



Paige Grant Morgan
Water Resource Specialist

PGM:pgm

cc: John Guinn, EID District IV Manager.
Jerry Hanaway, B&E

encls: WQCC regs
extraction well outline
Part A application
A of D

Paise, Call

14:10

Cynthia Hoover

BNE Inc. Hobbs

393-0762

9/13/85:

Called the number we saw on the sign to the mine station inspected on 8/21/85: 885-6663. Spoke with Jerry Hanaway. Told him they needed a permit to operate, although on the basis of our surface inspection they were apparently in good shape and may be able to continue operating while preparing a permit application. He referred me to their head office in Hobbs.

Phil & Julie Withrow

B&E

PO Box 2292

Hobbs, NM 88240

393-0762 ; 393-3495

The address of Jerry Hanaway is:

B&E

PO Box 756

Carlsbad, NM 88220

I said I would copy Hanaway with anything I sent to the Withrows. * →

Called Withrow; left message.

Larry Morgan

* Hanaway volunteered the information that there is a Rowland Trucking brine station on the El Paso Hwy. across from the airport in Carlsbad. I said I would look into it.



8/27/91

8/27/91 1:55P
B&E Loco Hills Brine Facility

Main loading area

LMB



8/27/91

B&E Loco Hills Brine Facility;
Main loading area

KMB



8/27/91

3 140 8 1.32 31 552
B&E Loco Hills Brine Facility

Single (additional) loading valve.

Needs spill containment below.

KMB



8/27/91

7 5 5 1 1 4 3 0 3 1 5 5 8

B&E Loxot Hills Brine Facility

Single-lined brine storage pond
receiving brine.

RmB



12/6/88

B&E Loco Hills - Brine Station
Loading Area looking West



12/6/88

B&E Loco Hills - Brine Station
Wellhead



12/6/88

B+E Loco Hills - Brine Station
Spill Collection System



12/6/88

B+E Loco Hills - Buine Station
Storage Lagoon looking East



12/6/88

B&E Loco Hills - Brine Station

Storage Lagoon looking South

NM OIL CONSERVATION DEPT

WELL LOG # State "24" #1

REMOVED FROM FILE

BW005. **BOX**

NUMBER 30

RETURNED TO CUSTOMER



JIM - LOG HILLS (Bw)

9-16-96



JIMS- LOCO NELS (BW)

9-16-96



JIMS - LOCO HILLS (Bw)

9-16-96



SDMS - 6060 BUS
9-16-96



↓IMS- LOGO HTLS (BW)
9-16-96

9



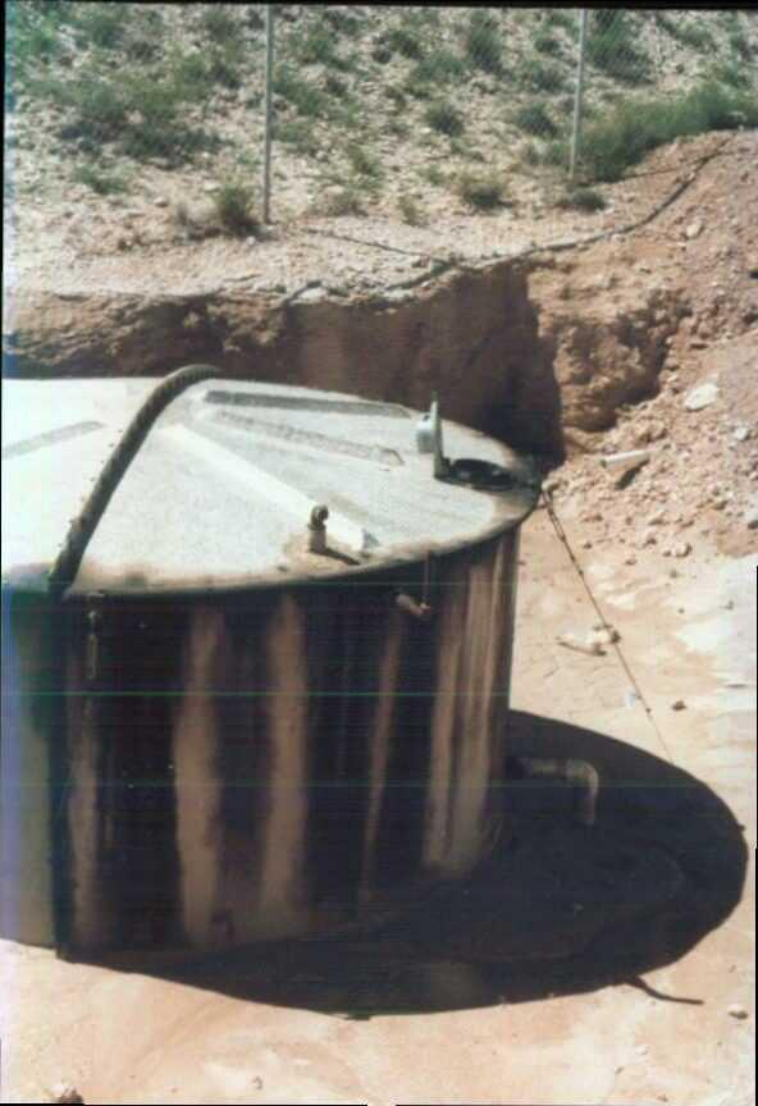
JIMS - LOCO HILLS (BW)
9-16-96

10



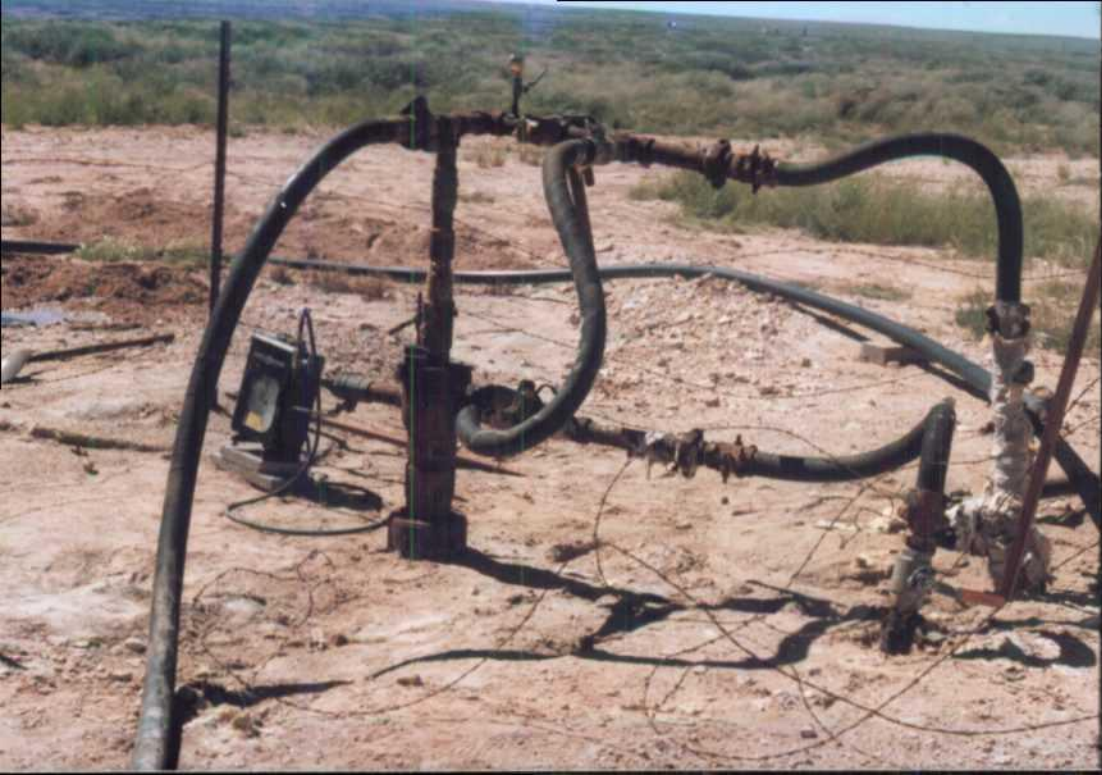
JTMS - LOCO HILLS (RW)
7-16-96

1)



JIMS - LOCO HILLS (Bw)
98-94

12



JIMS- LOCO HILLS (BW)
P-16-96

13