

BW - 18

**GENERAL
CORRESPONDENCE**

YEAR(S):

2005 → 1996

Price, Wayne, EMNRD

From: Price, Wayne, EMNRD
To: Henry, Jason
Cc: Sheeley, Paul, EMNRD; Bole, Barrett W.
Subject: RE: Key Energy Services Truckers #2 Brine Station
Attachments:

Sent: Thu 7/21/2005 2:05 PM

OCD hereby approves of the work plan.

Please be advised that NMOCD approval of this plan does not relieve (Key Energy) of liability should their operations fail to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD approval does not relieve (Key Energy) of responsibility for compliance with any other federal, state, or local laws and/or regulations.

Wayne Price-Senior Environmental Engr.
Oil Conservation Division
1220 S. Saint Francis
Santa Fe, NM 87505
E-mail wayne.price@state.nm.us
Tele: 505-476-3487
Fax: 505-4763462

From: Henry, Jason [mailto:jhenry@keyenergy.com]
Sent: Thu 7/21/2005 1:31 PM
To: Price, Wayne, EMNRD
Cc: Sheeley, Paul, EMNRD; Bole, Barrett W.
Subject: Key Energy Services Truckers #2 Brine Station

Mr. Price,

Attached for your review is a workplan addressing the remediation of chloride impacted soil at Key's Truckers #2 Brine Station in Hobbs. I will also be sending you and Mr. Sheeley a hard copy of the workplan this afternoon.

Thank you for your time.

Jason Henry

Environmental Specialist

Key Energy Services, Inc.

432.571.7141 Office

432.770.0580 Mobile

432.571.7173 Fax



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July 21, 2005

Mr. Wayne Price
New Mexico Oil Conservation District
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Hobbs Trucker's #2 Brine Station
Workplan for Excavation of Chloride-Impacted Soils

Dear Mr. Price:

Enclosed for your review you will find the Hobbs Trucker's #2 Brine Station Workplan for Excavation of Chloride-Impacted Soils.

Please contact me after you have reviewed the workplan to discuss the proposed site activities.

Sincerely,

A handwritten signature in cursive script that reads "Jason Henry".

Jason Henry
Corporate Environmental Specialist

Enclosure

cc: Mr. Paul Sheeley
New Mexico Oil Conservation District
1625 N. French Drive
Hobbs, New Mexico 88240

File # NM-7020

Workplan for Excavation of Chloride-Impacted Soils
Key Energy Services, Inc.
Truckers Number 2 Brine Station
1502 West Broadway Place
Hobbs, New Mexico

A. PROJECT INFORMATION

The above-referenced Key Energy Services, Inc. (Key) property consists of a brine station located in Hobbs, New Mexico. The brine station operates with a concrete loading area and brine storage pit. Due to structural problems with the concrete loading area, brine loading and unloading operations were temporarily relocated west of the brine pit. Loading/unloading of brine in this area has impacted the surface and subsurface soils with elevated chloride concentrations. Previous environmental site investigations have included soil boring advancement, surface and subsurface soil sampling, and the installation of two groundwater monitoring wells. Soil samples collected within the area of impact indicate that chloride concentrations decrease with depth and the release has been vertically delineated. Groundwater is present at approximately 65 feet below ground surface (bgs). Groundwater samples collected from the two monitoring wells contained chloride concentrations which exceed the New Mexico Water Quality Control Commission (NMWQCC) groundwater protection limit of 250 milligrams per liter (mg/l). However, the chloride concentration reported in the groundwater sample from the on-site well (327 mg/L) was lower than the concentration from an on-site up gradient well (527 mg/L).

B. REMEDIAL ACTIVITIES

The objective of the proposed remedial efforts is as follows:

- Remove the heavily chloride-impacted soils near the surface (0-1 feet bgs) and stockpile;
- Subdivide the excavation into 10 sampling areas and perform confirmation sampling to determine additional excavation depths;
- Excavate additional areas with elevated chloride concentrations. Excavation activities will cease at three feet bgs (as verbally approved by Mr. Wayne Price – NMOCD). The excavated soils will be disposed of at an approved landfill under manifest; and
- Place a layer of sand in the base of the excavation and install a synthetic liner over the sand layer to prevent vertical migration of water through chloride-affected soils left in place. Additional sand will be placed over the liner and the excavation will be backfilled with clean caliche.

Soil Excavation

Based on existing analytical data, it is anticipated that approximately 500 cubic yards of soil will be excavated from the affected area. Actual volumes may vary pending analysis of soil samples.

The proposed soil sampling program will consist of the following:

- Collection of five composite soil samples from the stockpile for chloride analysis (disposal).
- Collection of up to 20, four-point composite soil samples from the excavated area for chloride analysis.

The soil samples will be collected and placed in laboratory prepared containers, labeled, and placed on ice in a cooler which will be secured with a custody seal. The samples and completed chain-of-custody forms will be transported to the selected analytical laboratory for analysis under standard laboratory turnaround.

Laboratory Analytical Program

The soil samples collected from the stockpiles and excavation will be analyzed for chlorides using the following methods:

<u>Analysis</u>	<u>Sample Type</u>	<u>No. of Samples</u>	<u>Laboratory Method</u>
Chlorides	Soil	25	SW-846 Method 9253

Liner Installation, Backfilling, and Disposal

A one-foot layer of uniform sand will be placed in the base of the excavation in order to provide a base for a synthetic liner. Following sand placement, a 40 mil-thick synthetic liner will be placed in the excavation. Installation of the liner will provide an engineered cap over the chloride impacted soil left in place, to prevent vertical migration of chlorides to groundwater. The excavation will be returned to grade and slightly mounded to redirect precipitation away from the excavation. Excavated material will be disposed at the Sundance Landfill under manifest.

C. REPORTING

Upon completion of site activities and receipt of the laboratory analytical results, a report will be prepared that will include the following:

- Documentation of field activities;
- Site plan showing pertinent site features;
- Analytical laboratory results;
- Data evaluation and presentation of findings; and,
- Recommendations concerning further action, if necessary.

Price, Wayne

From: Price, Wayne
Sent: Tuesday, May 31, 2005 9:47 AM
To: 'jhenry@keyenergy.com'
Cc: Sheeley, Paul
Subject: Key Hobbs Truckers #2 Brine Station BW-018

Contacts: Jason Henry

Dear Jason:

OCD is in receipt of the Subsurface Investigation plan dated December 29, 2004. Please provide an action plan for OCD approval to address the subsurface contamination. Please submit the plan within 45 days.

Sincerely:

Wayne Price
New Mexico Oil Conservation Division
1220 S. Saint Francis Drive
Santa Fe, NM 87505
505-476-3487
fax: 505-476-3462
E-mail: WPRICE@state.nm.us



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RECEIVED

December 29, 2004

JAN 03 2005

OIL CONSERVATION

Mr. Wayne Price **DIVISION**
New Mexico Oil Conservation District
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Hobbs Trucker's Number 2 Brine Station Subsurface Investigation Report

Dear Mr. Price:

Enclosed for your review you will find the Hobbs Trucker's Number 2 Brine Station Subsurface Investigation Report.

Please contact me after you have reviewed the report to discuss future site activities.

Sincerely,

Jason Henry
Corporate Environmental Specialist

JHENRY@KEYENERGY.COM

30 DAYS

Enclosure

cc: Mr. Paul Sheeley
New Mexico Oil Conservation District
1625 N. French Drive
Hobbs, New Mexico 88240

Mr. Pete Turner
Key Energy Services, Inc.
418 S. Grimes
Hobbs, New Mexico 88240

File: NM-7020

Price, Wayne

From: Gibson, Dan [dgibson@keyenergy.com]
Sent: Monday, October 11, 2004 4:35 PM
To: WPrice@state.nm.us; Sheeley, Paul
Cc: Henry, Jason; Molleur, Loren; Turner, Pete; Patterson, Bob
Subject: Hobbs Brine Station

Key has completed the repairs at the Truckers 2 Brine Station. The contractor who applied the sealant at the pad worked over the weekend to complete this work. The sealant must cure for a few days, but we should be able to resume using the unloading pad and sump this Thursday (10/14/2004).

Jason will be contacting Pete Turner to arrange for the start of the soil excavation. Assuming the area has dried out from the recent rainfall events, we hope to begin the excavation activities next week. Once a schedule has been set, Jason Henry will provide notice to OCD regarding the start of excavation and prior to soil sampling activities.

After tomorrow, please contact Jason Henry (office 432-571-7141, cell 432-770-0580) if you have any questions regarding this info. I will be out of the office Wednesday through Friday.

Thanks,

Daniel K. Gibson, P.G.
Environmental Manager
Key Energy Services, Inc.

6 Desta Drive, Suite 4400
Midland, Texas 79705
Tel: 432.571.7536
Fax: 432.571.7173
Cell: 432.638.6134

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Price, Wayne

From: Price, Wayne
Sent: Wednesday, September 29, 2004 2:30 PM
To: Price, Wayne; 'Gibson, Dan'; Sheeley, Paul
Cc: 'Molleur, Loren'; 'Patterson, Bob'; 'Turner, Pete'
Subject: RE: Hobbs Truckers 2 Brine Station

This approval is for your plan submitted on Sept 27, 2004. Thanks.

-----Original Message-----

From: Price, Wayne
Sent: Monday, September 27, 2004 9:33 AM
To: 'Gibson, Dan'; Price, Wayne; Sheeley, Paul
Cc: Molleur, Loren; Patterson, Bob; Turner, Pete
Subject: RE: Hobbs Truckers 2 Brine Station

Dear Dan, Sorry I did not respond sooner, I have been out of the office. **The plan is hereby approved.** I apologize for the confusion between the requests from the District office and Santa Fe office. All WQCC Discharge Plan facilities are handled out of Santa Fe, however we request that you notify the district office of all significant activities so the OCD can witness these events.

Please be advised that NMOCD approval of this plan does not relieve (Key Energy) of liability should their operations fail to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD approval does not relieve (Key Energy) of responsibility for compliance with any other federal, state, or local laws and/or regulations.

-----Original Message-----

From: Gibson, Dan [mailto:dgibson@keyenergy.com]
Sent: Tuesday, September 21, 2004 3:25 PM
To: WPrice@state.nm.us; Sheeley, Paul
Cc: Molleur, Loren; Patterson, Bob; Turner, Pete
Subject: Hobbs Truckers 2 Brine Station

Mr. Price:

I wanted to provide you with an update for the Hobbs Truckers 2 Brine Station.

The pit at the unloading pad has been repaired. The concrete was cleaned and the cracks within the pit were repaired. A three coat sealing process was used to seal the concrete. The electrical work at the loading station began today, and we anticipate it will be complete by the end of the week. We have found a product to use to seal the unloading pit pad. The material has been ordered and should be on site by this Thursday. It will take several days to clean the pad and apply the sealants (again, this is a three coat process) and the material must cure for 2-3 days before we can start using the loading station. We now anticipate using the concrete loading pad by October 4, 2004.

The small lined sump by the pump house was removed. The oily material from inside the pump house has been cleaned and the outside walls of the pump house

were also cleaned. These materials were disposed of by Sundance. We should have a new tank to collect the fluids soon.

We anticipate we will begin the soil excavation work by the pit on October 4, when the concrete loading area is placed back in service. We will prepare a brief workplan outlining the excavation and sampling activities next week and will forward it to you for review. The workplan will consist of excavating the impacted areas to a depth of 6 inches and collecting soil samples for chloride analyses. The analytical results will be reviewed and any areas exceeding New Mexico standards will be excavated until the cleanup standards are met. You will be notified of sampling dates/times prior to sample collection to allow OCD to witness/split samples.

Please contact me if you have any questions.

Thanks,

Daniel K. Gibson, P.G.
Environmental Manager
Key Energy Services, Inc.

6 Desta Drive, Suite 4400
Midland, Texas 79705
Tel: 432.571.7536
Fax: 432.571.7173
Cell: 432.638.6134

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September 27, 2004

Mr. Wayne Price
New Mexico Oil Conservation District
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Hobbs Trucker's #2 Brine Station Soil Sampling Work Plan

Dear Mr. Price:

Enclosed for your files you will find the Hobbs Trucker's #2 Brine Station Soil Sampling Work Plan for your review.

If you have any questions or wish to discuss any items contained in this report, please let me know.

Sincerely,

Jason Henry
Corporate Environmental Specialist

Enclosure

cc: Mr. Paul Sheeley
New Mexico Oil Conservation District
1625 N. French Drive
Hobbs, New Mexico 88240

Mr. Pete Turner
Key Energy Services, Inc.
418 S. Grimes
Hobbs, New Mexico 88240

Price, Wayne

From: Gibson, Dan [dgibson@keyenergy.com]
Sent: Tuesday, September 21, 2004 3:25 PM
To: WPrice@state.nm.us; Sheeley, Paul
Cc: Molleur, Loren; Patterson, Bob; Turner, Pete
Subject: Hobbs Truckers 2 Brine Station

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Thanks,

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Environmental Manager
Key Energy Services, Inc.

6 Desta Drive, Suite 4400
Midland, Texas 79705
Tel: 432.571.7536
Fax: 432.571.7173
Cell: 432.638.6134

9/29/2004

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Price, Wayne

From: Gibson, Dan [dgibson@keyenergy.com]
Sent: Tuesday, September 14, 2004 12:27 PM
To: WPrice@state.nm.us
Subject: Re: Hobbs brine loading facility

Mr. Price:

I appreciate your email. Key will correct the problems at this location. I talked with Pete Turner yesterday evening and work on the concrete pit will start today. Jason Henry, from Key's environmental department, is on his way to Hobbs now. I have also talked with Loren Molleur this morning and he is aware of the importance of addressing the outstanding issues in a timely manner.

I am out of the office this week, but will likely visit the site early next week. I will keep you updated on our progress and advise you of our schedule for the excavation and sampling activities. Please feel free to contact me as needed this week by email or cell phone (432 638 6134). Again, I thank you for your consideration.

Dan
Dan Gibson

Sent from my BlackBerry Wireless Handheld

-----Original Message-----

From: Price, Wayne <WPrice@state.nm.us>
To: Dan Gibson (E-mail) <dgibson@keyenergy.com.>
Sent: Tue Sep 14 10:12:39 2004
Subject: FW: Hobbs brine loading facility

Dear Dan: Please find a copy of the correspondence below. Once again, I know Key will do the right thing on this issue. This is a blind copy not to be distributed.

> -----Original Message-----

> **From:** Price, Wayne
> **Sent:** Tuesday, September 14, 2004 9:03 AM
> **To:** Sheeley, Paul
> **Cc:** Williams, Chris; Anderson, Roger; Fesmire, Mark; Wink, Gary; Olson,
> William
> **Subject:** RE: Hobbs brine loading facility

>

> Paul, shutting a viable operation down that impacts local drilling and
> work over operations, peoples jobs, and the local economy is a big deal
> simply put. I don't like this situation any more than you but we have to
> follow the process. Be patient with me and I promise we will do the right
> thing! Presently the monitor wells that Key installed shows up-gradient
> salt contamination. The down-gradient well is reading about 800 ppm same
> as the up-gradient well. Their well has never failed an MIT, the brine
> pond leak detector has not shown any significant level changes, Key has
> submitted a groundwater investigation plan, they have promised to retrofit
> the entire facility with best management practices, and they have
> committed to performing a vadose zone investigation and clean-up. Now
> there is an issue with leaks and spills in which if not corrected, I will
> issue a Notice of Violation with civil penalties.

>

> Once again I really appreciate your help on this matter and its good that
> your out there looking for us!

9/29/2004

> -----Original Message-----

> From: Sheeley, Paul
> Sent: Tuesday, September 14, 2004 7:54 AM
> To: Price, Wayne
> Subject: RE: Hobbs brine loading facility

> Wayne,
> I'm tired of this misrepresentation. They drug a sled around. Whooopee!
> I hasent rained since before September 1st. Besides if it rains and you
> get that effect and GW contanination you should be shut in.

> PS

> << File: DCP_5168.JPG >> << File: DCP_5169.JPG >> << File: DCP_5170.JPG
>>> << File: DCP_5171.JPG >>

> -----Original Message-----

> From: Price, Wayne
> Sent: Monday, September 13, 2004 4:45 PM
> To: Sheeley, Paul
> Subject: FW: Hobbs brine loading facility

> -----Original Message-----

> From: Patterson, Bob [<mailto:bpatterson@keyenergy.com>]
> Sent: Monday, September 13, 2004 4:05 PM
> To: Price, Wayne
> Cc: Turner, Pete; Gibson, Dan; Molleur, Loren
> Subject: Hobbs brine loading facility

> << Message: Untitled Attachment >> << File: 100_4119.jpg >> <<
> File: 100_4120.jpg >> << File: 100_4121.jpg >> << File: 100_4122.jpg >>

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Price, Wayne

From: Patterson, Bob [bpatterson@keyenergy.com]
Sent: Monday, September 13, 2004 4:05 PM
To: Price, Wayne
Cc: Turner, Pete; Gibson, Dan; Molleur, Loren
Subject: Hobbs brine loading facility



Untitled Attachment



100_4119.jpg



100_4120.jpg



100_4121.jpg



100_4122.jpg

Price, Wayne

Wayne,

Attached are photos I took this afternoon of the facility. As you can see, there is no ponding of water and the loading lines have containment. There is a roped barricade to prevent loading activities elsewhere. As Pete replied to your earlier email, a close eye will be kept on the facility to prevent any further spills and if it deemed necessary, personnel will be assigned to constantly monitor this facility. Please be assured that Key is doing everything possible to alleviate this situation. As soon as the vendors can get it scheduled, work will began on remodeling the old loading rack. Thanks for your help and patience.

Bob Patterson

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Price, Wayne

From: Turner, Pete [pturner@keyenergy.com]
Sent: Monday, September 13, 2004 11:22 AM
To: Price, Wayne
Cc: Gibson, Dan; Patterson, Bob; Molleur, Loren
Subject: RE: Key Energy-Brine well #2 spill

Wayne, It does appear that a vehicle backed into the subject area! We have removed the connections and are putting up a barricade to keep anyone from trying to load at that point. We are monitoring the site numerous times a day to insure that everyone loads at the containment drums located at the west fence line as shown in your pictures!

-----Original Message-----

From: Price, Wayne [mailto:WPrice@state.nm.us]
Sent: Monday, September 13, 2004 10:22 AM
To: Price, Wayne; Gibson, Dan; dgibson@keyenergy.com.
Cc: Patterson, Bob; Turner, Pete; Molleur, Loren
Subject: RE: Key Energy-Brine well #2 spill

Sorry I forgot to send pictures.

-----Original Message-----

From: Price, Wayne
Sent: Monday, September 13, 2004 10:16 AM
To: 'Gibson, Dan'; Price, Wayne; dgibson@keyenergy.com.
Cc: Patterson, Bob; Turner, Pete; Molleur, Loren
Subject: RE: Key Energy-Brine well #2 spill

Dear Dan:

The District Office has requested me to actually shut down your operations because of continued salt water spills. Please take a look at the pictures below. It does appear that a truck was either loading or unloading in this area. You can see the tracks. There does not appear to be a containment device here. I though you promised me that Key would take care of this issue. I am making a decision now that I will not ask you to shut down your operations hoping that Key will fulfill their obligation and do the right thing. Failure to comply will be reason to issue a compliance order requiring you to perform. I hope I'm right on this issue.

-----Original Message-----

From: Gibson, Dan [mailto:dgibson@keyenergy.com]
Sent: Friday, September 10, 2004 4:19 PM
To: WPrice@state.nm.us; dgibson@keyenergy.com.
Cc: Patterson, Bob; Turner, Pete; Molleur, Loren
Subject: Re: Key Energy-Brine well #2 spill

Mr. Price:

I looked at the photos and talked with Pete Turner. We do not believe this to be a new spill, but rather ponded water from rainfall that took place a few days ago.

This is one of the areas we will be excavating once the concrete pit is back in service. We are waiting on one more cost estimate and will then begin working at this site. When the excavation work is complete, I think we will add fill west of the pit so rainwater won't pond in

this area.

Please contact me if you have any questions regarding this site.

Thanks

Dan
Dan Gibson

Sent from my BlackBerry Wireless Handheld

-----Original Message-----

From: Price, Wayne <WPrice@state.nm.us>
To: Dan Gibson (E-mail) <dgibson@keyenergy.com.>
CC: Patterson, Bob <bpatterson@keyenergy.com>
Sent: Fri Sep 10 14:53:53 2004
Subject: FW: Key Energy-Brine well #2 spill

Forwarded to Dan Gibson and Bob Patterson: Fax to Pete Turner:

> -----Original Message-----

> From: Price, Wayne
> Sent: Friday, September 10, 2004 1:46 PM
> To: Dan Gibson (E-mail)
> Cc: Bob Patterson (E-mail); Williams, Chris; Sheeley, Paul
> Subject: FW: Key Energy-Brine well #2 spill

>
> Warning Notice:

>
> Pictures taken by OCD District office.

>
> Another spill at the Hobbs Brine facility. Action should be taken
> immediately. Failure to respond will be cause for a NOTICE of VIOLATION
> and a Compliance ORDER with Civil penalties of \$10,000/day to be issued.
> Start clean-up immediately and provide OCD (Santa Fe and Hobbs) a spill
> report with corrective actions.

>
> -----Original Message-----

> From: Sheeley, Paul
> Sent: Friday, September 10, 2004 9:43 AM
> To: Price, Wayne
> Subject: Key Energy-Brine well #2 spill

>
> <<DCP_5156.JPG>> <<DCP_5160.JPG>> <<DCP_5164.JPG>> <<DCP_5165.JPG>>
> <<DCP_5167.JPG>>

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Price, Wayne

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Please contact me if you have any questions regarding this site.

Thanks

Dan
Dan Gibson

Sent from my BlackBerry Wireless Handheld

-----Original Message-----

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To: Dan Gibson (E-mail) <dgibson@keyenergy.com.>
CC: Patterson, Bob <bpatterson@keyenergy.com>
Sent: Fri Sep 10 14:53:53 2004
Subject: FW: Key Energy-Brine well #2 spill

Forwarded to Dan Gibson and Bob Patterson: Fax to Pete Turner:

> -----Original Message-----

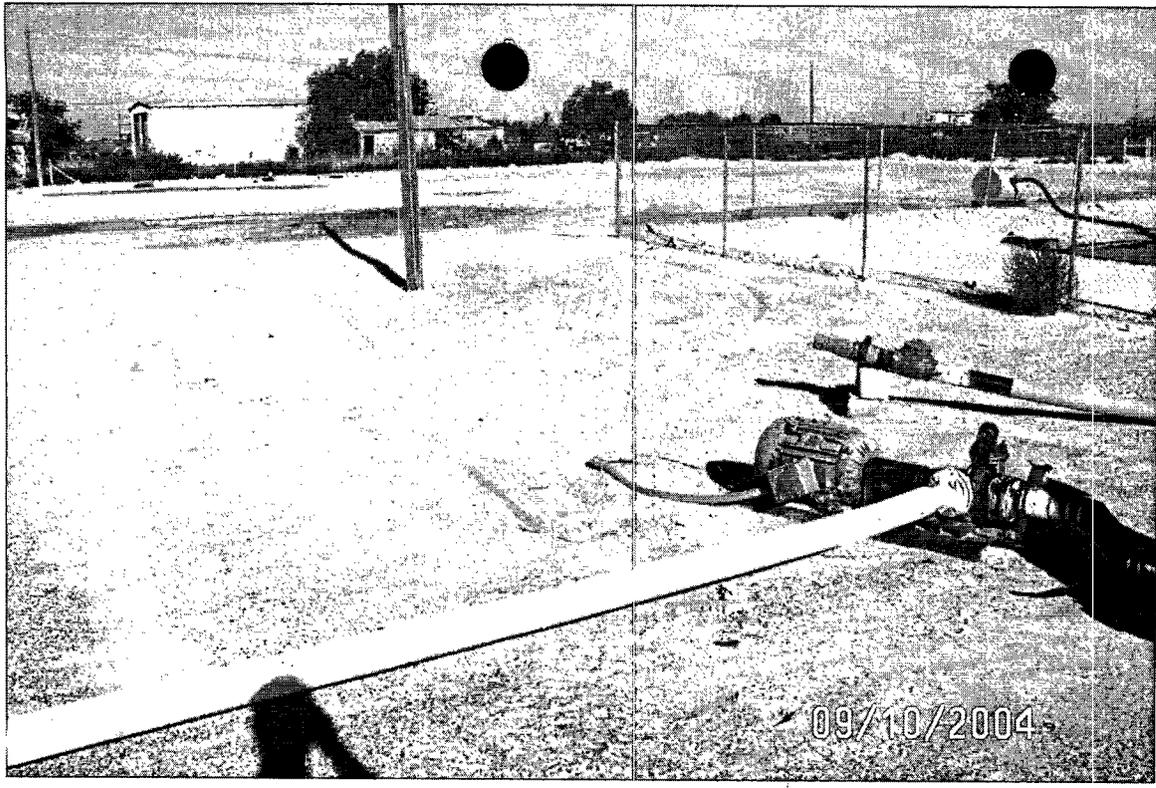
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> <<DCP_5156.JPG>> <<DCP_5160.JPG>> <<DCP_5164.JPG>> <<DCP_5165.JPG>>
> <<DCP_5167.JPG>>

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From: Gibson, Dan [dgibson@keyenergy.com]
Sent: Friday, September 10, 2004 4:19 PM
To: WPrice@state.nm.us; dgibson@keyenergy.com.
Cc: Patterson, Bob; Turner, Pete; Molleur, Loren
Subject: Re: Key Energy-Brine well #2 spill

Mr. Price:

I looked at the photos and talked with Pete Turner. We do not believe this to be a new spill, but rather ponded water from rainfall that took place a few days ago.

This is one of the areas we will be excavating once the concrete pit is back in service. We are waiting on one more cost estimate and will then begin working at this site. When the excavation work is complete, I think we will add fill west of the pit so rainwater won't pond in this area.

Please contact me if you have any questions regarding this site.

Thanks

Dan
Dan Gibson

Sent from my BlackBerry Wireless Handheld

-----Original Message-----

From: Price, Wayne <WPrice@state.nm.us>
To: Dan Gibson (E-mail) <dgibson@keyenergy.com.>
CC: Patterson, Bob <bpatterson@keyenergy.com>
Sent: Fri Sep 10 14:53:53 2004
Subject: FW: Key Energy-Brine well #2 spill

Forwarded to Dan Gibson and Bob Patterson: Fax to Pete Turner:

> -----Original Message-----

> From: Price, Wayne
> Sent: Friday, September 10, 2004 1:46 PM
> To: Dan Gibson (E-mail)
> Cc: Bob Patterson (E-mail); Williams, Chris; Sheeley, Paul
> Subject: FW: Key Energy-Brine well #2 spill

>
> Warning Notice:

>
> Pictures taken by OCD District office.

>
> Another spill at the Hobbs Brine facility. Action should be taken
> immediately. Failure to respond will be cause for a NOTICE of VIOLATION
> and a Compliance ORDER with Civil penalties of \$10,000/day to be issued.
> Start clean-up immediately and provide OCD (Santa Fe and Hobbs) a spill
> report with corrective actions.

>
> -----Original Message-----

> From: Sheeley, Paul
> Sent: Friday, September 10, 2004 9:43 AM
> To: Price, Wayne

9/29/2004

> Subject: Key Energy-Brine well #2 spill

>

> <<DCP_5156.JPG>> <<DCP_5160.JPG>> <<DCP_5164.JPG>> <<DCP_5165.JPG>>

> <<DCP_5167.JPG>>

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Price, Wayne

From: Gibson, Dan [dgibson@keyenergy.com]
Sent: Thursday, September 02, 2004 2:27 PM
To: Price, Wayne
Cc: Sheeley, Paul; Molleur, Loren; Turner, Pete; Patterson, Bob
Subject: RE: Trucker's #2 Brine Station, Hobbs, NM - BW-018

Mr. Price:

We believe we can complete the approved activities at the subject facility by October 1, 2004. This assumes we do not encounter delays beyond our control (contractor availability, weather, if the pit requires more repair than anticipated, etc.). Should such delays be encountered, both you and Mr. Sheeley will be notified. Both you and Mr. Sheeley will also be notified 48 hours before soil sampling is implemented at the site. Upon completion of the approved plan, we will submit a report to your office documenting these activities.

Please contact me if you have any questions regarding this information.

Thanks,

Daniel K. Gibson, P.G.
Environmental Manager
Key Energy Services, Inc.

6 Desta Drive, Suite 4400
Midland, Texas 79705
Tel: 432.571.7536
Fax: 432.571.7173
Cell: 432.638.6134

-----Original Message-----

From: Price, Wayne [mailto:WPrice@state.nm.us]
Sent: Friday, August 27, 2004 12:08 PM
To: Gibson, Dan; Price, Wayne
Cc: Patterson, Bob; Turner, Pete; Sheeley, Paul
Subject: RE: Trucker's #2 Brine Station, Hobbs, NM - BW-018

Thank you for your quick response. Your anticipated procedure is hereby approved.

Please be advised that NMOCD approval of this plan does not relieve (Key) of liability should their operations fail to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD approval does not relieve (Key) of responsibility for compliance with any other federal, state, or local laws and/or regulations.

-----Original Message-----

From: Gibson, Dan [mailto:dgibson@keyenergy.com]
Sent: Wednesday, August 25, 2004 4:35 PM
To: WPrice@state.nm.us
Cc: Patterson, Bob; Turner, Pete

9/29/2004

Subject: Trucker's #2 Brine Station, Hobbs, NM - BW-018

Mr. Price:

I met with Pete Turner at the subject brine station yesterday. To resolve the issues identified in the 08/19/2004 OCD inspection, Key will complete the following corrective measures:

1. We will repair the concrete unloading pad and associated sump. After the repairs are complete, all trucks will be loaded in this area. We have scheduled a contractor to visit the site today to evaluate options for repairing this area. It is likely these activities will include cleaning an inspecting the pit, repairing the concrete in the pit an unloading pad, and sealing the concrete surfaces.
2. Once the concrete unloading area is returned to service, the area west of the pit will no longer be used for loading. The hoses in this area will be removed and the chloride impacted soils will be excavated for off-site disposal. I have already contacted Sundance Services to arrange disposal of this material. Once the area is excavated, Key will collect confirmation samples for laboratory analyses. Both you and Mr. Paul Sheeley will be notified a minimum of 48 hours prior to collecting soil samples to give OCD the opportunity to observe/split samples as needed. As a temporary measure, containment for the hoses in this area has already been provided.
3. The sump associated with the pump house will be removed. Impacted soil will be removed for off-site disposal. The sump will be replaced with a small tank.
4. Facility personnel will monitor fluid levels in the pit to assure the proper freeboard is maintained.

We anticipate completing these activities as soon as contractors are available. After it is determined what activities are required to return the pit to service, we should be able to provide OCD with a schedule for completing these activities. I would anticipate providing a schedule to OCD no later than September 1, 2004.

Please do not hesitate to call me if you have questions regarding this information. Please advise me if you will require Key to submit a formal workplan for these activities..

Daniel K. Gibson, P.G.
Environmental Manager
Key Energy Services, Inc.

6 Desta Drive, Suite 4400
Midland, Texas 79705
Tel: 432.571.7536
Fax: 432.571.7173
Cell: 432.638.6134

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Price, Wayne

From: Gibson, Dan [dgibson@keyenergy.com]
Sent: Wednesday, August 25, 2004 4:35 PM
To: WPrice@state.nm.us
Cc: Patterson, Bob; Turner, Pete
Subject: Trucker's #2 Brine Station, Hobbs, NM - BW-018

Mr. Price:

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Please do not hesitate to call me if you have questions regarding this information. Please advise me if you will require Key to submit a formal workplan for these activities.

Daniel K. Gibson, P.G.
Environmental Manager
Key Energy Services, Inc.

6 Desta Drive, Suite 4400
Midland, Texas 79705
Tel: 432.571.7536
Fax: 432.571.7173
Cell: 432.638.6134

9/29/2004

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TRANSMITTAL COVER SHEET

OIL CONSERVATION DIVISION
1220 S. ST. FRANCIS DRIVE
SANTA FE, NM 87505
(505) 476-3440
(505)476-3462 (Fax)

PLEASE DELIVER THIS FAX:

TO: PETE TURNER (505-393-9023)

FROM: WAYNE PRICE

DATE: 9/10/04

PAGES: 3

SUBJECT: KEY HOBBS BRINE SYSTEM

IF YOU HAVE TROUBLE RECEIVING THIS FAX, PLEASE CALL THE OFFICE NUMBER ABOVE.

Price, Wayne

From: Price, Wayne
Sent: Friday, September 10, 2004 1:54 PM
To: Dan Gibson (E-mail)
Cc: Bob Patterson (E-mail)
Subject: FW: Key Energy-Brine well #2 spill

Forwarded to Dan Gibson and Bob Patterson: Fax to Pete Turner:

-----Original Message-----

From: Price, Wayne
Sent: Friday, September 10, 2004 1:46 PM
To: Dan Gibson (E-mail)
Cc: Bob Patterson (E-mail); Williams, Chris; Sheeley, Paul
Subject: FW: Key Energy-Brine well #2 spill

Warning Notice:

Pictures taken by OCD District office.

Another spill at the Hobbs Brine facility. Action should be taken immediately. Failure to respond will be cause for a NOTICE of VIOLATION and a Compliance ORDER with Civil penalties of \$10,000/day to be issued. Start clean-up immediately and provide OCD (Santa Fe and Hobbs) a spill report with corrective actions.

-----Original Message-----

From: Sheeley, Paul
Sent: Friday, September 10, 2004 9:43 AM
To: Price, Wayne
Subject: Key Energy-Brine well #2 spill



DCP_5156.JPG



DCP_5160.JPG



DCP_5164.JPG



DCP_5165.JPG



DCP_5167.JPG



09/10/2004

Price, Wayne

From: Gibson, Dan [dgibson@keyenergy.com]
Sent: Friday, August 20, 2004 5:11 PM
To: WPrice@state.nm.us
Subject: Re: Key Hobbs Brine well BW-018

I forwarded your email to Pete Turner. We'll get started on this Monday.

Dan Gibson

Sent from my BlackBerry Wireless Handheld

-----Original Message-----

From: Price, Wayne <WPrice@state.nm.us>
To: Dan Gibson (E-mail) <dgibson@keyenergy.com>; Patterson, Bob <bpatterson@keyenergy.com>
CC: Sheeley, Paul <PSheelley@state.nm.us>; Williams, Chris <CWilliams@state.nm.us>
Sent: Fri Aug 20 17:26:50 2004
Subject: Key Hobbs Brine well BW-018

Dear Dan:

OCD witnessed an MIT on the Hobbs Brine well and performed an inspection at the request of the Hobbs OCD office. The Hobbs office has received complaints about brine water being spilled at the site. They have contacted Key but did not get any response. I performed a permit inspection and have found several deficiencies that must be corrected within 10 days. I have included my inspection sheet with photo documentation. Also would please see that Pete Turner gets a copy of this report and notify him that next year the brine well must have the tubing pilled and packard set and casing test performed 300 psig for 30 min. EPA requires this.

<<Inspection sheet aug 19, 2004.jpg>> <<Inspection_&_MIT_Aug 19, 2004.doc>>

Sincerely:

Wayne Price
New Mexico Oil Conservation Division
1220 S. Saint Francis Drive
Santa Fe, NM 87505
505-476-3487
fax: 505-476-3462
E-mail: WPRICE@state.nm.us

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8/23/2004

Price, Wayne

From: Price, Wayne
Sent: Friday, August 20, 2004 4:27 PM
To: Dan Gibson (E-mail); Bob Patterson (E-mail)
Cc: Sheeley, Paul; Williams, Chris
Subject: Key Hobbs Brine well BW-018

Dear Dan:

OCD witnessed an MIT on the Hobbs Brine well and performed an inspection at the request of the Hobbs OCD office. The Hobbs office has received complaints about brine water being spilled at the site. They have contacted Key but did not get any response. I performed a permit inspection and have found several deficiencies that must be corrected within 10 days. I have included my inspection sheet with photo documentation. Also would please see that Pete Turner gets a copy of this report and notify him that next year the brine well must have the tubing pilled and packard set and casing test performed 300 psig for 30 min. EPA requires this.



Inspection sheet Inspection_&_MIT_
aug 19, 2004.... Aug 19, 2004....

Sincerely:

Wayne Price
New Mexico Oil Conservation Division
1220 S. Saint Francis Drive
Santa Fe, NM 87505
505-476-3487
fax: 505-476-3462
E-mail: WPRICE@state.nm.us

Environmental Facility Inspection

Facility Name	KEY HOBBS TRUCKERS #2	Time Out	9:00	Time In	13:30	Hrs	
Inspector	Wayne Price	Dt Mod	8/20/2004	Purpose	Normal Routine Activity		
Inspection Date	08/19/2004	Inspect No.	aLWP0423355238				
		Type	Field Inspection				

Violations / Documentation

List Violations or Indicate Compliance

Specific Violation
Contamination observed on ground surface
No spill collection device at process areas
Pits need repair/modification to meet guidelines.
Sump overflowing

Additional Violation Notes

Failure to complete actions within 10 days will result in a Notice of Violation.

Documentation Acquired: Samples Statements Sketch Video Photos

Compliance Items (Checked Items Denote Non-Compliance)

Write Compliance Based on this Inspection

- | | | | | | | |
|-----------------------------------|---|-----------------------------------|---|---|---|------------------------------------|
| <input type="checkbox"/> Drums | <input checked="" type="checkbox"/> Process | <input type="checkbox"/> AG Tanks | <input type="checkbox"/> AG Saddle Tk | <input type="checkbox"/> Labeling | <input checked="" type="checkbox"/> Tanks/Sumps | <input type="checkbox"/> Permits |
| <input type="checkbox"/> UG Lines | <input type="checkbox"/> WD Practice | <input type="checkbox"/> Class V | <input checked="" type="checkbox"/> Housekeepin | <input checked="" type="checkbox"/> Spill Rpt | <input type="checkbox"/> Potential ENV | <input type="checkbox"/> Wtr Wells |

Describe Remedial Action Required

Operator (Mr. Pete Turner) was instructed to remove all visually contaminated soils. Call OCD office to witness soil sampling. Install spill collection devices. Repair or modify pump sump area. Reduce the level in pond.

Use [SHIFT] + [F2] to Expand any Notes or Comment Field



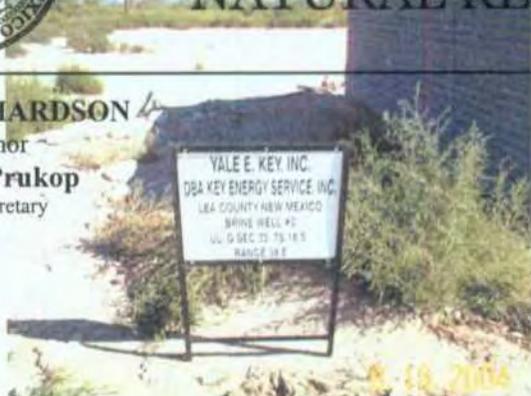
NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

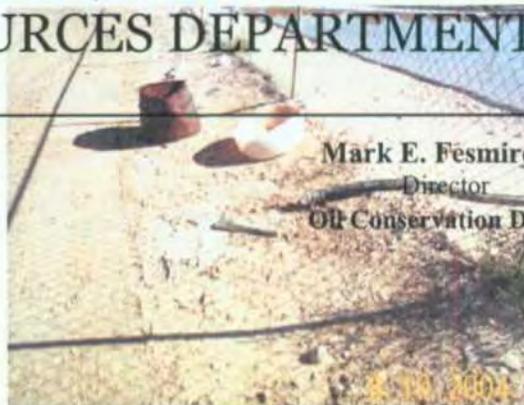
Governor

Joanna Prukop

Cabinet Secretary



Sign



Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Loading area west of Brine Pond. Visual salt contamination on ground. No containment devices.



Brine well pump house. Sump has overflowed. Key has been notified of this problem in the past.



Same as above.



Loading area west of Brine Pond. Visual salt contamination on ground.



Same as above.



Hoses do not have containment.



Paul Sheeley-OCD collecting soil sample. Brine being discharged to ground.



Visual Salt contamination west of pond.



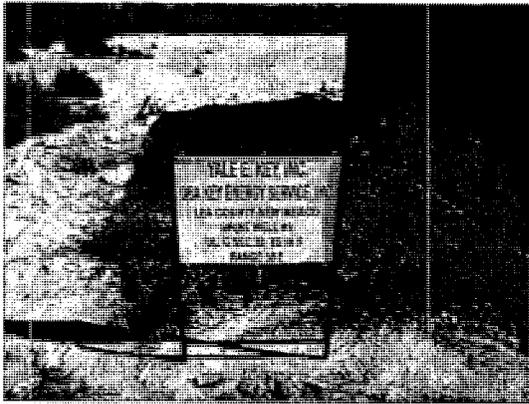
Brine pond is too full. Exceeds freeboard allowed in permit.



Another loading area on south side of pond. No containment.



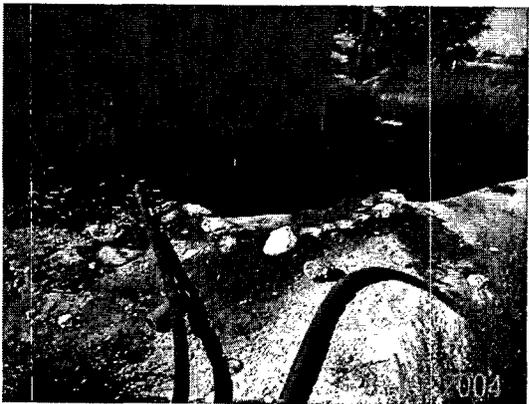
Brine pond is too full. Exceeds free board allowed in permit.



Sign



Loading area west of Brine Pond. Visual salt contamination on ground. No containment devices.



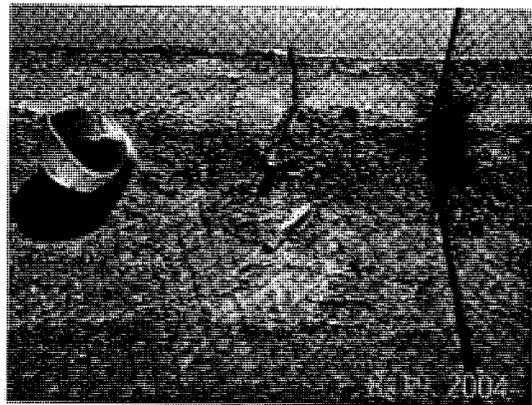
Brine well pump house. Sump has overflowed. Key has been notified of this problem in the past.



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Loading area west of Brine Pond. Visual salt contamination on ground.



Same as above.



Hoses do not have containment.



Paul Sheeley-OCD collecting soil sample. Brine being discharged to ground.



Visual Salt contamination west of pond.



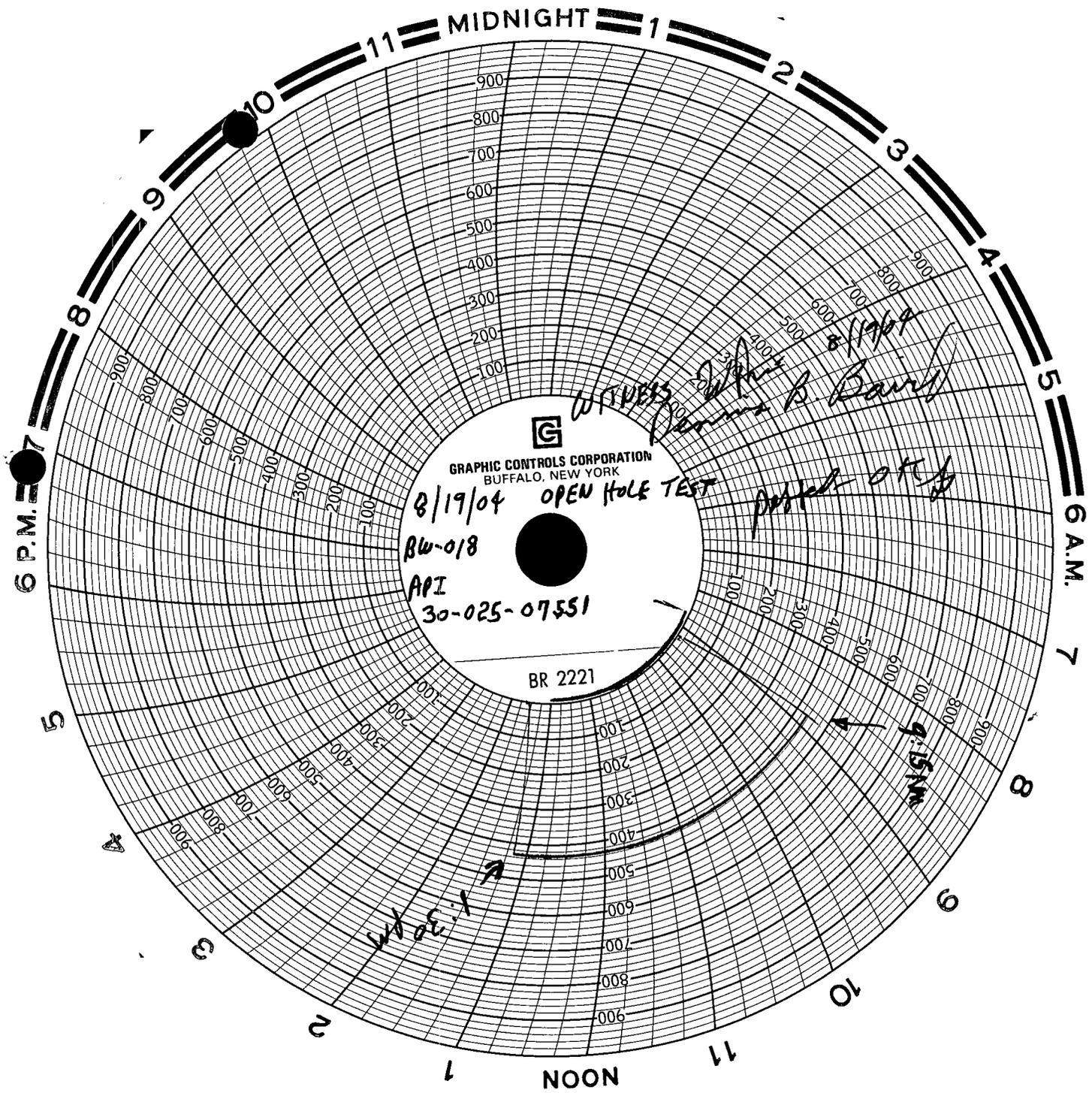
Brine pond is too full. Exceeds freeboard allowed in permit.



Another loading area on south side of pond. No containment.



Brine pond is too full. Exceeds free board allowed in permit.



GRAPHIC CONTROLS CORPORATION
BUFFALO, NEW YORK

8/19/04 OPEN HOLE TEST

BW-018

API

30-025-07551

BR 2221

Witnessed by
Dennis B. Baird
8/19/04

pressure of 300 PSI

9:15 PM

300 PSI

American Valve & Meter, Inc.

113 W. Broadway
P.O. Box 166
Hobbs, NM 88240

To: Key

Date: 8/18-04

This is to Certify that:

I, Bud Collins, Technician for American Valve & Meter, Inc.,

has checked the calibration of the following instrument

8" Dual pen Press. new Serial Number 8053

at these points.

Pressure 0-2000 #

Temperature 0-5000 #

Test	Found	Left	Test	Found	Left
<u>0</u>	<u> </u>	<u>0</u>	<u>0</u>	<u> </u>	<u>0</u> <u>5000</u>
<u>500</u>	<u> </u>	<u>500</u>	<u>2500</u>	<u> </u>	<u>2500</u>
<u>1000</u>	<u> </u>	<u>1000</u>	<u>5000</u>	<u> </u>	<u>5000</u>
<u>800</u>	<u> </u>	<u>800</u>	<u>3500</u>	<u> </u>	<u>3500</u>
<u>200</u>	<u> </u>	<u>200</u>	<u>1000</u>	<u> </u>	<u>1000</u>
<u>0</u>	<u> </u>	<u>0</u>	<u>0</u>	<u> </u>	<u>0</u>

Remarks: _____

Signature

Bud Collins

Price, Wayne

From: Gibson, Dan [dgibson@keyenergy.com]
Sent: Monday, August 02, 2004 7:40 AM
To: Price, Wayne; Turner, Pete
Subject: RE: Truckers brine station - Hobbs N.M. (west Broadway)

Mr. Price:

We requested and received a 30 day extension for the groundwater investigation plan. The workplan was submitted/approved and was implemented the week of June 9th. I should have the draft report this week and expect to send the final report to you within the next 2 weeks. Please call me if you have any questions regarding this project.

Daniel K. Gibson, P.G.
Environmental Manager
Key Energy Services, Inc.

6 Desta Drive, Suite 4400
Midland, Texas 79705
Tel: 432.571.7536
Fax: 432.571.7173
Cell: 432.638.6134

-----Original Message-----

From: Price, Wayne [mailto:WPrice@state.nm.us]
Sent: Friday, July 30, 2004 3:54 PM
To: Turner, Pete
Cc: Dan Gibson (E-mail)
Subject: RE: OCD Test Truckers brine station - Hobbs N.M. (west Broadway)

Thank you, we have you on the list! In addition, where do we stand on the groundwater investigation for this site. Our files show that we requested a plan that was due on April 15, 2004?

-----Original Message-----

From: Turner, Pete [mailto:pturner@keyenergy.com]
Sent: Friday, July 30, 2004 1:50 PM
To: WPrice@state.nm.us
Cc: Molleur, Loren; Patterson, Bob; Gibson, Dan
Subject: OCD Test Truckers brine station - Hobbs N.M. (west Broadway)

If it meets with your approval, we will have the well ready for testing w/chart recorder at 9:00 A.M. on August 19, 2004.

Pete M. Turner
Key Energy Services, Inc.
418 S. Grimes
Hobbs, N.M. 88240
(505) 397-4994

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Price, Wayne

From: Price, Wayne
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Hobbs, N.M. 88240
(505) 397-4994

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For more information please visit <http://www.messagelabs.com/email>

Price, Wayne

From: Price, Wayne
Sent: Thursday, March 04, 2004 4:47 PM
To: Bob Patterson (E-mail); Gene Butler (E-mail)
Cc: Sheeley, Paul; Johnson, Brian
Subject: KEY Hobbs Brine St. BW-018

Dear Mr. Patterson:

The OCD is in receipt of the Arcadis "Findings and Recommendations from a Soil and Groundwater Investigation of the Saltwater Facility" dated May 20, 2003. As a result of these findings Key shall submit for OCD approval a plan to investigate the groundwater under this facility. Please submit this plan by April 15, 2004.

Sincerely:

Wayne Price
New Mexico Oil Conservation Division
1220 S. Saint Francis Drive
Santa Fe, NM 87505
505-476-3487
fax: 505-476-3462
E-mail: WPRICE@state.nm.us

Price, Wayne

From: Price, Wayne
Sent: Wednesday, January 14, 2004 1:49 PM
To: 'bpatterson@keyenergy.com'
Cc: Sheeley, Paul; Johnson, Larry
Subject: Discharge Plan BW-018 Truckers #2 Brine Station

Contacts: Bob Patterson

Dear Mr. Patterson:

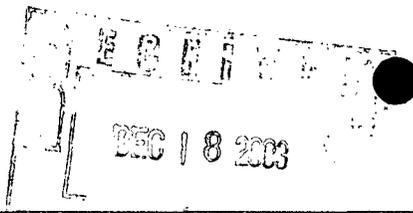
Pursuant to our telephone conversation yesterday, I am dropping in the mail today the original copy of the permit. You have already signed off and sent in fees. This is your copy for your files.

Your request to forgo the five year MIT test and cavity survey is hereby approved with the following conditions:

1. Key shall continue to run the annual MIT open hole test.
2. Groundwater monitoring shall be conducted pursuant to the plan.
3. The test and survey listed in #1 shall be conducted before discharge plan renewal July 18, 2008 or if well is worked over.
4. Key shall submit the results of the recent sump investigation.

Sincerely:

Wayne Price
New Mexico Oil Conservation Division
1220 S. Saint Francis Drive
Santa Fe, NM 87505
505-476-3487
fax: 505-476-3462
E-mail: WPRICE@state.nm.us



Patterson, Bob

Wayne,
I could not find documentation where I had sent you this legal notice of publication on BW-018. Enclosed find a copy of such notice and if it is a duplicate, please just attribute it to a senior moment.
Thanks

Bob Patterson

Advertising Receipt

Hobbs Daily News-Sun
 201 N Thorp
 P O Box 850
 Hobbs, NM 88241-0850
 Phone: (505) 393-2123
 Fax: (505) 397-0610

Pete Turner
 Key Energy Services
 418 S. Grimes
 Hobbs, NM 88240

Cust#: a0102687-000
 Ad#: 02566603
 Phone: (505)397-4994
 Date: 09/16/03

RECEIVED
 SEP 25 2003

Ad taker: C1 Salesperson: 01 Classification: 673 BY:

Description	Start	Stop	Ins.	Cost/Day	Surcharges	Total
07 07 Daily News-Sun	09/18/03	09/18/03	1	96.53		96.53
Bold						1.00
Affidavit for legals						3.00

Payment Reference:

LEGAL NOTICE
 September 18, 2003

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 permit application(s) has been submitted to the Director of the Oil Conservation Division, 1220 S. Saint Francis Drive, Santa Fe, New Mexico 87505, Telephone (505) 476-3440:

(BW-018) Key Energy Services, Inc., Bob Patterson, (505) 394-2581, 418 S. Grimes, Hobbs, New Mexico, 88240, has submitted a discharge application for its previously approve

Total: 100.53
 Tax: 6.16
 Net: 106.69
 Prepaid: 0.00

Total Due 106.69

KEY ENERGY SERVICES

Location 412
 L.O.B. 900
 Unit # _____
 Account # 8155
 SUB _____
 Yard Manager [Signature]
 Area Manager _____
 Div. Manager _____
 Vendor # _____

AFFIDAVIT OF PUBLICATION

State of New Mexico,
County of Lea.

I, KATHI BEARDEN

Publisher

of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, do solemnly swear that the clipping attached hereto was published once a week in the regular and entire issue of said paper, and not a supplement thereof for a period.

of 1 weeks.

Beginning with the issue dated September 18 2003 and ending with the issue dated

September 18 2003

Kathi Bearden by KR
Publisher

Sworn and subscribed to before

me this 18th day of

September 2003

Janie Holdridge
Notary Public.

My Commission expires

4-16-04
(Seal)

LEGAL NOTICE
September 18, 2003

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 permit application(s) has been submitted to the Director of the Oil Conservation Division, 1220 S. Saint Francis Drive, Santa Fe, New Mexico 87505, Telephone (505) 476-3440:

(BW-018) Key Energy Services, Inc., Bob Patterson, (505) 394-2581, 418 S. Grimes, Hobbs, New Mexico, 88240, has submitted a discharge application for its previously approved discharge plan for the Trucker's #2 Brine Station located in the NE/4 SW/4 of Section 33, Township 18 South, Range 38 East, NMPM, Lea County, New Mexico. Fresh water is injected into the Salado Formation at an approximate depth of 2,000 feet and brine is extracted with an average total dissolved solids concentration of 390,000mg/l. Ground water most likely to be affected in the event of an accidental discharge is at a depth of approximately 60 feet with a total dissolved solids concentration of approximately 500 mg/l. 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 permit application and draft discharge permit may be viewed at the above address between 8:00 a.m. and 4:00 p.m., Monday through Friday. The draft discharge permit may be viewed at OCD's web site <http://www.emnrd.state.nm.us/ocd/>. Prior to ruling on any proposed discharge permit 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 and a public hearing may be requested by any interested person. Requests for a public hearing shall set forth 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 permit based on information available. If a public hearing is held, the director will approve or disapprove the proposed permit based on the information in the permit and information submitted at the hearing.

GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 15th day of August 2003.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

SEAL

LORI WROTENBERY, Director
#20131

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937, and payment of fees for said publication has been made.

a0102687000 02566603
Key Energy Services
418 S. Grimes
Hobbs, NMbb 88240

Affidavit of Publication

STATE OF NEW MEXICO)

) ss.

COUNTY OF LEA)

Joyce Clemens being first duly sworn on oath deposes and says that she is Advertising Director of **THE LOVINGTON DAILY LEADER**, a daily newspaper of general paid circulation published in the English language at Lovington, Lea County, New Mexico; that said newspaper has been so published in such county continuously and uninterruptedly for a period in excess of Twenty-six (26) consecutive weeks next prior to the first publication of the notice hereto attached as hereinafter shown; and that said newspaper is in all things duly qualified to publish legal notices within the meaning of Chapter 167 of the 1937 Session Laws of the State of New Mexico.

That the notice which is hereto attached, entitled

Legal Notice

was published in a regular and entire issue of **THE LOVINGTON DAILY LEADER** and not in any supplement thereof,

for one (1) day, beginning with the issue of September 3, 2003 and ending with the issue of September 3, 2003.

And that the cost of publishing said notice is the sum of \$ 119.24 which sum has been (Paid) as

Court Costs.

Joyce Clemens

Subscribed and sworn to before me this 23rd day of September 2003

Debbie Schilling

Debbie Schilling

Notary Public, Lea County, New Mexico

My Commission Expires June 22, 2006

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 following discharge permit application(s) has been submitted to the Director of the Oil Conservation Division, 1220 S. Saint Francis Drive, Santa Fe, New Mexico 87505, Telephone (505) 476-3440:

(GW-297) - Chaparral Services, Inc., P.O. Box 1789, Eunice, NM 88231, has submitted a discharge permit renewal application for its facility located in the SW/4 NW/4 of Section 20, Township 25 South, Range 37 East and the SE/4 NE/4 of Section 19, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico. Approximately 50 gallons per month of waste oil and solvents are collected in fiberglass storage tanks, then transported offsite for disposal. Groundwater most likely to be affected in the event of an accidental discharge is at an estimated depth of approximately 40 feet with a total dissolved solids concentration ranging from 700 to 1,000 mg/l. The discharge permit addresses how oilfield products and waste will be properly handled, stored, and disposed of, including how spills, leaks, and other accidental discharges to the surface will be managed in order to protect fresh water.

(BW-025) Paul Prather, P.O. Box 7169, Eunice, New Mexico 88231, has submitted a discharge permit renewal application for the CSI Brine Sales Station located in the NE/4 NE/4 of Section 20, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico. Fresh water from the City of Jal is injected into the Salado Formation at an approximate depth of 1,150 feet and brine water is extracted with an average total dissolved solids concentration of 350,000 mg/l. The brine water is stored in four 1,000 barrel above ground closed top tanks. The plan includes a chemical storage dock and a below grade concrete pit for temporary storage of exempt oilfield waste. Groundwater

at discharge is at a depth of approximately 40 feet with a total dissolved solids concentration of approximately 875 mg/l. The discharge plan addresses how spills, leaks, and other accidental discharges to the surface will be managed.

(BW-018) Key Energy Services, Inc., Bob Patterson, (505) 394-2581, P.O. Box 340, Hobbs, New Mexico, 88240, has submitted a discharge application for its previously approved discharge plan for the Trucker's #2 Brine Station located in the NE/4 SW/4 of Section 33, Township 18 South, Range 38 East, NMPM, Lea County, New Mexico. Fresh water is injected into the Salado Formation at an approximate depth of 2,000 feet and brine is extracted with an average total dissolved solids concentration of 390,000 mg/l. Groundwater most likely to be affected in the event of an accidental discharge is at a depth of approximately 60 feet with a total dissolved solids concentration of approximately 500 mg/l. The discharge plan addresses how spills, leaks, and other accidental discharges to the surface will be managed.

(GW-145) - Flatrock Energy Partners, Mr. Clay Smith, P.E., 15600 San Pedro, Suite 401, San Antonio, Texas 78232, (210) 494-6777, on behalf of Raptor Gas Transportation LLC operated by ConocoPhillips, has submitted a discharge renewal application for the Zia Gas Plant and the Zia Booster Compressor Station located in the NE/4 NE/4 of Section 19, Township 19 South, Range 32 East, NMPM, Lea County, New Mexico. Approximately 6,900 gallons per month of process wastewater will be collected and stored in above ground steel tanks prior to disposal at an OGD approved offsite commercial disposal facility. The total dissolved solids concentration of the wastewater is approximately 2,000 mg/l. Groundwater most likely to be affected in the event of an accidental discharge is at a depth of approximately 280 feet with a total dissolved solids concentration of approximately 2,400 mg/l. The discharge plan addresses how spills, leaks, and other accidental discharges to the surface will be managed.

(GW-351) - EQIT Energy LLC, Mr. Frank Hernandez, P.O. Box 1660, Eunice, New Mexico

permit application for the EQIT Lea Station crude pump facility located in the NW/4, Section 20, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico. Any potential discharge at the facility will be collected prior to transport to a OGD approved off-site disposal facility. Groundwater under the facility is being remediated under an OGD approved abatement plan. The discharge plan addresses how spill leaks, and other accidental discharges to the surface will be managed.

Any interested person may obtain further information from the Oil Conservation Division or may submit written comments to the Director of the Oil Conservation Division at the address given above. The discharge permit application and draft discharge permit may be viewed at the above address between 8:00 a.m. and 4:00 p.m. Monday through Friday. The draft discharge permit may also be viewed at OGD's web site <http://www.ornrd.state.nm.us/ocd/>. Prior to ruling on any proposed discharge permit 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. Request 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 permit based on information available. If a public hearing is held, the director will approve or disapprove the proposed permit based on information in the permit, any information submitted at the hearing.

GIVEN under the Seal of New Mexico Oil Conservation Division at Santa Fe, New Mexico, on this 26th day of August 2003.

STATE OF
NEW MEXICO
OIL CONSERVATION
DIVISION
LORI WROTENBERG
Director

SEAL
Published in the
Lovington Daily Leader

**NOTICE OF
PUBLICATION**

**STATE OF
NEW MEXICO
ENERGY, MINERALS
AND NATURAL RE-
SOURCE
DEPARTMENT
OIL CONSERVATION
DIVISION**

Notice is hereby given that pursuant to New Mexico Water Quality Control Commission Regulations, the following discharge permit applications have been submitted to the Director of the Oil Conservation Division, 1220 S. Saint Francis Drive, Santa Fe, New Mexico 87505, Telephone (505) 476-3440:

(GW-304) - El Paso Natural Gas Company, David Bays, (505) 599-2256, 614 Reilly Avenue, Farmington, New Mexico 87401-2634, has submitted its discharge permit renewal application for its Turley Compressor Station (Trunk O) located in the SW/4 NW/4 of Section 30, Township 30 North, Range 9 West, NMPM, San Juan County, New Mexico. Approximately 250 barrels per month of produced water, with a dissolved solids concentration ranging from 8,000 to 76,000 mg/l, is collected in closed steel tanks prior to transport to an off-site, OCD-approved disposal facility. Approximately 10 barrels per year of wastewater from equipment washdown is collected in a closed, double-walled underground sump prior to transport to an off-site, OCD-approved disposal facility. Groundwater most likely to be affected in the event of an accidental discharge is at a depth of approximately 100 feet with a total dissolved solids concentration of approximately 300 mg/l. The discharge permit addresses how oilfield products and waste will be properly handled, stored, and disposed of, including how spills, leaks, and other accidental discharges to the surface will be managed in order to protect fresh water.

(GW-147) - El Paso Natural Gas Company, Richard Duarte, (505) 831-7763, 3801 Atrisco Blvd. N.W., Albuquerque, New Mexico 87120, has submitted its discharge permit renewal application for its Deming Compressor Station located in the SE/4 SE/4 of Section

32, Township 23 South, Range 11 West, NMPM, Luna County, New Mexico. Approximately 43,200 gallons per day of cooling tower blowdown water with a total dissolved solids concentration of approximately 77,000 mg/l is stored in above-ground, lined evaporation ponds equipped with leak detection. Groundwater most likely to be affected in the event of an accidental discharge is at an estimated depth of approximately 30 feet with a total dissolved solids concentration of approximately 5,000 mg/l. The discharge permit addresses how oilfield products and waste will be properly handled, stored, and disposed of, including how spills, leaks, and other accidental discharges to the surface will be managed in order to protect fresh water.

(GW-297) - Chaparral Services, Inc., P.O. Box 1769, Eunice, NM 88231, has submitted a discharge permit renewal application for its facility located in the SW/4 NW/4 of Section 20, Township 25 South, Range 37 East and the SE/4 N/E4 of Section 19, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico. Approximately 50 gallons per month of waste oil and solvents are collected in fiberglass storage tanks, then transported offsite for disposal. Groundwater most likely to be affected in the event of an accidental discharge is at an estimated depth of approximately 40 feet with a total dissolved solids concentration ranging from 700 to 1,000 mg/l. The discharge permit addresses how oilfield products and waste will be properly handled, stored, and disposed of, including how spills, leaks, and other accidental discharges to the surface will be managed in order to protect fresh water.

(GW-303) - El Paso Natural Gas Company, David Bays, (505) 599-2256, 614 Reilly Avenue, Farmington, New Mexico 87401-2634, has submitted its discharge permit renewal application for its Navajo City Compressor Station (Trunk L) located in the SW/4 NW/4 of Section 33, Township 30 North, Range 7 West, NMPM, San Juan County, New Mexico. Approximately 250 barrels per month

of produced water, with a dissolved solids concentration ranging from 8,000 to 76,000 mg/l, is collected in closed steel tanks prior to transport to an off-site, OCD-approved disposal facility. Approximately 10 barrels per year of wastewater from equipment washdown is collected in a closed, double-walled underground sump prior to transport to an off-site, OCD-approved disposal facility. Groundwater most likely to be affected in the event of an accidental discharge is at a depth of approximately 200 feet with a total dissolved solids concentration of approximately 1,000 mg/l. The discharge permit addresses how oilfield products and waste will be properly handled, stored, and disposed of, including how spills, leaks, and other accidental discharges to the surface will be managed in order to protect fresh water.

(GW-302) - El Paso Natural Gas Company, David Bays, (505) 599-2256, 614 Reilly Avenue, Farmington, New Mexico 87401-2634, has submitted its discharge permit renewal application for its Potter Canyon Compressor Station (Trunk H/H) located in the NW/4 NE/4 of Section 19, Township 30 North, Range 10 West, NMPM, San Juan County, New Mexico. Approximately 500 barrels per month of produced water, with a dissolved solids concentration of 10,000 mg/l, is collected in closed steel tanks prior to transport to an off-site, OCD-approved disposal facility. Approximately 10 barrels per year of wastewater from equipment washdown is collected in a closed, double-walled underground sump prior to transport to an off-site, OCD-approved disposal facility. Groundwater most likely to be affected in the event of an accidental discharge is at a depth of approximately 250 feet with a total dissolved solids concentration of approximately 2,000 mg/l. The discharge permit addresses how oilfield products and waste will be properly handled, stored, and disposed of, including how spills, leaks, and other accidental discharges to the surface will be managed in order to protect fresh water.

(GW-298) - El Paso Natural Gas Company,

David Bays, (505) 599-2256, 614 Reilly Avenue, Farmington, New Mexico 87401-2634, has submitted its discharge permit renewal application for its Martinez Canyon Compressor Station located in the SE/4 SE/4 of Section 16, Township 27 North, Range 6 West, NMPM, Rio Arriba County, New Mexico. Approximately 20 gallons per day of wastewater with a dissolved solids concentration of 10,000 mg/l is collected in the wash rack and a double-walled, closed steel tank sump prior to transport to an off-site, OCD-approved disposal facility. Groundwater most likely to be affected in the event of an accidental discharge is at a depth greater than 200 feet with a total dissolved solids concentration of approximately 500 mg/l. The discharge permit addresses how oilfield products and waste will be properly handled, stored, and disposed of, including how spills, leaks, and other accidental discharges to the surface will be managed in order to protect fresh water.

(GW-301) - El Paso Natural Gas Company, David Bays, (505) 599-2256, 614 Reilly Avenue, Farmington, New Mexico 87401-2634, has submitted its discharge permit renewal application for its Manzanares Compressor Station (Trunk A-R) located in the SW/4 NW/4 of Section 16, and N/E N/E of Section 17, Township 29 North, Range 9 West, NMPM, San Juan County, New Mexico. Approximately 75 Barrels per month of produced water with a dissolved solids concentration ranging from 8,000 to 76,000 mg/l is collected in closed, steel tanks prior to transport to an off-site, OCD-approved disposal facility. Approximately 10 barrels per year of wastewater from equipment washdown is collected in a double-walled, underground sump prior to transport to an off-site, OCD-approved disposal facility. Groundwater most likely to be affected in the event of an accidental discharge is at a depth of approximately 50 feet with a total dissolved solids concentration of approximately 300 mg/l to 3,000 mg/l. The discharge permit addresses how oilfield products and waste will be properly handled,

including how spills, leaks, and other accidental discharges to the surface will be managed in order to protect fresh water.

(GW-154) - El Paso Natural Gas Company, David Bays, (505) 599-2256, 614 Reilly Avenue, Farmington, New Mexico 87401-2634, has submitted its discharge permit renewal application for its Angel Peak 2B3B Compressor Station located in the NE/4 NW/4 of Section 8, Township 27 North, Range 10 West, NMPM, San Juan County, New Mexico. Approximately 2 gallons per day of process wastewater with a dissolved solids concentration of 3,500 mg/l is stored in closed, steel tanks prior to transport to an off-site, OCD-approved disposal facility. Groundwater most likely to be affected in the event of an accidental discharge is at a depth greater than 150 feet, with a total dissolved solids concentration of approximately 500 mg/l. The discharge permit addresses how oilfield products and waste will be properly handled, stored, and disposed of, including how spills, leaks, and other accidental discharges to the surface will be managed in order to protect fresh water.

(GW-153) - El Paso Natural Gas Company, David Bays, (505) 599-2256, 614 Reilly Avenue, Farmington, New Mexico 87401-2634, has submitted its discharge permit renewal application for its Angel Peak 2B3A Compressor Station located in the SW/4 NW/4 of Section 20, Township 27 North, Range 10 West, NMPM, San Juan County, New Mexico. Approximately 2 gallons per day of process wastewater with a dissolved solids concentration of 3,500 mg/l is stored in closed, steel tanks prior to transport to an off-site, OCD-approved disposal facility. Groundwater most likely to be affected in the event of an accidental discharge is at a depth of 55 feet, with a total dissolved solids concentration of approximately 500 mg/l. The discharge permit addresses how oilfield products and waste will be properly handled, stored, and disposed of, including how spills, leaks, and other accidental discharges to the surface will be managed in order to protect fresh

(GW-352) - Williams Field Services, Michael K. Lane, (505) 632-4625, 118 CR 4900, Bloomfield, New Mexico 87413, has submitted a discharge permit application for the Williams Field Services Cabresto Compressor Station located in the NE/4 NE/4 of Section 19, Township 30 North, Range 4 West, NMPM, Rio Arriba County, New Mexico. Approximately 2000 to 9000 barrels per year of produced water is stored in an above ground storage tank prior to transport to an OCD approved off-site disposal facility. The total dissolved solids (TDS) of the produced water is approximately 1,100 milligrams per liter (mg/l). Ground water most likely to be affected in the event of an accidental discharge at the surface is at a depth of 100 to 400 feet with estimated total dissolved solids concentration of approximately 2,000 mg/l. The discharge plan addresses how spills, leaks, and other accidental discharges to the surface will be managed.

(BW-025) Paul Prather, P.O. Box 7169, Eunice, New Mexico 88231, has submitted a discharge plan renewal application for the CSI Brine Sales Station located in the NE/4 NE/4 of Section 20, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico. Fresh water from the City of Jal is injected into the Salado Formation at an approximate depth of 1,150 feet and brine water is extracted with an average total dissolved solids concentration of 350,000 mg/l. The brine water is stored in four 1,000 barrel above ground closed top tanks. The plan includes a chemical storage dock and a below grade concrete pit for temporary storage of exempt oilfield waste. Ground water most likely to be affected in the event of an accidental discharge is at a depth of approximately 40 feet with a total dissolved solids concentration of approximately 875 mg/l. The discharge plan addresses how spills, leaks, and other accidental discharges to the surface will be managed.

(BW-018) Key Energy Services, Inc., Bob Paterson, (505) 394-2581, P.O. Box 340, Hobbs, New Mexico, 88240, has submitted a discharge application for its

charge plan for the Trucker's #2 Brine Station located in the NE/4 SW/4 of Section 33, Township 18 South, Range 38 East, NMPM, Lea County, New Mexico. Fresh water is injected into the Salado Formation at an approximate depth of 2,000 feet and brine is extracted with an average total dissolved solids concentration of 390,000 mg/l. Ground water most likely to be affected in the event of an accidental discharge is at a depth of approximately 60 feet with a total dissolved solids concentration of approximately 500 mg/l. 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 permit application and draft discharge permit may be viewed at the above address between 8:00 a.m. and 4:00 p.m., Monday through Friday. The draft discharge permit may also be viewed at OCD's web site <http://www.emnrd.state.nm.us/ocd/>. Prior to ruling on any proposed discharge permit 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 permit based on information available. If a public hearing is held, the director will approve or disapprove the proposed permit based on information in the permit and information submitted at the hearing.

GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 27th day of August 2003.

STATE OF
NEW MEXICO
OIL CONSERVATION
DIVISION

S E A L

LORI WROTENBERY,
Director
Legal #73956
Pub. September 3, 2003

THE SANTA FE
NEW MEXICAN RECEIVED
Founded 1849

SEP 08 2003

OIL CONSERVATION
DIVISION

Ed Martin
NM OIL CONSERVATION DIV.
1220 ST. FRANCIS DR
~~ATTN: MARY ANNA~~
SANTA FE NM 87505

ALTERNATE ACCOUNT: 56689
AD NUMBER: 00025904 ACCOUNT: 00002212
LEGAL NO: 73956 P.O. #: 04-199-050340
680 LINES 1 TIME(S) 465.52
AFFIDAVIT: 5.25
TAX: 31.48
TOTAL: 502.25

AFFIDAVIT OF PUBLICATION

STATE OF NEW MEXICO
COUNTY OF SANTA FE

I, K. Voorhees, being first duly sworn declare and say that I am Legal Advertising Representative of THE SANTA FE NEW MEXICAN, a daily newspaper published in the English language, and having a general circulation in the Counties of Santa Fe and Los Alamos, State of New Mexico and being a newspaper duly qualified to publish legal notices and advertisements under the provisions of Chapter 167 on Session Laws of 1937; that the publication # 73956 a copy of which is hereto attached was published in said newspaper 1 day(s) between 09/03/2003 and 09/03/2003 and that the notice was published in the newspaper proper and not in any supplement; the first date of publication being on the 3rd day of September, 2003 and that the undersigned has personal knowledge of the matter and things set forth in this affidavit.

/s/ *K. Voorhees*
LEGAL ADVERTISEMENT REPRESENTATIVE

Subscribed and sworn to before me on this 3rd day of September, 2003

Notary *Laura E. Harding*

Commission Expires: 11/23/03

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 permit application(s) has been submitted to the Director of the Oil Conservation Division, 1220 S. Saint Francis Drive, Santa Fe, New Mexico 87505, Telephone (505) 476-3440:

(BW-018) Key Energy Services, Inc., Bob Patterson, (505) 394-2581, P.O. Box 340, Hobbs, New Mexico, 88240, has submitted a discharge application for its previously approved discharge plan for the Trucker's #2 Brine Station located in the NE/4 SW/4 of Section 33, Township 18 South, Range 38 East, NMPM, Lea County, New Mexico. Fresh water is injected into the Salado Formation at an approximate depth of 2,000 feet and brine is extracted with an average total dissolved solids concentration of 390,000 mg/l. Ground water most likely to be affected in the event of an accidental discharge is at a depth of approximately 60 feet with a total dissolved solids concentration of approximately 500 mg/l. The discharge plan addresses how spills, leaks, and other accidental discharges to the surface will be managed.

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

GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 15th day of August 2003.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

SEAL

LORI WROTENBERY, Director

ACKNOWLEDGEMENT OF RECEIPT
OF CHECK/CASH

I hereby acknowledge receipt of check No. [REDACTED] dated 8/6/03
or cash received on _____ in the amount of \$ 100⁰⁰

from KEY ENERGY SERVICES, INC.

for TRUCKER #2 BRINE ST BW-018

Submitted by: ^(Family Name) WAYNE PRICE . Date: ^(DP No.) 8/6/03

Submitted to ASD by: [Signature] Date: 8/6/03

Received in ASD by: _____ Date: _____

Filing Fee New Facility _____ Renewal _____

Modification _____ Other _____

(Optional)

Organization Code 521.07 Applicable FY 2004

To be deposited in the Water Quality Management Fund.

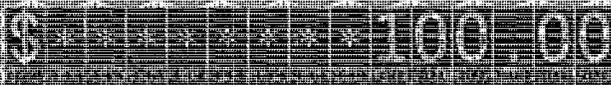
Full Payment _____ or Annual Increment _____

THE FACE OF THIS DOCUMENT IS PRINTED BLUE - THE BACK CONTAINS A SIMULATED WATERMARK

 **KEY ENERGY SERVICES, INC.**
Centre Processing Facility Center
Franklin Blvd
Midland, Texas 79705
(915) 777-7330

PNC BANK, NATIONAL ASSOCIATION
P.O. BOX 1000
MIDLAND, TX 79701

Check Date: 8/06/2003 No. [REDACTED]



PAY One Hundred Dollars and No Cent

TO THE ORDER OF NM ENERGY, MINERALS & NAT. RESC. DEPT.
OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DRIVE
SANTA FE, NM 87504

[Signature]

AUTHORIZED SIGNATURE & CHECK NUMBER

[REDACTED]

Company : **KEY ENERGY SERVICES INC.**

CHECK NO. [REDACTED]

INVOICE NO.	INVOICE DATE	GROSS	DISCOUNT	NET AMOUNT
407 FILING FEE	6/30/2003	100.00		100.00
Message : TRUCKERS #2 BRINE	STATION	BW-018		
RECEIVED JUL 10 2003 OIL CONSERVATION DIVISION				
TOTALS		100.00	.00	100.00

REMOVE DOCUMENT ALONG THIS PERFORATION

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Revised June 10, 2003

Submit Original
Plus 1 Copy
to Santa Fe
1 Copy to Appropriate
District Office

DISCHARGE PLAN APPLICATION FOR BRINE EXTRACTION FACILITIES

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

New Renewal

- I. Facility Name: Trucker's #2 Brine Station
- II. Operator: Key Energy Services, Inc.
Address: P.O. Box 99, Eunice, NM 88231
Contact Person: Bob Patterson Phone: (505) 394-2581
- III. Location: NE /4 SW /4 Section 33 Township 18S Range 38E
Submit large scale topographic map showing exact location.
Information on file @NMOCD, Santa Fe, NM, Discharge Plan BW-18
- IV. Attach the name and address of the landowner of the facility site.
Information on file @NMOCD, Santa Fe, NM, Discharge Plan BW-18
- V. Attach a description of the types and quantities of fluids at the facility.
Information on file @NMOCD, Santa Fe, NM, Discharge Plan BW-18
- VI. Attach a description of all fluid transfer and storage and fluid and solid disposal facilities.
Information on file @NMOCD, Santa Fe, NM, Discharge Plan BW-18
- VII. Attach a description of underground facilities (i.e. brine extraction well).
Information on file @NMOCD, Santa Fe, NM, Discharge Plan BW-18
- VIII. Attach a contingency plan for reporting and clean-up of spills or releases.
Information on file @NMOCD, Santa Fe, NM, Discharge Plan BW-18
- IX. Attach geological/hydrological evidence demonstrating that brine extraction operations will not adversely impact fresh water.
Information on file @NMOCD, Santa Fe, NM, Discharge Plan BW-18
- X. Attach such other information as is necessary to demonstrate compliance with any other OCD rules, regulations and/or orders.
Information on file @NMOCD, Santa Fe, NM, Discharge Plan BW-18
- 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: Bob Patterson

Title: Area Manager—Trucking Division

Signature: Bob Patterson

Date: 6/30/03

E-mail Address: bpatterson@keyenergy.com

Price, Wayne

From: Price, Wayne
Sent: Tuesday, June 24, 2003 3:03 PM
To: 'gbutler@keyenergy.com'
Cc: Sheeley, Paul; Johnson, Larry
Subject: Truckers #2 Brine Station BW-018

Contacts: Gene Butler

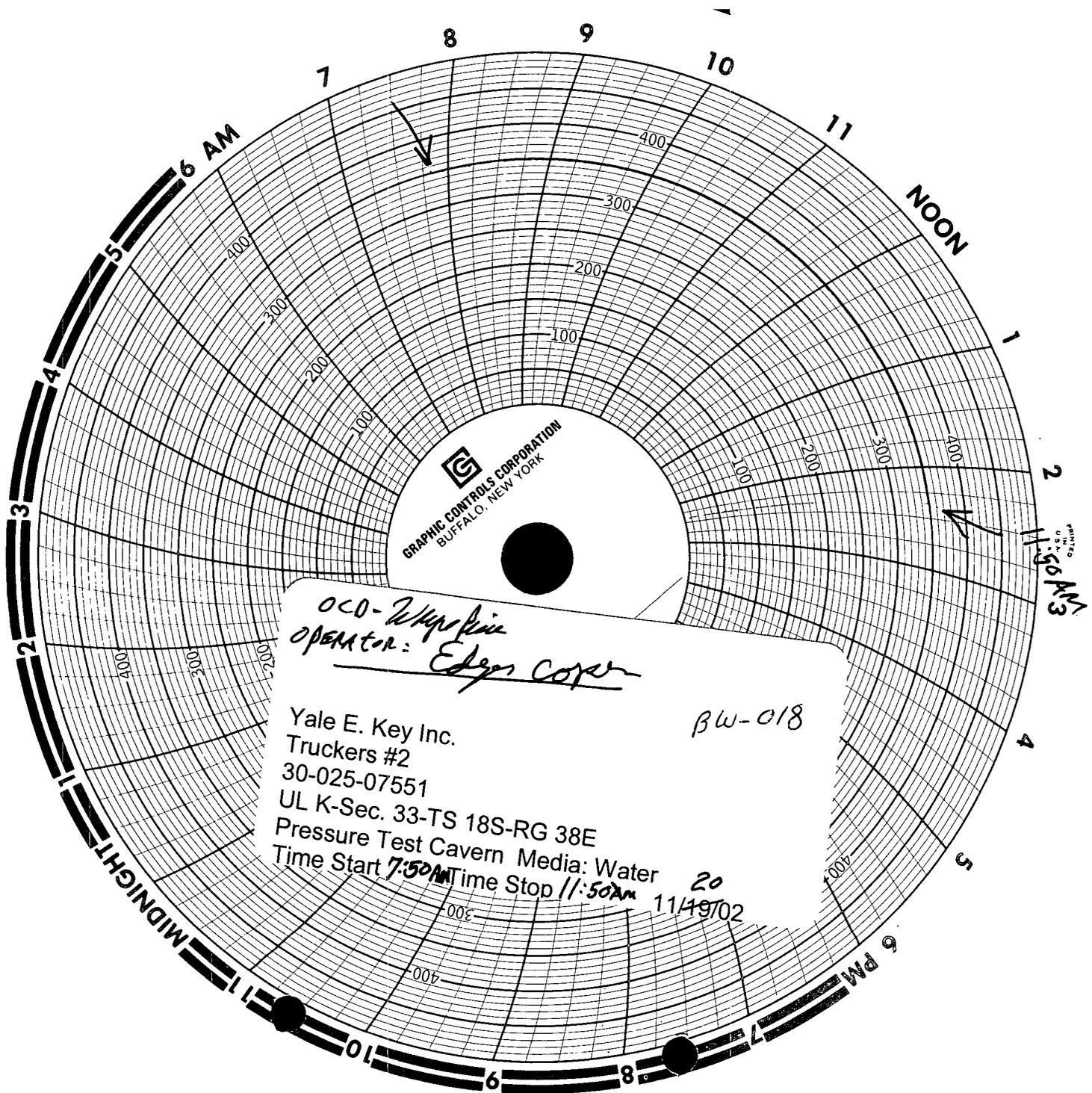
Dear Gene:

Please note our records show that BW-018 permit will expire on 7/18/03. Please submit a discharge plan renewal application with \$100 filing fee as soon as possible. In addition, our records show that a casing (isolated from cavern) mechanical integrity test will be required and a cavern sonar log shall be run. Also what is the status of the new brine pond sump and did you complete a monitor well in this area?

Sincerely:



Wayne Price
New Mexico Oil Conservation Division
1220 S. Saint Francis Drive
Santa Fe, NM 87505
505-476-3487
fax: 505-476-3462
E-mail: WPRICE@state.nm.us



GRAPHIC CONTROLS CORPORATION
BUFFALO, NEW YORK

OCO-Whisper
operator: Edgar Cooper

Yale E. Key Inc.
Truckers #2
30-025-07551
UL K-Sec. 33-TS 18S-RG 38E
Pressure Test Cavern Media: Water
Time Start 7:50 AM Time Stop 11:50 AM

BW-018

20
1149702

PRINTED
IN U.S.A.
11:56 AM '3

Price, Wayne

From: Price, Wayne
Sent: Thursday, October 17, 2002 4:27 PM
To: 'Patterson, Bob'; Price, Wayne
Cc: Butler, Gene; Crowell, Royce; Molleur, Loren; Ramsey, Ray; Turner, Pete
Subject: RE: Truckers #2 brine well (BW-018)

Approved!

-----Original Message-----

From: Patterson, Bob [mailto:bpatterson@keyenergy.com]
Sent: Thursday, October 17, 2002 4:30 PM
To: WPrice@state.nm.us
Cc: Butler, Gene; Crowell, Royce; Molleur, Loren; Ramsey, Ray; Turner, Pete
Subject: Truckers #2 brine well (BW-018)

Wayne,

In regards to the Truckers #2 brine well, Key Energy Services would like to request a variance to testing the casing which is due November 14, 2002, at 8:00 AM. Past experience has been that the tubing shears periodically when the salt ledges shift and the tubing will have to be pulled at that time. This well was last pulled in 1996 and 1991, which leads to believe that a work over may be due soon. This well does not have a packer; therefore, if required to pulled the tubing at this time would be very costly and getting the tubing back down in the same hole is not likely and would require drilling operations. Key Energy would like to conduct a hydrostatic cavern pressure test at the scheduled date and conduct a casing pressure test when the tubing has to be pulled. This would also help economically since brine sales is directly tied to drilling activity which is in a depressed state at this time. Thank you for your consideration in the matter and please contact myself or any of the above Cc'd if further information is needed.

Bob Patterson

10/31/2002

ANALYTICAL REPORT

Prepared for:

MR. KEVIN PARISH
VISION TECHNOLOGY, INC.
1943 N. GRIMES, STE. B
HOBBS, NM 88241

Project: *BW 18*
 Key Truckers #2
Order#: G0203137
Report Date: 05/02/2002

Certificates

US EPA Laboratory Code TX00158

ENVIRONMENTAL LAB OF TEXAS

ANALYTICAL REPORT

MR. KEVIN PARISH
VISION TECHNOLOGY, INC.
1943 N. GRIMES, STE. B
HOBBBS, NM 88241

Order#: G0203137
Project:
Project Name: Key Truckers #2
Location: Hobbs

Lab ID: 0203137-01
Sample ID: Brine Water

Anions

<u>Parameter</u>	<u>Result</u>	<u>Units</u>	<u>Dilution Factor</u>	<u>RL</u>	<u>Method</u>	<u>Date Analyzed</u>	<u>Analyst</u>
Bicarbonate Alkalinity	126	mg/L	1	2.00	310.1	4/24/02	SB
Carbonate Alkalinity	< 0.10	mg/L	1	0.10	310.1	4/24/02	SB
Chloride	239000	mg/L	1	5.00	9253	4/25/02	SB
Hydroxide Alkalinity	< 0.10	mg/L	1	0.10	310.1	4/24/02	SB
SULFATE, 375.4	6560	mg/L	125	62.5	375.4	4/25/02	CC

Test Parameters

<u>Parameter</u>	<u>Result</u>	<u>Units</u>	<u>Dilution Factor</u>	<u>RL</u>	<u>Method</u>	<u>Date Analyzed</u>	<u>Analyst</u>
Bromide - 300.0	<100	mg/L	100	100	9056	4/25/02	CK
Total Dissolved Solids (TDS)	318000	mg/L	1	5.00	160.1	4/23/02	CK

Lab ID: 0203137-02
Sample ID: Fresh Water

Anions

<u>Parameter</u>	<u>Result</u>	<u>Units</u>	<u>Dilution Factor</u>	<u>RL</u>	<u>Method</u>	<u>Date Analyzed</u>	<u>Analyst</u>
Bicarbonate Alkalinity	168	mg/L	1	2.00	310.1	4/24/02	SB
Carbonate Alkalinity	< 0.10	mg/L	1	0.10	310.1	4/24/02	SB
Chloride	160	mg/L	1	5.00	9253	4/25/02	SB
Hydroxide Alkalinity	< 0.10	mg/L	1	0.10	310.1	4/24/02	SB
SULFATE, 375.4	153	mg/L	2.5	1.25	375.4	4/25/02	CC

Test Parameters

<u>Parameter</u>	<u>Result</u>	<u>Units</u>	<u>Dilution Factor</u>	<u>RL</u>	<u>Method</u>	<u>Date Analyzed</u>	<u>Analyst</u>
Bromide - 300.0	<1.00	mg/L	1	1.0	9056	4/25/02	CK
Total Dissolved Solids (TDS)	680	mg/L	1	5.0	160.1	4/26/02	CK

Approval: Ralanda Keene 5-3-02
 Ralanda K. Tuttle, Lab Director, QA Officer Date
 Celey D. Keene, Org. Tech. Director
 Jeanne McMurrey, Inorg. Tech. Director
 Sandra Biezugbe, Lab Tech.
 Sara Molina, Lab Tech.

ENVIRONMENTAL LAB OF TEXAS

ANALYTICAL REPORT

MR. KEVIN PARISH
VISION TECHNOLOGY, INC.
1943 N. GRIMES, STE. B
HOBBS, NM 88241

Order#: G0203137
Project:
Project Name: Key Truckers #2
Location: Hobbs

Lab ID: 0203137-01
Sample ID: Brine Water

Cations

<u>Parameter</u>	<u>Result</u>	<u>Units</u>	<u>Dilution Factor</u>	<u>RL</u>	<u>Method</u>	<u>Date Prepared</u>	<u>Date Analyzed</u>	<u>Analyst</u>
Calcium	975	mg/L	1000	10.0	6010B	04/24/2002	04/24/2002	SM
Magnesium	1480	mg/L	1000	1.00	6010B	04/24/2002	04/24/2002	SM
Potassium	3460	mg/L	1000	50.0	6010B	04/24/2002	04/24/2002	SM
Sodium	135000	mg/L	100000	1000	6010B	04/24/2002	04/24/2002	SM

Lab ID: 0203137-02
Sample ID: Fresh Water

Cations

<u>Parameter</u>	<u>Result</u>	<u>Units</u>	<u>Dilution Factor</u>	<u>RL</u>	<u>Method</u>	<u>Date Prepared</u>	<u>Date Analyzed</u>	<u>Analyst</u>
Calcium	110	mg/L	100	1.00	6010B	04/24/2002	04/24/2002	SM
Magnesium	23.2	mg/L	5	0.005	6010B	04/24/2002	04/24/2002	SM
Potassium	2.94	mg/L	5	0.250	6010B	04/24/2002	04/24/2002	SM
Sodium	100	mg/L	100	1.00	6010B	04/24/2002	04/24/2002	SM

Approval:

Raland K Tuttle 5-03-02
Raland K. Tuttle, Lab Director, QA Officer
Celey D. Keene, Org. Tech. Director
Jeanne McMurrey, Inorg. Tech. Director
Sandra Biezugbe, Lab Tech.
Sara Molina, Lab Tech.

ENVIRONMENTAL LAB OF TEXAS

SAMPLE WORK LIST

VISION TECHNOLOGY, INC.
1943 N. GRIMES, STE. B
HOBBS, NM 88241
505-393-7479

Order#: G0203137
Project:
Project Name: Key Truckers #2
Location: Hobbs

The samples listed below were submitted to Environmental Lab of Texas and were received under chain of custody. Environmental Lab of Texas makes no representation or certification as to the method of sample collection, sample identification, or transportation/handling procedures used prior to the receipt of samples by Environmental Lab of Texas.

<u>Lab ID:</u>	<u>Sample :</u>	<u>Matrix:</u>	<u>Date / Time Collected</u>	<u>Date / Time Received</u>	<u>Container</u>	<u>Preservative</u>
0203137-01	Brine Water	WATER	04/22/2002 8:35	04/22/2002 13:55	L HDPE	Ice
	<u>Lab Testing:</u>	Rejected: No		Temp: 1 C		
	Anions					
	Cations					
	Bromide - 300.0					
	Total Dissolved Solids (TDS)					
0203137-02	Fresh Water	WATER	04/22/2002 7:45	04/22/2002 13:55	L HDPE	Ice
	<u>Lab Testing:</u>	Rejected: No		Temp: 1 C		
	Anions					
	Cations					
	Bromide - 300.0					
	Total Dissolved Solids (TDS)					

ENVIRONMENTAL LAB OF TEXAS

QUALITY CONTROL REPORT

Test Parameters

Order#: G0203137

BLANK		LAB-ID #	Sample Concentr.	Spike Concentr.	QC Test Result	Pct (%) Recovery	RPD
	WATER						
Bromide - 300.0-mg/L		0001500-01			<1.00		
Total Dissolved Solids (TDS)-mg/L		0001417-01			<5.00		
Total Dissolved Solids (TDS)-mg/L		0001499-01			<5.00		
DUPLICATE		LAB-ID #	Sample Concentr.	Spike Concentr.	QC Test Result	Pct (%) Recovery	RPD
	Water						
Total Dissolved Solids (TDS)-mg/L		0203099-01	1910		1910		0%
Total Dissolved Solids (TDS)-mg/L		0203193-03	762		798		4.6%
SRM		LAB-ID #	Sample Concentr.	Spike Concentr.	QC Test Result	Pct (%) Recovery	RPD
	WATER						
Bromide - 300.0-mg/L		0001500-04		10	10.2	102.2%	

ENVIRONMENTAL LAB OF TEXAS

QUALITY CONTROL REPORT

Cations

Order#: G0203137

BLANK	Water	LAB-ID #	Sample Concentr.	Spike Concentr.	QC Test Result	Pct (%) Recovery	RPD
Calcium-mg/L		0001390-02			<0.010		
Magnesium-mg/L		0001390-02			<0.001		
Potassium-mg/L		0001390-02			<0.050		
Sodium-mg/L		0001390-02			<0.010		
DUPLICATE	Water	LAB-ID #	Sample Concentr.	Spike Concentr.	QC Test Result	Pct (%) Recovery	RPD
Calcium-mg/L		0203099-05	0		<0.010		0%
Magnesium-mg/L		0203099-05	0.01		0.010		0%
Potassium-mg/L		0203099-05	0.128		0.152		17.1%
Sodium-mg/L		0203099-05	3.4		3.43		0.9%
SRM	Water	LAB-ID #	Sample Concentr.	Spike Concentr.	QC Test Result	Pct (%) Recovery	RPD
Calcium-mg/L		0001390-05		2	1.92	96%	
Magnesium-mg/L		0001390-05		2	2.04	102%	
Potassium-mg/L		0001390-05		2	1.86	93%	
Sodium-mg/L		0001390-05		2	1.99	99.5%	

ENVIRONMENTAL LAB OF TEXAS

QUALITY CONTROL REPORT

Anions

Order#: G0203137

BLANK		LAB-ID #	Sample Concentr.	Spike Concentr.	QC Test Result	Pct (%) Recovery	RPD
Water							
Bicarbonate Alkalinity-mg/L		0001420-01			<2.00		
Carbonate Alkalinity-mg/L		0001421-01			< 0.10		
Chloride-mg/L		0001415-01			<5.00		
Hydroxide Alkalinity-mg/L		0001422-01			< 0.10		
DUPLICATE		LAB-ID #	Sample Concentr.	Spike Concentr.	QC Test Result	Pct (%) Recovery	RPD
Water							
Bicarbonate Alkalinity-mg/L		0203170-01	144		143		0.7%
Carbonate Alkalinity-mg/L		0203170-01	0		< 0.10		0.0%
Hydroxide Alkalinity-mg/L		0203170-01	0		< 0.10		0.0%
MS		LAB-ID #	Sample Concentr.	Spike Concentr.	QC Test Result	Pct (%) Recovery	RPD
Water							
Chloride-mg/L		0203170-01	638	1000	1650	101.2%	
MSD		LAB-ID #	Sample Concentr.	Spike Concentr.	QC Test Result	Pct (%) Recovery	RPD
Water							
Chloride-mg/L		0203170-01	638	1000	1630	99.2%	1.2%
SRM		LAB-ID #	Sample Concentr.	Spike Concentr.	QC Test Result	Pct (%) Recovery	RPD
Water							
Bicarbonate Alkalinity-mg/L		0001420-04		0.05	0.0496	99.2%	
Carbonate Alkalinity-mg/L		0001421-04		0.05	0.0496	99.2%	
Chloride-mg/L		0001415-04		5000	5050	101.0%	
Hydroxide Alkalinity-mg/L		0001422-04		0.05	0.0496	99.2%	

Price, Wayne

From: Price, Wayne
Sent: Tuesday, May 21, 2002 10:30 AM
To: 'Crowell, Royce'; Price, Wayne
Cc: Patterson, Bob; Butler, Gene
Subject: RE: Information for discharge plan file for Truckers #2 Brine

BW-018

Please submit an investigation and corrective action plan for OCD approval by June 15, 2002.

-----Original Message-----

From: Crowell, Royce [mailto:rcrowell@keyenergy.com]
Sent: Friday, May 17, 2002 7:05 AM
To: Price, Wayne
Cc: Patterson, Bob; Butler, Gene
Subject: Information for discharge plan file for Truckers #2 Brine Station

The brine station discharge plan requires a written notification of results to OCD within 30 days of sump test.

Testing of Sump at Truckers #2 Brine Station

On Monday April 22, 2002 Key Energy Services started cleaning the drain sump at the Truckers #2 Brine Station located in Hobbs, NM. The sump was emptied of brine water and sediment (sand) was jetted up and was hauled to Parabo. Hi-pressure washers were brought in to clean the cement walls so that all cracks would be exposed. On Monday April 22, 2002, the local OCD office in Hobbs, NM was contacted to inspect the sump on Thursday, April 25, 2002. At 8:00 A.M. on the 25th, OCD representatives arrived and visually inspected the sump. The sump was then filled with brine water and a top gauge of 5' 10" was observed. About 1 hour later the level was observed to be lower. There was a question about whether the fluid had escaped due to a siphon system that was being used in the sump. The line from the siphon system was cut and plugged. On Friday, April 26, 2002, the pit was filled again and a top gauge of 6' 0" was observed. Two hours after being filled a gauge of 4' 2" was observed. Local OCD representatives were informed of the results, and local Key management reported the results to the corporate environmental department on Monday, April 29, 2002.



Key Energy Services, Inc.

April 29, 2002

Martyne Kieling
Wayne Price
Oil Conservation Division
1220 So. St. Francis Drive
Santa Fe, New Mexico 87505

Re: Address change

Dear Martyne and Wayne

I am requesting that all correspondents regarding Key Energy Services be sent to the following address.

Key Energy Services, Inc.
Attn: Gene Butler
6 Desta Drive
Suite 4400
Midland, Texas 79705

Key Energy Services PBD well list is listed below:

Contintial Water Sales	Truckers 2 Brine Station	<i>BW-18</i>
BKE#1 SWD	RA State	
Sims-McCasland Water Sales	J.H.Day#1	
J.H.Day#2	Christmas#3	
City of Carlsbad Brine Station	Bone Springs SWD	
Atha#1 SWD		

Key Energy Services FCD well list:

Sunco Disposal

Thank You

Gene Butler

American Valve & Meter, Inc.

1113 W. Broadway
P.O. Box 166
Hobbs, NM 88240

HOBBS TRUCKER # 2
BW-018

To: Key Energy

Date: 11-27-01

This is to Certify that:

I, Jerry Flores, Technician for American Valve & Meter, Inc.,

has checked the calibration of the following instrument

8" 0-500 # P.S.I. Recorder Serial Number _____

at these points.

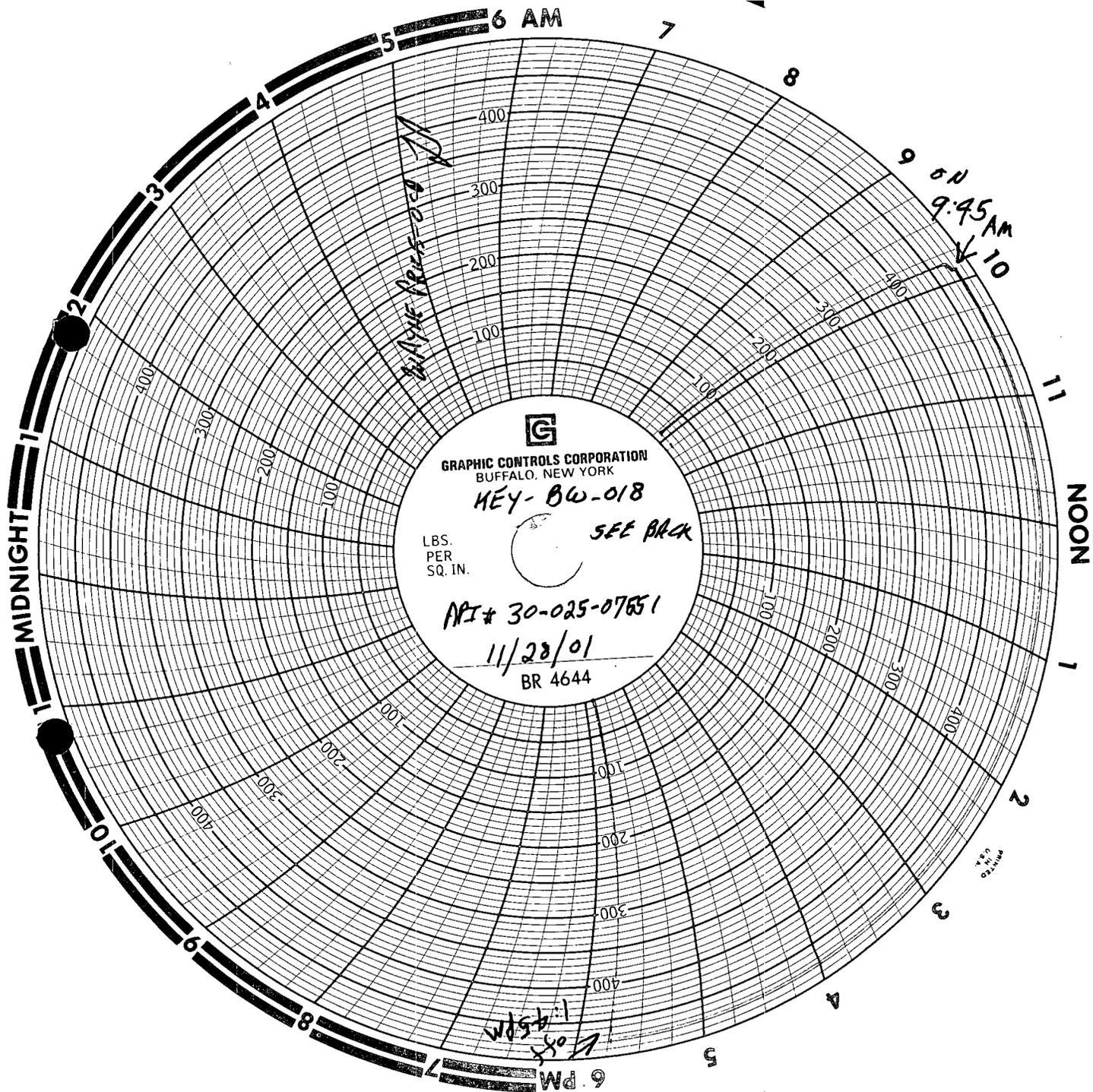
Pressure 0-500 #

Temperature _____

Test	Found	Left	Test	Found	Left
<u>0</u>	<u>0</u>	<u>0</u>	_____	_____	_____
<u>100</u>	<u>100</u>	<u>100</u>	_____	_____	_____
<u>200</u>	<u>200</u>	<u>200</u>	_____	_____	_____
<u>300</u>	<u>300</u>	<u>300</u>	_____	_____	_____
<u>400</u>	<u>400</u>	<u>400</u>	_____	_____	_____
<u>500</u>	<u>500</u>	<u>500</u>	_____	_____	_____

Remarks: _____

Signature Jerry Flores



GRAPHIC CONTROLS CORPORATION
BUFFALO, NEW YORK

KEY-BW-018

SEE BACK

LBS.
PER
SQ. IN.

API# 30-025-0751

11/28/01

BR 4644

NAME PRESS-ON

9:45 AM

1:45 PM



Key Energy Services, Inc.

Permian Basin Division
2625 W. Marland
P.O. Box 2040
Hobbs, NM 88241

11/28/2001

Truckers Water Company :Well #2

UL K, Sec. 33, TS 18S, RNG 38E

Casing and Formation Test

Media: Water

Start 9:45 a.m. End: 1:45 P.M.

Royce Crowell



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

October 20, 2001

KEY ENERGY
BW-9A, (8) 19128

CERTIFIED MAIL

RETURN RECEIPT NO. 5357 7546

Attention: Brine Well Operators

Re: Mechanical Integrity Testing of Brine Supply Wells

The Underground Injection Control Program of the Federal Safe Drinking Water Act requires that operators demonstrate mechanical integrity of all injection wells by ensuring there are no leaks in the tubing, casing, or packer, and injected/produced fluids are confined within the piping and injection zones.

The Oil Conservation Division (OCD) requires operators of brine supply wells to perform the following mechanical integrity test:

1. At least once every five years isolate the cavern formation from the casing/tubing annuals and hydrostatic fluid pressure test the casing at 300 psig for 30 minutes. New brine wells and wells being worked over will have to be tested in this manner before operations begin.
2. Annually perform an open hole cavern formation pressure test by pressuring up the formation with fluids to one and one-half times the normal operating pressure or 300 psig whichever is greater for four hours. However, no operator may exceed surface injection or test pressures that may cause formation fracturing or system failures. Systems requiring test pressures less than 300 psig or methods that use testing media other than fluids, i.e. gas, must be approved by OCD prior to testing. Brine supply wells operating with isolation packers will have to pressure test both the cavern formation and casing/tubing annuals.

Please find enclosed an "OCD Brine Well Test Schedule November 2001" and "Brine Well Test Procedure Guidance Document" for this November 26 through November 30, 2001. Please have your well ready for testing on the date and time you are scheduled. Please refer to the Well Test Schedule attached for the Type of Test you are scheduled to perform. You must receive prior OCD approval to alter the scheduled time or type of test.

What's New!! Please note that operators are required to have their pressure recording devices calibrated to 500 psig and 8-hour clock. See Guidance Document attached.



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

October 20, 2001

KEY ENERGY
BW-9A, 18, 19 & 28

CERTIFIED MAIL
RETURN RECEIPT NO. 5357 7546

Attention: Brine Well Operators

Re: Mechanical Integrity Testing of Brine Supply Wells

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What's New!! Please note that operators are required to have their pressure recording devices calibrated to 500 psig and 8-hour clock. See Guidance Document attached.

Brine Well Operators
Oct 20, 2001
Page 2

What's New!! All operators will provide to the OCD the maximum test pressure that will not cause formation fracturing or system failures.

Operators will be responsible for providing equipment and shall bear all costs incurred. All tests must be witnessed by the New Mexico Oil Conservation Division. Operators failing to abide by the procedures, type of test, and time schedules listed herein may be required to shut-in their systems until OCD has an opportunity to approve and witness testing.

If you require any further information or assistance please do not hesitate to write or call me at 505-476-3487 or E-mail WPRICE@state.nm.us.

Sincerely Yours,



Wayne Price- Senior Envr. Engr..
Environnemental Bureau

cc: OCD District Offices

Attachments- 1. OCD Brine Well Test Schedule November 2001
2. Brine Well Testing Procedure Guidance Document

Brine Well Testing Procedure Guidance Document

- 1) The cavern and all piping must be filled, pressured up and stabilized for a period of at least 24 hours prior to testing. If this test requires a packer then casing/tubing annulus must be loaded with inert fluid 24 hours prior to testing.
- 2) Have manpower and equipment available for pressure test. Wellhead shall be prepared for test and all valves and gauges should be in good working order.
- 3) Pumps, tanks, external lines etc. must be isolated from the wellhead during test.
- 4) A continuous recording pressure device with an 8-hour clock (min) shall be installed on the casing/tubing annulus. The pressure range shall not be greater than 500 psig. The operator must provide proof that the pressure-recording device has been calibrated within the past 6 months. **Note: Wells with packer installed: If this test requires both the casing/tubing annulus and cavern to be tested then two recording devices must be supplied or one recording device with two pins.**
- 5) A minimum of one pressure gauge shall be installed on the casing/tubing annulus.
- 6) OCD must witness the beginning of test (putting chart on) and ending of test (removing chart). At the end of test operator may be required to bleed-off well pressure to demonstrate recorder and gauge response.
- 7) The Operator will supply the following information on the pressure chart:
 - A. Company Name, Well Name, API #, Legal Location.
 - B. Test Procedure (1) Casing + Formation (2) Casing Test Only (3) Both (4) Other
 - C. Testing Media: Water, Gas, Oil, Etc.
 - D. Date, time started and ending.
 - E. Name (printed) and signature of company representative and OCD Inspector
- 8) **TEST ACCEPTANCE:** The OCD will use the following criteria in determining if a well has passed the Mechanical Integrity Test:
 - A. **Passes** if Zero Bleed-Off during the test.
 - B. **Passes** if Final Test Pressure is within $\pm 1\%$ of Starting Pressure, if approved by the OCD inspector.
 - C. **Fails** if any Final Test Pressure is greater than $\pm 1\%$ of Starting Pressure. Operators must investigate for leaks and demonstrate that mechanical integrity of the well(s) by ensuring there are no leaks in the tubing, casing, or packer, and injected/produced fluids are confined within the piping and injection zones. Wells shall not resume operations until approved by OCD.

Note: OCD recognizes that different operations, well designs, formation characteristics and field conditions may cause variations in the above procedures. If operator wishes to make or anticipate changes please notify the OCD for approval. All operators are responsible to notify OCD of any procedure that may cause harm to the well system or formation. Please be advised that OCD approval does not relieve any operator of liability should operations result in pollution of surface water, groundwater, or the environment.

OCD BRINE WELL TESTING SCHEDULE 2001				OCD Contact Wayne Price cell 505-660-1067						
Company	DP#	Facility Name	Date of Test	Start	Stop	Type of Test(s) Required	Contact Person	Telephone	FAX #/cell	
Crossroads Area										
Stearns Inc.	BW-013	Crossroads	Mon	26-Nov-01	12 noon	4:00 PM	2 Pressure test cavern	L.A. Stearns	1-505-675-2356 1-505-675-2339	
Loco Hills Area										
Marbob Brine Well	BW-029	M. Dodd "A" BW#1	Tue	27-Nov	9:00 AM	1:00 PM	2 Pressure test cavern	Doyle Davis	748-5975 cell 1-505-748-2523	
Jims Water Ser.	BW-005	SE of Artesia	Tue	27-Nov	10:00 AM	2:00 PM	* Pressure test cavern or casing * 1,2 or 3	Sammy Stoneman	1-505-748-1352 1-505-748-3227	
Hobbs Area										
Key Energy	BW-018	Truckers #2 (Hobbs)	Wen	28-Nov-01	8:00 AM	12 noon	2 Pressure test cavern	Royce Crowell	(505) 393-9171 505-910-4185	
Scurlock-Permian	BW-012	Hobbs Station	Wen	28-Nov-01	9:00 AM	1:00 PM	2 Pressure test cavern	Richard Lentz	505-392-8212 392-6988	
Zia Transportation	BW-018	Salty Dog-Ark Jct	Wen	28-Nov-01	10:00 AM	2:00 PM	2 Pressure test cavern	Piter Bergstein	806-741-1080	
Marathon Brine St	BW-015	Marathon Road	Wen	28-Nov-01	11:30 AM	3:30 PM	1 Pressure Test Casing	CW Trainer		
Eunice Area										
P&S Brine	BW-002	Eunice Brine Station	Thur	29-Nov-01	8:00 AM	12 noon	2 Pressure test cavern	Dink Prather	505-394-2545 394-2426	
Key Simms-McCasland	BW-009A	Eunice Brine Station	Thur	29-Nov-01	9:00 AM	1:00 PM	2 Pressure test cavern	Royce Crowell	(505) 393-9171 505-910-4185	
Yale E. Key (Old Goldstar)	BW-028	Eunice Brine Station	Thur	29-Nov-01	10:00 AM	2:00 PM	2 Pressure test cavern	Royce Crowell	1-505-394-2504 1-505-394-2560	
Carlsbad Area										
I & W	BW-06	Carlsbad -Eugenie	Fri	30-Nov-01	8:00 AM	12 noon	2 Pressure test cavern	George Parchman	505-885-8663 885-8477	
Key Energy-Carlsbad	BW-019	Rowland Truckers	Fri	30-Nov-01	9:00 AM	1:00 PM	2 Pressure test cavern	John Hutcheson	1-505-885-2053 cell 390-1833	
Scurlock/Permian	BW-027 & 27A	Carlsbad Brine St.	Fri	30-Nov-01	10:00 AM	2:00 PM	2 Pressure test cavern	Richard Lentz	505-392-8212 392-6988	
Wells Already Tested in 2001										
Gandy	BW-04	Wasserhund-Edison								
Gandy	BW-22	Tatum Brine St.								
Ray Westall	BW-21	Loco Hills Brine St.								
Wells Being Repaired-										
Chaparral SWD	BW-25	Salado Brine #2- Jal								
Notes:										
Type of Pressure Test:	1 Casing Test	Isolate cavern formation from the casing/tubing annulars and hydrostatic fluid pressure test the casing at 300 psig for 30 minutes.								
	2 Open Hole Cavern Pressure Test	Open hole cavern formation pressure test by pressuring up the formation with fluid to one and one-half times the normal operating pressure or 300 psig whichever is greater for four hours. Operators shall not exceed surface pressures that may cause formation fracturing or system failures. OCD prior to test shall approve test pressures below 300 psig and methods that use media other than fluids. Brine supply wells operating with packers will have to pressure both the cavern formation and casing/tubing annulars.								
	3 Others	Nitrogen-Brine Interface Test, Nitrogen Test, Etc.								

September 20, 2001

OIL CONSERVATION DIV.

01 SEP 24 PM 1:42

Wayne Price
Oil Conservation Division
1220 S. St. Francis Dr.
Santa Fe, NM 87504

Dear Mr. Price,

On April 20, 2001 Key Energy Services, Inc. dba Yale E. Key Inc. assumed control of the brine well (BW 028) that was formerly operated by Gold Star SWD Ltd. Co. On June 2, 2001 Yale E. Key Inc. assumed control of the brine well (BW 009) formerly operated by Sims-McCasland Water Sales. Yale E. Key Inc. also operates the brine wells (BW 019) and (BW 18) located in Carlsbad, NM and Hobbs, NM. Yale E. Key Inc. assumes all responsibilities required by the Oil Conservation Division that were formerly assumed by the previous management including all provisions associated with the discharge plans for each location. Yale E. Key has a blanket plugging bond covering each well. If I can be of further service, please contact me Royce Crowell

Compliance Specialist
Key Energy Services, Inc.
Box 2040
Hobbs, NM 88241

Sincerely,



Royce Crowell

OCD ENVIRONMENTAL BUREAU

SITE INSPECTION SHEET

DATE: 12-11-00 Time: 10:30 AM

Type of Facility: Refinery Gas Plant Compressor St. Brine St. Oilfield Service Co.
Surface Waste Mgt. Facility E&P Site Crude Oil Pump Station
Other _____

Discharge Plan: No Yes DP# BW-018

API # 30-025-07551

FACILITY NAME: KEY TRUCKERS #2

~~NO API #~~

PHYSICAL LOCATION:

Legal: QTR NE QTR SW Sec 33 TS 185 R 38E County LEA

OWNER/OPERATOR (NAME) KEY ENERGY

Contact Person: PETE TURNER Tele:# _____

MAILING

ADDRESS: _____ State _____ ZIP _____

Owner/Operator Rep's: BRUCE BAIRD - 910-4138

OCD INSPECTORS: W PRICE

1. **Drum Storage:** All drums containing materials other than fresh water must be stored on an impermeable pad with curbing. All empty drums will be stored on their sides with the bungs in and lined up on a horizontal plane. Chemicals in other containers such as sacks or buckets will also be stored on an impermeable pad and curb type containment.

OK

2. **Process Areas:** All process and maintenance areas which show evidence that leaks and spills are reaching the ground surface must be either paved and curbed or have some type of spill collection device incorporated into the design.

OK

3. **Above Ground Tanks:** All above ground tanks which contain fluids other than fresh water must be bermed to contain a volume of one-third more than the total volume of the largest tank or of all interconnected tanks. All new tanks or existing tanks that undergo a major modification, as determined by the Division, must be placed within an impermeable bermed enclosure.

9. **Class V Wells:** Leach fields and other wastewater disposal systems at OCD regulated facilities which inject non-hazardous fluid into or above an underground source of drinking water are considered Class V injection wells under the EPA UIC program. All Class V wells that inject non-hazardous industrial wastes or a mixture of industrial wastes and domestic wastes will be closed unless it can be demonstrated that groundwater will not be impacted in the reasonably foreseeable future. Closure of Class V wells must be in accordance with a plan approved by the Division's Santa Fe Office. The OCD allows industry to submit closure plans which are protective of human health, the environment and groundwater as defined by the WQCC, and are cost effective. Class V wells that inject domestic waste only must be permitted by the New Mexico Environment Department.

ANY CLASS V WELLS NO YES IF YES DESCRIBE BELOW! Undetermined

10. **Housekeeping:** All systems designed for spill collection/prevention will be inspected weekly and after each storm event to ensure proper operation and to prevent overtopping or system failure. A record of inspections will be retained on site for a period of five years.

11. **Spill Reporting:** All spills/releases will be reported pursuant to OCD Rule 116 and WQCC 1203 to the proper OCD District Office.

12. **Does the facility have any other potential environmental concerns/issues?**

13. **Does the facility have any other environmental permits - i.e. SPCC, Stormwater Plan, etc.?**

14. ANY WATER WELLS ON SITE? NO YES IF YES, HOW IS IT BEING USED ?

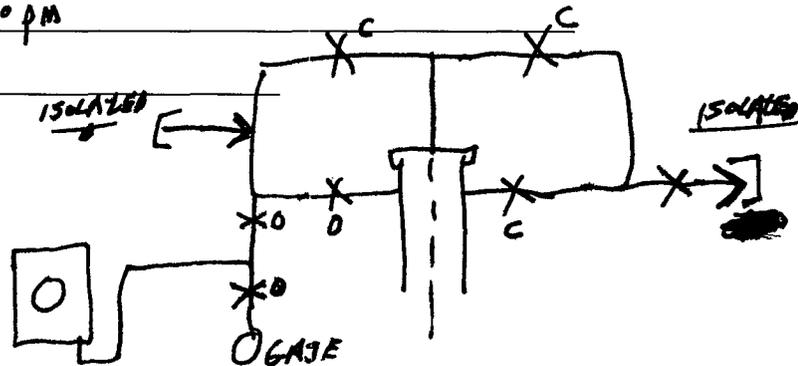
Miscellaneous Comments:

MIT- OPEN HOLE CHART RECORDER 0-1000 psig
8 HR CLOCK

GAGE 0-1000 START 525 10:30 AM
10:30 AM STOP 525 2:30 PM

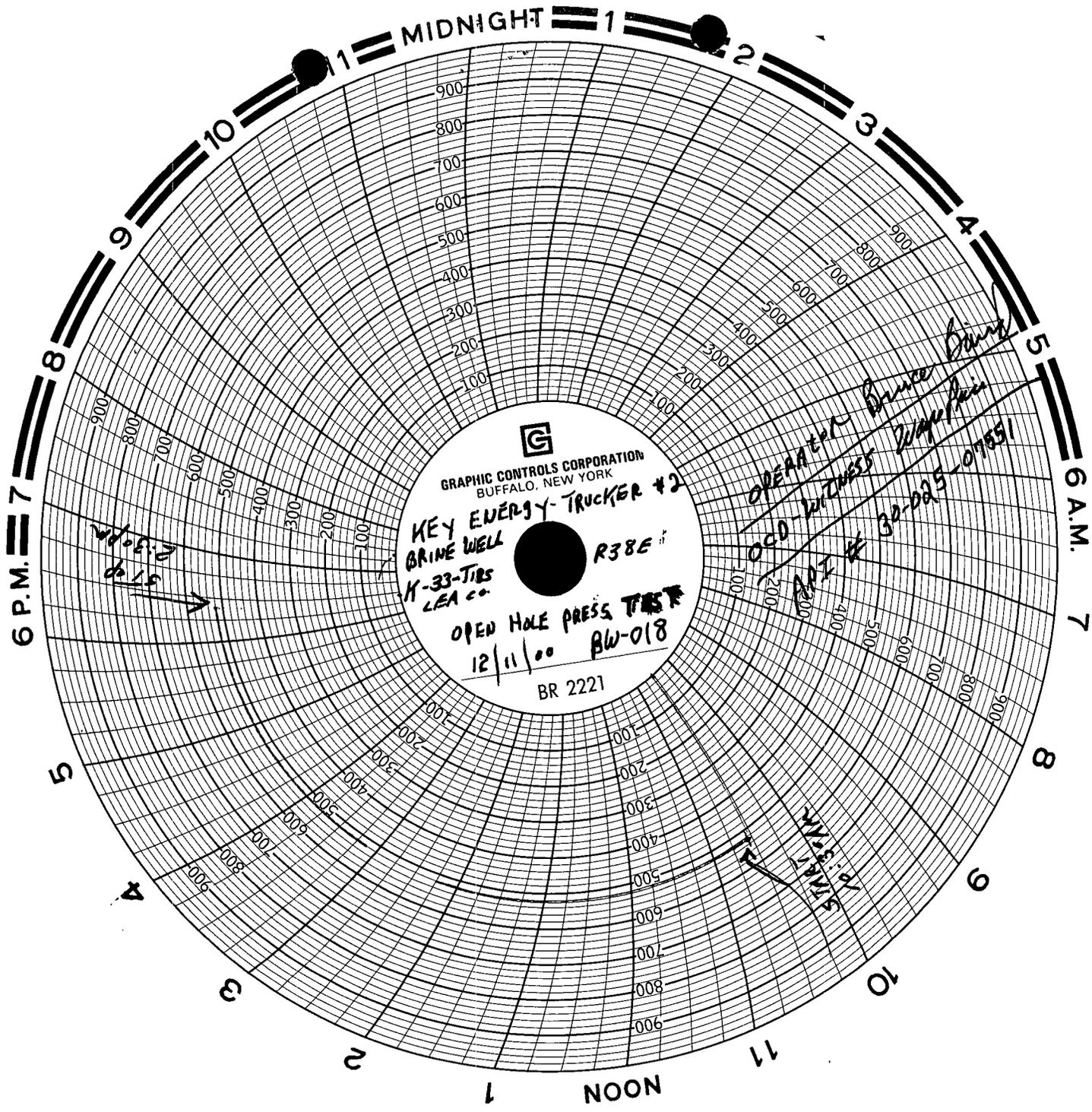
Number of Photos taken at this site: 1
attachments-

OCD Inspection Sheet
Page ___ of ___





KEY BW-018 WASTE LUBE OIL & WATER POND
OVERFLOWING - POND HAS LINER



G
GRAPHIC CONTROLS CORPORATION
BUFFALO, NEW YORK

KEY ENERGY TRUCKER #2
BRINE WELL
K-33-TIBS
LEA co.

R38E
OPEN HOLE PRESS TEST
12/11/00 BW-018
BR 2221

OPERATOR Bruce Davis
OCD WITNESS [unclear]
API # 32-025-07851

W/O B. J.
D. L.
↓

WITNESS
[unclear]



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

October 20, 2000

CERTIFIED MAIL
RETURN RECEIPT NO.

5051 4423

BW-018

KEY

Attention: Brine Well Operators

Re: Mechanical Integrity Testing of Brine Supply Wells

The Underground Injection Control Program of the Federal Safe Drinking Water Act requires that operators demonstrate mechanical integrity of all injection wells by ensuring there are no leaks in the tubing, casing, or packer, and injected/produced fluids are confined within the piping and injection zones.

The Oil Conservation Division (OCD) requires operators of brine supply wells to perform the following mechanical integrity tests:

1. At least once every five years isolate the cavern formation from the casing/tubing annuals and hydrostatic fluid pressure test the casing at 300 psig for 30 minutes. New brine wells and wells being worked over will have to be tested in this manner before operations begin.
2. Annually perform an open hole cavern formation pressure test by pressuring up the formation with fluid to one and one-half times the normal operating pressure or 300 psig whichever is greater for four hours. Operators shall not exceed surface pressures that may cause formation fracturing or system failures. OCD prior to test shall approve test pressures below 300 psig and methods that use media other than fluids. Brine supply wells operating with packers will have to pressure both the cavern formation and casing/tubing annuals.

Please find enclosed an "OCD Brine Well Test Schedule December 2000" and "Brine Well Test Procedure Guidance Document" for this December 8th through 18th 2000. Please have your well ready for testing on the date and time you are scheduled. Please refer to the Well Test Schedule attached for the **type of test** you are scheduled to perform. You must receive prior OCD approval to alter the scheduled time or type of test.

Brine Well Operators

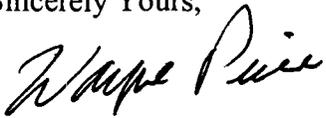
10/20/00

Page 2

Operators will be responsible for providing equipment and shall bear all costs incurred. All tests must be witnessed by the New Mexico Oil Conservation Division. Operators failing to abide by the procedures, type of test, and time schedules listed herein may be required to shut-in their systems until OCD has an opportunity to approve and witness testing.

If you require any further information or assistance please do not hesitate to write or call me at (505-827-7155).

Sincerely Yours,



Wayne Price-Pet. Engr. Spec.
Environmental Bureau

cc: OCD District Offices

- Attachments-
1. OCD Brine Well Test Schedule December 2000.
 2. Brine Well Testing Procedure Guidance Document.

OCD BRINE WELL TEST SCHEDULE December of 2000

Company	DP#	Facility Name	Date of Test	Start	Stop	Type of Test(s) Required	Contact Person	Telephone	FAX #
Marbob Brine Well	BW-029	M. Dodd "A" BW#1	December 08, 2000	1:00 PM	5:00 PM	2 Pressure test cavern	Doyle Davis Raye Miller	748-5975 cell 748-3303	1-505-746-2523
P&S Brine Simms-McCasland Salty Dog, Inc.	BW-002 BW-009A BW-008	Eunice Eunice Water ST. Eunice Brine Station Arkansas-Jct	December 11, 2000 December 11, 2000 December 11, 2000	8 am 9:30 am 11 am	12 noon 1:30 pm 3 pm	2 Pressure test cavern 2 Pressure test cavern 2 Pressure test cavern	Paul Prather Bob Patterson Mr. Piter Bergstein Walter Brisco	1-505-394-2545 1-505-394-2581 1-806-741-1080	1-505-394-2426 1-505-394-2584
Stearns Inc. Gandy Corp. Key Energy	BW-013 BW-022 BW-018	Crossroads Tatum Water St. Truckers #2 (Hobbs)	December 12, 2000 December 12, 2000 December 12, 2000	8:00 AM 9:00 AM 10:30 AM	12 noon 1:00 PM 2:30 PM	2 Pressure test cavern 2 Pressure test cavern 2 Pressure test cavern	L.A. Stearns Larry Gandy Pete Turner	1-505-675-2356 1-505-398-4960 1-505-397-4994	1-505-675-2339 cell 369-5721 1-505-393-9023
I&W Trucking Loco Hills Brine	BW-006 &6A BW-021	Carlsbad Yard Loco Hills	December 13, 2000 December 13, 2000	8:00 AM 1:30 PM	12 noon 5:30 PM	2 Pressure test cavern 2 Pressure test cavern	George Parchman D. Maloney or R. Harris	1-505-885-6663 1-505-677-2370	1-505-885-8477 1-505-677-2361
Goldstar Quality Oil (Salado Brine Sales)	BW-028 BW-025	Eunice Brine Station Salado Brine St. #2	December 14, 2000 December 14, 2000	9:30 am 11am	1:30 pm 3 pm	2 Pressure test cavern 2 Pressure test cavern	Royce Crowell see P&S	1-505-394-2504	1-505-394-2560
Key Energy-Carlsbad Scurlock/Permian Jims Water Ser.	BW-019 BW-027 &27A BW-005	Rowland Truckers Carlsbad Brine St. SE of Artesia	December 15, 2000 December 15, 2000 December 15, 2000	8:00 AM 9:00 AM 10:30 AM	12 noon 1:00 PM 2:30 PM	2 Pressure test cavern 2 Pressure test cavern 2 Pressure test cavern	John Hutcheson Jim Ephraim Sammy Stoneman	1-505-887-3011 1-713-672-8092 1-505-748-1352	1-505-746-3227
Scurlock-Permian Gandy- WasserHaun	BW-012 BW-004	Hobbs Station Buckeye St.	December 18, 2000 December 18, 2000	8:00 AM 9:00 AM	12 noon 1:00 PM	2 Pressure test cavern 2 Pressure test cavern	Richard Lentz Larry Gandy	1-505-392-8212 1-505-398-4960	1-505-392-6988 cell 369-5721

Notes:

Type of Pressure Test:	1 Casing Test	Isolate cavern formation from the casing/tubing annulars and hydrostatic fluid pressure test the casing at 300 psig for 30 minutes.
	2 Open Hole Cavern Pressure Test	Open hole cavern formation pressure test by pressuring up the formation with fluid to one and one-half times the normal operating pressure or 300 psig whichever is greater for four hours. Operators shall not exceed surface pressures that may cause formation fracturing or system failures. OCD prior to test shall approve test pressures below 300 psig and methods that use media other than fluids. Brine supply wells operating with packers will have to pressure both the cavern formation and casing/tubing annulars.
	3 Others	Nitrogen-Brine Interface Test, Nitrogen Test, Etc.

Brine Well Testing Procedure Guidance Document

- 1) The cavern and all piping must be filled, pressured up and stabilized for a period of at least 24 hours prior to testing. If this test requires or utilizes a packer then the casing/tubing annulus must be loaded with inert fluid 24 hours prior to testing.
- 2) Have manpower and equipment available for pressure test. Well head shall be prepared for test and all valves and gauges should be in good working order.
- 3) Pressure devices i.e pumps, truck pumps, etc. must be isolated from the well head during test.
- 4) A continuous recording pressure chart with an 8 hour clock shall be installed on the casing/tubing annulus, as directed by the OCD, with a pressure range of not greater than 500 psig. The operator must provide proof that pressure recording device has a range of 0-500 psig and has been calibrated within the past 6 months. Wells, with isolation packers installed, which requires both the casing/tubing annulus and cavern to be tested will require two recording devices or one recording device with two pins. Operators may utilize other types of pressure recording devices, such as electronic data loggers, etc., if approved by OCD.
- 5) A minimum of one pressure gage shall be installed in the system as directed by OCD.
- 6) OCD must witness the beginning of test (putting chart on) and ending of test (removing chart). At the end of test operator may be required to bleed-off pressure to demonstrate recorder response.
- 7) **The Operator will supply the following information on the pressure chart before starting test:**
 1. Company name, discharge plan #, well name and number, legal location UL, section, township, range and county.
 2. Type of Test: Open Hole, Casing Test, or Both.
 3. Date, time test started, time stop.
 4. Chart and Recorder information. (can be attached)
 5. Normal operating surface and formation fracture pressure. (can be attached)
 6. **After Test Completed:**
Name (printed) and signature of company representative and OCD inspector.

Note: NMOCD recognizes that different operations, well constructions, well designs and field conditions may cause variations in the above procedures. Operator is responsible to notify OCD of any procedure that may cause harm to the well or formation. If operator wishes to make or anticipate changes you must notify the OCD for approval.



November 17, 1999

Key Energy Services, Inc.
Eastern New Mexico Division
418 South Grimes
Hobbs, NM 88240
Phone: 505-397-4994
Fax: 505-393-9023

N.M.O.C. Division
Mr. Wayne Price
Fax (505) 827-8177

Re: Company Name and Address Change
Wayne,

Change the company name to:

Yale E. Key Inc. dba
Key Energy Services, Inc.

Address to:

Key Energy Services, Inc.
P. O. Box 2040
Hobbs, NM 88240

Mr. Ray Ramsey, Division Manager

Sincerely,

Pate M. Turner
Manager

PMT/dw

RECEIVED
NOV 17 1999
Environmental Bureau
Oil Conservation Division



418 S. Grimes
Hobbs, New Mexico 88240
(505) 397-4994
(505) 393-9023 Fax

facsimile transmittal

To: Wayne Price Fax: (505) 827-8177
From: Pete Turner Date: 11/17/99
Re: _____ Pages: 2
CC: _____

Urgent For Review Please Comment Please Reply Please Recycle



RECEIVED
NOV 17 1999
Environmental Bureau
Oil Conservation Division



American

Valve & Meter Service

1113 W. BROADWAY, HOBBS, N.M. 88240
P.O. BOX 1667, PHONE 505-393-578

TO Key Energy

DATE: 10-26-99

THIS IS TO CERTIFY THAT:

I, Jesse Young METER TECHNICAN FOR AMERICAN VALVE, INC., HAS
CHECKED THE CALIBRATION ON THE FOLLOWING INSTRUMENT. 0-1000#
Pressure recorder SERIAL NUMBER 316 SS

AT THESE POINTS,

TEMPERTURE _____

P.S.I. 0-1000#

TEST	AS FOUND	AS LEFT

TEST	AS FOUND	AS LEFT
<u>0</u>	<u>0</u>	<u>0</u>
<u>500</u>	<u>520</u>	<u>500</u>
<u>1000</u>	<u>1000+</u>	<u>1000</u>
<u>700</u>	<u>720</u>	<u>700</u>
<u>300</u>	<u>320</u>	<u>300</u>
<u>0</u>	<u>0</u>	<u>0</u>

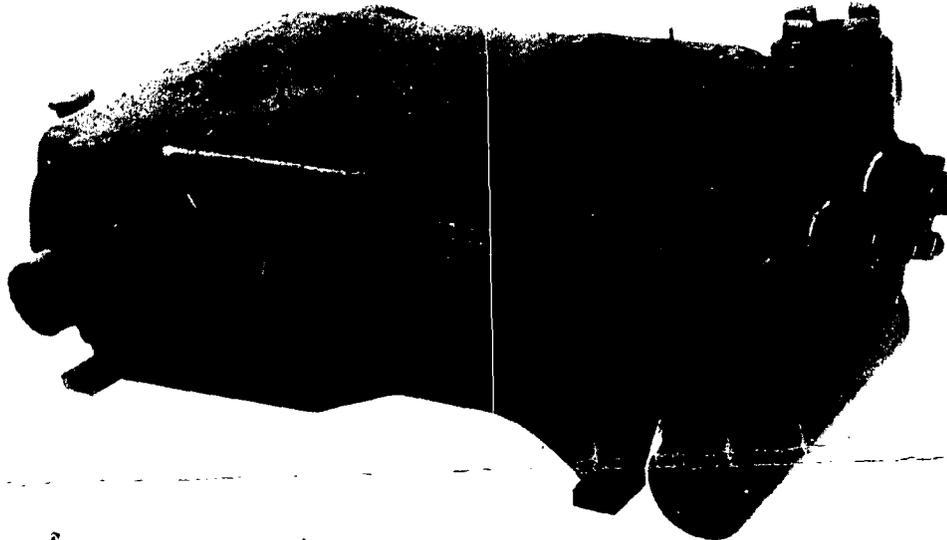
REMARKS: _____

SIGNED: Jesse Young

GARDNER-DENVER

**TRIPLEX PLUNGER PUMP
TQC
50 Horsepower—3" Stroke**

BULLETIN 07-01-202
2nd Edition



SPECIFICATIONS

- Maximum BHP: 50
- Maximum RPM: 400
- No. of Plungers: 3
- Stroke Length: 3"
- Plunger Load: 4948 lbs. (2249 kg)
- Oil Capacity: 6.5 gal. (25 liters)
- Pump Weight: 970 lbs. (440 kg)
- Discharge Hydrostatic Test Pressure: 5000 psi
- Connections:
 - Suction: 3" NPT (76.2 mm)
 - Discharge: 2" NPT (50.8 mm)
- Crankshaft Extension:
 - Diameter: 2.62"
 - Length: 4.12"
 - Keyway (L x W x H): 3 1/2 x 5/8 x 5/8
- Lubrication: Splash Type

KEY ENERGY
Truckers 2
HOBBS N.M.
Running @ 400 BPM (Maximum)
Pumping @ 92.6 BPM or 132.29 BPH

SIZES AND RATINGS

Plunger Size		Maximum Pressure		Displacement per Revolution		Barrels Per Day, Gallons Per Minute at Pump Speed									
						200		250		300		350		400	
in.	mm	PSI	Kg/cm ²	Gal.	Liters	BPD	GPM	BPD	GPM	BPD	GPM	BPD	GPM	BPD	GPM
3	76	700	48.3	.275	1.041	1886	55.1	2359	68.9	2829	82.6	3302	96.4	3771	110.2
2 3/4	70	833	57.4	.231	.874	1584	46.3	1982	57.9	2376	69.4	2774	81.0	3168	92.6
2 1/2	64	1008	69.5	.191	.723	1310	38.3	1639	47.8	1965	57.4	2294	67.0	2619	76.5
2 1/4	57	1245	85.9	.155	.587	1063	31.0	1330	38.7	1594	46.5	1862	54.2	2126	62.0
2	51	1575	108.6	.122	.462	837	24.5	1046	30.6	1255	36.7	1464	42.8	1673	49.0
1 3/4	44	2058	142.0	.094	.356	645	18.7	806	23.4	967	28.1	1128	32.8	1289	37.5

Based on 90% mechanical efficiency and 100% volumetric efficiency.

Specifications subject to change without notice.



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

Fax: 1-505-393-9023

October 19, 1999

Mr. Pete Turner
Key Energy/Rowland Trucking Company
418 South Grimes
Hobbs, New Mexico 88240

Re: Mechanical Integrity Testing of Brine Supply Wells.

This is a reminder that New Mexico Oil Conservation Division (NMOCD) will be witnessing mechanical integrity test for all brine supply wells during the time period between October 25 through November 2, 1999. A schedule was sent to each operator on September 11, 1999.

Please note that if you were scheduled to "isolate the cavern and pressure test casing, and run a cavern survey", you will have the option this time to defer this procedure and just perform the annual open hole pressure test, however no bleed-off will be allowed. The NMOCD will notify you when these other conditions will be required.

Please have your well(s) ready for testing on the date and time you are scheduled. If there is some emergency which interferes with the scheduled date and time please call and notify NMOCD.

Failure to notify NMOCD may result in your operations being suspended until testing is complete.

If you require any further information or assistance please do not hesitate to write or call me at (505-827-7155) or notify Mr. Roger Anderson at (505-827-7152).

Sincerely Yours,

A handwritten signature in cursive script, appearing to read "Wayne Price-Pet".

Wayne Price-Pet. Engr. Spec.
Environmental Bureau



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

September 20, 1999

CERTIFIED MAIL
RETURN RECEIPT NO. Z 357 870 133

Mr. Pete M. Turner, Manager
Key Energy Services DBA Rowland Trucking Co.
418 S. Grimes
Hobbs, NM 88240

Re: Truckers No. 2 Brine Station Discharge Plan BW-018

Dear Mr. Turner:

The groundwater discharge plan application for the Rowland Trucking Co. Truckers No. 2 Brine Station BW-018 located in, NE/4 SW/4 of Section 33, Township 18 South, Range 38 East, NMPM, Lea County, New Mexico, **is hereby approved** under the conditions contained in the enclosed attachment. The application consists of the original discharge plan application dated September 20, 1982, approval by the New Mexico Environment Improvement Division dated July 19, 1988, application submitted to the New Mexico Oil Conservation Division (OCD) dated November 13, 1992, and application submitted to OCD dated April 15, 1998. Enclosed are two copies of the conditions of approval. **Please sign and return one copy to the New Mexico Oil Conservation Division (OCD) Santa Fe Office within ten working days of receipt of this letter.**

The discharge plan application was submitted pursuant to Section 5101.B.3. of the New Mexico Water Quality Control Commission (WQCC) Regulations. It is approved pursuant to Section 5101.A. and 3109.C. Please note Section 3109.G., which provides for possible future amendment of the plan. Please be advised that approval of this plan does not relieve Rowland Trucking Co. of liability should operations result in pollution of surface or ground waters, or the environment.

Please be advised that all exposed pits, including lined pits and open top tanks (exceeding 16 feet in diameter) shall be screened, netted, or otherwise rendered nonhazardous to wildlife including migratory birds.

Please note that Section 3104. of the regulations requires that "when a plan has been approved, discharges must be consistent with the terms and conditions of the plan." Pursuant to Section 3107.C., Rowland Trucking Co. is required to notify the Director of any facility expansion, production increase, or process modification that would result in any change in the discharge of water quality or volume.

Mr. Pete M. Turner
September 20, 1999
Page 2

Pursuant to Section 3109.H.4., this approval is for a period of five years. This approval will expire July 18, 2003, and an application for renewal should be submitted in ample time before that date. Failure to submit renewals may result in a Notice of Violation being issued. Note that under Section 5101.F. of the regulations, if a discharger submits a discharge plan renewal application at least 120 days before the discharge plan expires and is in compliance with the approved plan, then the existing discharge plan will not expire until the application for renewal has been approved or disapproved. It should be noted that all discharge plan facilities will be required to submit plans for, or the results of, an underground drainage testing program as a requirement for discharge plan renewal.

The discharge plan application for the Truckers No. 2 Brine Station is subject to the WQCC Regulation 3114. Every billable facility submitting a discharge plan will be assessed a fee equal to the filing fee of \$50 plus a renewal fee of \$690.00 for brine stations. The OCD has not received the \$690.00 flat fee. The flat fee of \$690.00 may be paid in a single payment due on the date of the discharge plan approval or in five equal installments over the expected duration of the discharge plan. Installment payments shall be remitted yearly, with the first installment due on the date of the discharge plan approval and subsequent installments due on this date of each calendar year.

Please make all checks payable to: **NMED-Water Quality Management** and addressed to the OCD Santa Fe Office.

If you have any questions, please contact Wayne Price of my staff at (505-827-7155). On behalf of the staff of the OCD, I wish to thank you and your staff for your cooperation during this discharge plan review.

Sincerely,



Roger Anderson
Environmental Bureau Chief

RA/lwp
Attachment-1

xc: OCD Hobbs Office

ATTACHMENT TO THE DISCHARGE PLAN BW-018 APPROVAL
Key Energy Services DBA Rowland Trucking Co.
Truckers No. 2 Brine Station (BW-018)
DISCHARGE PLAN APPROVAL CONDITIONS
September 20, 1999

1. Payment of Discharge Plan Fees: The \$50.00 filing fee has been received by OCD. The \$690.00 flat fee shall be submitted upon receipt of this approval. The required flat fee may be paid in a single payment due at the time of approval, or in equal annual installments over the duration of the plan, with the first payment due upon receipt of this approval.
2. Commitments: Rowland Trucking Co will abide by all commitments submitted in the discharge plan application dated April 15, 1998 and these conditions for approval.
3. Monitor Well Inspection: The leak detection monitor well for the single-lined brine storage pond will be inspected and reported quarterly to the OCD. Records will be maintained to include quantity of fluid, conductivity and chlorides of fluid, date of inspection, and name of inspector. Leaks shall be reported pursuant to Item 21. (Spill Reporting) of these conditions.
4. Brine Storage Pond: A minimum freeboard will be maintained in the pond so that no overtopping of brine occurs. Any repairs or modifications to the pond liner must receive prior OCD approval. In the future, if pond liner is replaced or a new pond is constructed, then a double synthetic liner with leak detection will be incorporated into the design.
5. Production Method: Fresh water will be injected down the casing and brine shall be recovered up the tubing. Reverse flow will be allowed only once a month for up to 24 hours for clean out.
6. Maximum Injection Pressure: The maximum operating injection and/or test pressure at the well head will be such that the fracture pressure of the injection formation will not be exceeded.
7. Mechanical Integrity Testing: Rowland Trucking Co. will conduct an annual open hole cavern pressure test equal to one and one-half times the normal operating pressure (not to exceed formation fracture pressure) or 300 psi, whichever is greater, for four hours with ten percent bleed-off allowed. At least once every five years and during well workovers the cavern formation will be isolated from the casing/tubing annulars and the casing pressure tested at 300 psig for 30 minutes. All pressure test must be witnessed by OCD.

8. Capacity and Cavity Configuration: A test will be conducted to determine the size and configuration of the mined cavity prior to discharge plan renewal (July 18, 2003). The method and time of testing will be approved by the OCD prior to performing the test.
9. Production/Injection Volumes: The volumes of fluids injected (fresh water) and produced (brine) will be recorded monthly and submitted to the OCD Santa Fe Office quarterly.
10. Analysis of Injection Fluid and Brine: Provide an analysis of the injection fluid and brine with the first quarterly report. Analysis will be for concentrations of Total Dissolved Solids, Sodium, Calcium, Potassium, Magnesium, Bromide, Carbonate/Bicarbonate, Chloride and Sulfate. Include location and method of sampling.
11. Drum Storage: All drums containing materials other than fresh water must be stored on an impermeable pad with curbing. All empty drums should be stored on their sides with the bungs in place and lined up on a horizontal plane. Chemicals in other containers such as sacks or buckets must also be stored on an impermeable pad with curbing.
12. Process Areas: All process and maintenance areas which show evidence that leaks and spills are reaching the ground surface must be either paved and curbed or have some type of spill collection device incorporated into the design.
13. Above Ground Tanks: All above ground tanks which contain fluids other than fresh water must be bermed to contain a volume of one-third more than the total volume of the largest tank or of all interconnected tanks. All new facilities or modifications to existing facilities must place the tank on an impermeable type pad within the berm.
14. Above Ground Saddle Tanks: Above ground saddle tanks must have impermeable pad and curb type containment unless they contain fresh water or fluids that are gases at atmospheric temperature and pressure.
15. Labeling: All tanks, drums, and other containers should be clearly labeled to identify their contents and other emergency information necessary if the tank were to rupture, spill, or ignite.

16. Below Grade Tanks/Sumps: All below grade tanks, sumps, and pits must be approved by the OCD prior to installation or upon modification and must incorporate secondary containment and leak-detection into the design. All pre-existing sumps and below-grade tanks must be tested to demonstrate their mechanical integrity no later than February 28, 2000 and every year from tested date, thereafter. Permittees may propose various methods for testing such as pressure testing to 3 pounds per square inch above normal operating pressure and/or visual inspection of cleaned out tanks and/or sumps, or other OCD approved methods. The OCD will be notified at least 72 hours prior to all testing. The test results will be submitted to OCD 30 days after test has been conducted.
17. Underground Process/Wastewater Lines: All underground process/wastewater pipelines must be tested to demonstrate their mechanical integrity no later than February 28, 2000 and every 5 years, from tested date, thereafter. Permittees may propose various methods for testing such as pressure testing to 3 pounds per square inch above normal operating pressure or other means acceptable to the OCD. The OCD will be notified at least 72 hours prior to all testing. The test results will be submitted to OCD 30 days after test has been conducted.
18. Class V Wells: No Class V wells that inject non-hazardous industrial wastes or a mixture of industrial wastes and domestic wastes will be approved for construction and/or operation unless it can be demonstrated that groundwater will not be impacted in the reasonably foreseeable future. Leach fields and other wastewater disposal systems at OCD regulated facilities which inject non-hazardous fluid into or above an underground source of drinking water are considered Class V injection wells under the EPA UIC program. Class V wells that inject domestic waste only must be permitted by the New Mexico Environment Department.
19. Well Workover Operations: OCD approval will be obtained from the Director prior to performing remedial work, pressure test or any other workover. Approval will be requested on OCD Form C-103 "Sundry Notices and Reports on Wells" (OCD Rule 1103.A.) with appropriate copies sent to the OCD Hobbs District Office.
20. Housekeeping: All systems designed for spill collection/prevention, and leak detection will be inspected daily to ensure proper operation and to prevent overtopping or system failure.
21. Spill Reporting: All spills/releases shall be reported pursuant to OCD Rule 116. and WQCC 1203. to the OCD Hobbs District Office.

22. Waste Disposal: All wastes will be disposed of at an OCD approved facility. Only oilfield exempt wastes shall be disposed of down Class II injection wells. Non-exempt oilfield wastes that are non-hazardous may be disposed of at an OCD approved facility upon proper waste characterization per 40 CFR Part 261.
23. Transfer of Discharge Plan: The OCD will be notified prior to any transfer of ownership, control, or possession of a facility with an approved discharge plan. A written commitment to comply with the terms and conditions of the previously approved discharge plan must be submitted by the purchaser and approved by the OCD prior to transfer.
24. Closure: The OCD will be notified when operations of the facility are discontinued for a period in excess of six months. Prior to closure of the facility a closure plan will be submitted for approval by the Director. Closure and waste disposal will be in accordance with the statutes, rules and regulations in effect at the time of closure.
25. OCD Inspections: Additional requirements may be placed on the facility based upon results from OCD inspections.
26. Conditions accepted by:

Rowland Trucking Co.

Print Name: _____

Signature: _____

Title: _____

Date: _____



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

September 11, 1999

CERTIFIED MAIL
RETURN RECEIPT NO. Z 357 870 148

Mr. Pete Turner
Key Energy/Rowland Trucking Company
418 South Grimes
Hobbs, New Mexico 88240

Re: Mechanical Integrity Testing of Brine Supply Wells

Dear Mr. Pete Turner:

The Underground Injection Control Program of the Federal Safe Drinking Water Act requires that operators demonstrate mechanical integrity of all injection wells by ensuring there are no leaks in the tubing, casing, or packer, and injected/produced fluids are confined within the piping and injection zones.

The Oil Conservation Division (OCD) requires operators of brine supply wells to perform the following mechanical integrity test:

1. At least once every five years isolate the cavern formation from the casing/tubing annuals and pressure test the casing at 300 psig for 30 minutes. New brine wells and wells being worked over will have to be tested in this manner before operations begin.
2. Annually perform an open hole cavern formation pressure test by pressuring up the formation one and one-half times the normal operating pressure (not to exceed formation fracture pressure) or 300 psig whichever is greater for four hours. Brine supply wells operating with packers will have to pressure both the cavern formation and casing/tubing annuals.

Please find enclosed an OCD Brine Well Test Schedule and Test Procedure for this Fall October 25, 1999 through November 2, 1999. Please have your well ready for testing on the date and time you are schedule. Operators will be responsible for providing equipment and shall bear all costs incurred. All test must be witnessed by the New Mexico Oil Conservation Division.

If you require any further information or assistance please do not hesitate to write or call me at (505-827-7155).

Sincerely Yours,

Wayne Price-Pet. Engr. Spec.
Environmental Bureau

cc: OCD District Offices
attachments- OCD Brine Well Test Schedule & Brine Well Testing Procedure Guidance Document

OCD BRINE WELL TEST SCHEDULE

FALL OF 1999

Company	DP#	Facility Name	Date of Test	Start	Stop	Type of Test(s) Required
P&S Brine	** BW-002	Eunice Eunice Water ST.	October 25 1999	8 am	12 noon	Isolate cavern & pressure test casing + Cavern survey***
Simms-McCasland	** BW-009A	Eunice Brine Station	October 25 1999	9:30 am	1:30 pm	Isolate cavern & pressure test casing + Cavern survey***
Goldstar	BW-028	Eunice Brine Station	October 25 1999	11 am	3 pm	Pressure test cavern
Key Energy	** BW-018	Rowland Truckers #2	October 26 1999	8 am	12 noon	Pressure test cavern + Cavern survey***
Scurlock-Permian	** BW-012	Hobbs Station	October 26 1999	9:30 am	1:30 pm	Isolate cavern & pressure test casing + Cavern survey***
Salty Dog, Inc.	** BW-008	Arkansas-Jct	October 26 1999	11 am	3 pm	Pressure test cavern + Cavern survey***
Quality Oil (Salado Brine Sales)	** BW-025	Salado Brine St. #2	October 27 1999	8 am	12 noon	Isolate cavern & pressure test casing + Cavern survey***
Conoco	** BW-001	Warren -McKee #3	October 27 1999	1:30 pm	5:30 pm	Isolate cavern & pressure test casing
Conoco	** BW-001	Warren -McKee #4	October 27 1999	1:30 pm	5:30 pm	Isolate cavern & pressure test casing
Key Brine	BW-022	Tatum Water St.	October 28 1999	9 am	1 pm	Pressure test cavern
Kenneth Tank Service	BW-013	Crossroads	October 28 1999	11 am	3 pm	Pressure test cavern
WasserHaun	BW-004	Buckeye	October 29 1999	9 am	1 pm	Pressure test cavern
Marathon Brine St.	BW-015	Marthon Road	October 29 1999	11 am	3 pm	Pressure test cavern
Loco Hills Brine	BW-021	Loco Hills	November 1 1999	9 am	1 pm	Pressure test cavern
Jims Water Ser.	BW-005	SE of Artesia	November 1 1999	11 am	3 pm	Pressure test cavern
I&W Trucking	BW-006 &6A	Carlsbad Yard	November 2 1999	8 am	12 noon	Pressure test cavern
Key Energy-Carlsbad	BW-019	Rowland Truckers	November 2 1999	9:30 am	1:30 pm	Pressure test cavern
Scurlock/Permian	** BW-027 &27A	Carlsbad Brine St.	November 2 1999	11 am	3 pm	Isolate cavern & pressure test casing + Cavern survey***
Notes:						
** Discharge Plan up for renewal						
*** Cavern Surveys are Discharge Plan Requirements Companies have the option to perform now are at a later date approved by OCD.						



Brine Well Testing Procedure Guidance Document

- 1) The cavern and all piping must be filled, pressured up and stabilized for a period of at least 24 hours prior to testing. If this test requires a packer then casing/tubing annulus must be loaded with inert fluid 24 hours prior to testing.
- 2) Have manpower and equipment available for pressure test. Well head shall be prepared for test and all valves and gauges should be in good working order.
- 3) Pressure devices i.e pumps, truck pumps, etc. must be isolated from the well head before and during test.
- 4) A continuous recording pressure chart with an 8 hour clock shall be installed on the casing/tubing annulus. The pressure range shall not be greater than 1,000 psig. The operator must provide proof that the recording device has been calibrated within the past 6 months. **Note: Wells with packer installed: If this test requires both the casing/tubing annulus and cavern to be tested then two recording devices must be supplied or one recording device with two pins.**
- 5) A minimum of one pressure gage shall be installed in the system.
- 6) OCD must witness the beginning of test (putting chart on) and ending of test (removing chart). At the end of test operator shall bleed-off pressure by 10% to demonstrate recorder response.
- 7) The following information shall be place on the chart:
 1. Date, time test started, time stop.
 2. Company name, Discharge Plan #, well name and number, legal location UL, section, township, range and county.
 3. Type of Test; Open hole, Casing Test, or Both.
 4. Printed name and signature of company representative and OCD representative.

Note: NMOCD recognizes that different operations, well constructions and field conditions may cause variations in the above procedures. If operator wishes to make or anticipate changes please notify the OCD for approval.



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

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

May 4, 1999

CERTIFIED MAIL
RETURN RECEIPT NO. Z 559 573 592

Mr. Pete M. Turner
Manager
Rowland Trucking Co.
418 S. Grimes
Hobbs, NM 88240

Re: Truckers No. 2 Brine Station (BW-018)

Dear Mr. Turner:

The New Mexico Oil Conservation Division (NMOCD) is in receipt of Rowland Trucking Co.'s (RTC) response letter dated April 26, 1999 concerning the above referenced facility. The NMOCD has the following comments and conditions:

1. NMOCD has confirmed receipt of the \$50.00 filing fee.
2. NMOCD is in receipt of the last quarter of 1998 and first quarter of 1999 injection reports.
3. RTC's request to forestall the mechanical integrity test required in "Notice of Deficiency" letter dated March 30, 1999 is hereby denied. Please proceed as previously requested by NMOCD letter of March 30, 1999.

If you require any further information or assistance please do not hesitate to write or call me at (505-827-7155).

Sincerely Yours,

A handwritten signature in black ink, appearing to read "Wayne Price".

Wayne Price-Pet. Engr. Spec.
Environmental Bureau

cc: OCD Hobbs Office



Key Energy Services, Inc.
Eastern New Mexico Division
418 South Grimes
Hobbs, NM 88240
Phone: 505-397-4994
Fax: 505-393-9023

April 26, 1999

Mr. Wayne Price
New Mexico Energy, Minerals and
Natural Resources Department
2040 S. Pacheco Street
Santa Fe, New Mexico 87505

RECEIVED
APR 30 1999
Environmental Bureau
Oil Conservation Division

Re: Truckers No. 2 Brine Station (BW-018)

Subject: **REPLY** to March 30, 1999 **Notice of Deficiency**

Dear Wayne:

Key Energy Services DBA Rowland Trucking Co. received your deficiency review on our discharge plan submitted one year ago dated **April 15, 1998**. In reply to your 3 areas of concern, we wish to submit the following:

1. Rowland Trucking Co. did submit the required \$50.00 filing fee payable to NMED Water Quality Management and addressed to the OCD Santa Fe office. The above mentioned check which was sent to your office was deposited on June 22, 1998. (See attachment A)
2. Rowland Trucking Co. is sending you the last quarter of 1998 and the first quarter of 1999, as you requested by phone. As you are aware, we have had several moves and changes in our accounting offices and I apologize for these being late, but at the time of our filing in April of 1998, they should have been current. (See Attachment B)
3. It was stated that we had not run a casing mechanical integrity test since **1991**. In fact, we have copies of a test sent by you as staff engineer for Unichem International DBA Rowland Trucking Co. dated **January 19, 1993**. We also have copies of a test performed and witnessed by Mr. Mark Ashley, of your office, dated **October 3, 1996**. (See Attachment C)

It was our understanding in the past, the mechanical integrity tests we performed were required only once every 5 years. Due to the costs related to pulling a well,

we have run tests on our wells with OCD witnessing during any remedial work we perform.

In an attempt to be economically prudent, we are requesting an extension on the MIT you are requiring. We would like to perform the test at such time in the future when we must do any well remedial work.

Due to our industries economic situation, we believe that the above schedule could satisfy both of our requirements and give us the ability to evaluate ways to determine your eventual size and configuration requirements of the mined cavity. Please notify me of your decisions.

If you require any further information or assistance, please contact me at (505) 397-4994.

Sincerely,

KEY ENERGY SERVICES, INC.

A handwritten signature in black ink, appearing to read "Pete M. Turner". The signature is fluid and cursive, with a large initial "P" and "T".

Pete M. Turner
Manager

Cc: OCD Hobbs District Office
Mr. Chris Williams
1625 N. French Drive
Hobbs, New Mexico 88240

PNC BANK, NATIONAL ASSOCIATION
PITTSBURGH, PA 15222
60-162/433

ROWLAND TRUCKING CO., INC.
P.O. BOX 340
HOBBS, NM 88241
(505) 397-0199

CHECK NO.	CHECK DATE	VENDOR NO.
[REDACTED]	04/16/98	NMED

AY FIFTY AND 00/100 DOLLARS*****

CHECK AMOUNT
\$*****50.00

TO THE NMED WATER QUALITY
ORDER MANAGEMENT
OF

040212408 040212408 OK 04-16-98

[REDACTED]

AUTHORIZED SIGNATURE

[REDACTED]

SECURITY FEATURES INCLUDED. DETAILS ON BACK.

Attachment A

(of 1)

JE 22

1240-0031-3

[REDACTED]

[REDACTED]

FOR DEPOSIT ONLY
FIRST NATIONAL BANK OF ALBUQUERQUE
N.M. ENVIRONMENT DEPARTMENT
AGENCY CODE 29-667
OIL CONSERVATION DIVISION
802329
341

06-9817

Vertical text on the left margin: ... on this document include a ... and Security Screen.

ROWLAND TRUCKING CO., INC.

HOBBS - TRUCKERS II BRINE(BW-018)
 WATER SALES/PURCHASE COMPARISON WORK SHEET

	FRESH WATER PURCHASED GALLONS	=	BARRELS	BRINE & FRESH BARRELS SOLD	VARIANCE
1998 JANUARY	519800		12,376	12082	(294)
FEBRUARY	662800		15,781	14212	(1,569)
MARCH	1283500		30,560	24252	(6,308)
APRIL	618300		14,721	8880	(5,841)
MAY	718300		17,102	11190	(5,912)
JUNE	630400		15,010	13165	(1,845)
JULY	578400		13,771	12194	(1,577)
AUGUST	473800		11,281	9242	(2,039)
SEPTEMBER	334600		7,967	6177	(1,790)
OCTOBER	776300		18,483	6798	(11,685)
NOVEMBER	509800		12,138	2485	(9,653)
DECEMBER	688600		16,395	3699	(12,696)
	7,794,600		185,586	124,376	(61,210)
1999 JANUARY	805900		19,188	6855	(12,333)
FEBRUARY	473000		11,262	3445	(7,817)
MARCH	866700		20,636	2830	(17,806)
APRIL	0		0	0	0
MAY	0		0	0	0
JUNE	0		0	0	0
JULY	0		0	0	0
AUGUST	0		0	0	0
SEPTEMBER	0		0	0	0
OCTOBER	0		0	0	0
NOVEMBER	0		0	0	0
DECEMBER	0		0	0	0
	2,145,600		51,086	13,130	(37,956)



707 N. Leech, P.O. Box 1499 / Hobbs, NM 88240 / Ph. 505/393-7751, Fax 505/393-6754

January 19, 1993

Mr. Roger C. Anderson
State of New Mexico
Energy, Minerals & Natural Resources Dept.
Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87504

Dear Roger:

Enclosed is a copy of the MIT per your request. This is for Unichem International Inc.
Trucker's #2 Brine Station Discharge Permit # BW-18.

If you have any questions please call.

Sincerely,

UNICHEM INTERNATIONAL INC.

Wayne Price
Staff Engineer

LWP:pm

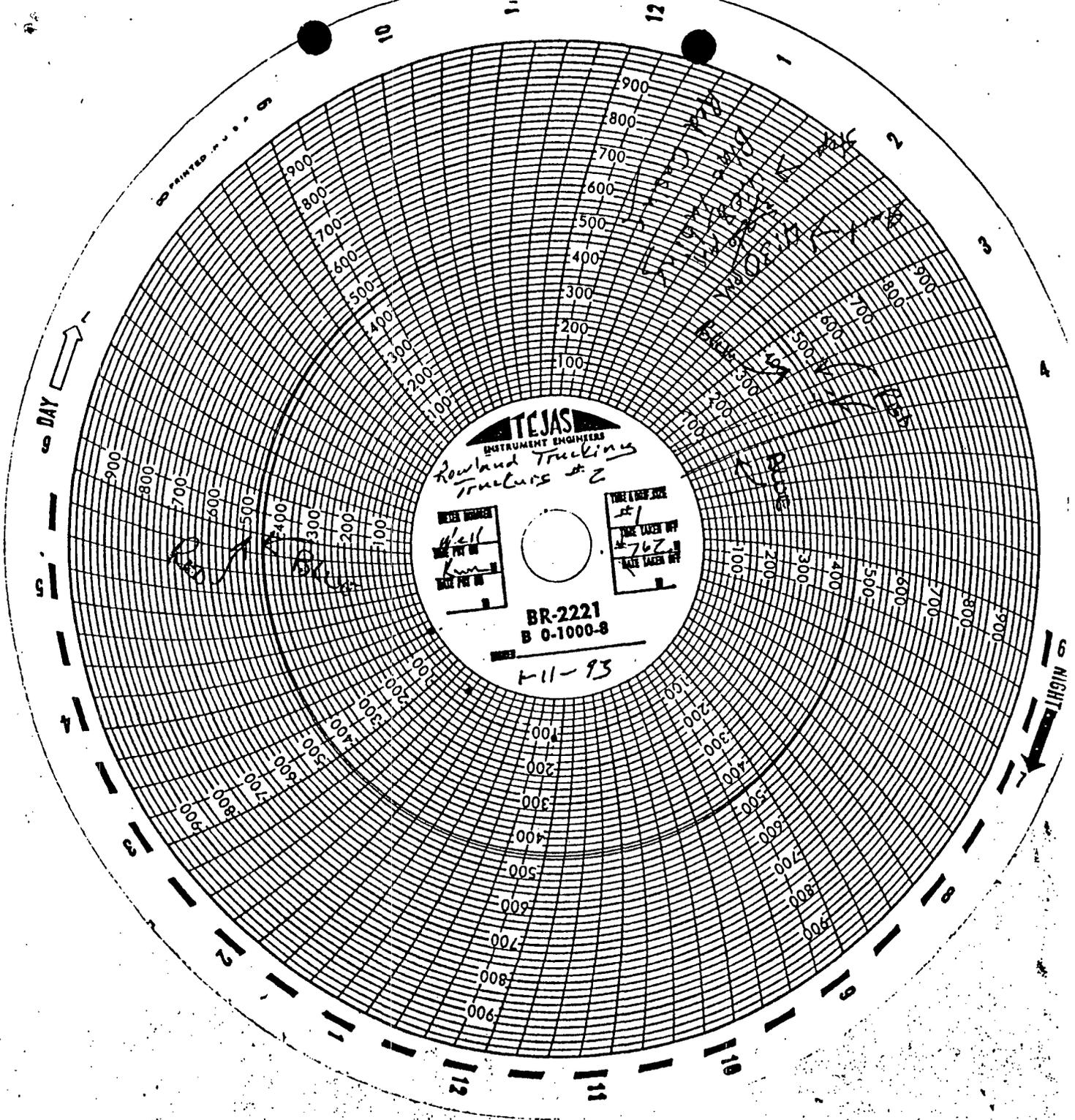
Enclosure

cc: **F. Brakey**
M. Hughes
B. Clements

Attachment C

10FS

UNICHEM INTERNATIONAL INC.



WITNESSED BY:

PETS TURNER
 JERRY SEXTON OCO (HARRIS)
 KATHY BROWN
 LYLE TURNACLIFF OCO (HOE)



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

October 3, 1996

Mr. Pete Turner
Rowland Trucking Company
418 South Grimes
Hobbs, New Mexico 88240

RE: Mechanical Integrity Testing of Brine Supply Wells

HOBBS
AND
C'BAO

Dear Mr. Pete Turner:

Enclosed is a copy of the mechanical integrity test conducted on your brine well. Please retain this copy for your records.

On behalf of the New Mexico Oil Conservation Division, I would like to thank you for your time and cooperation during the testing. If you have any questions, please contact me at (505) 827-7155.

Sincerely,

Mark Ashley
Geologist

Attachment

PRINTED IN U. S. A.

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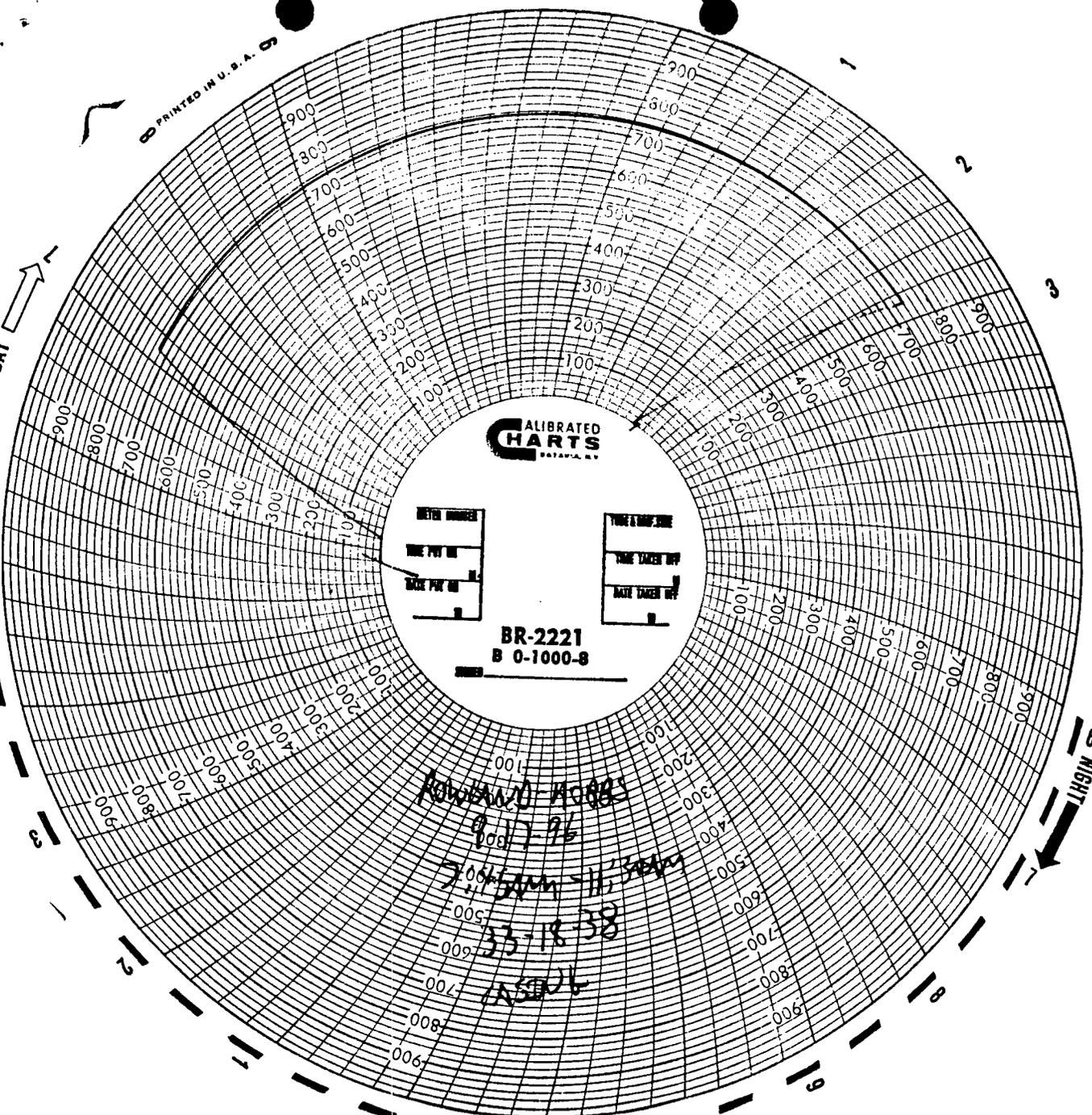
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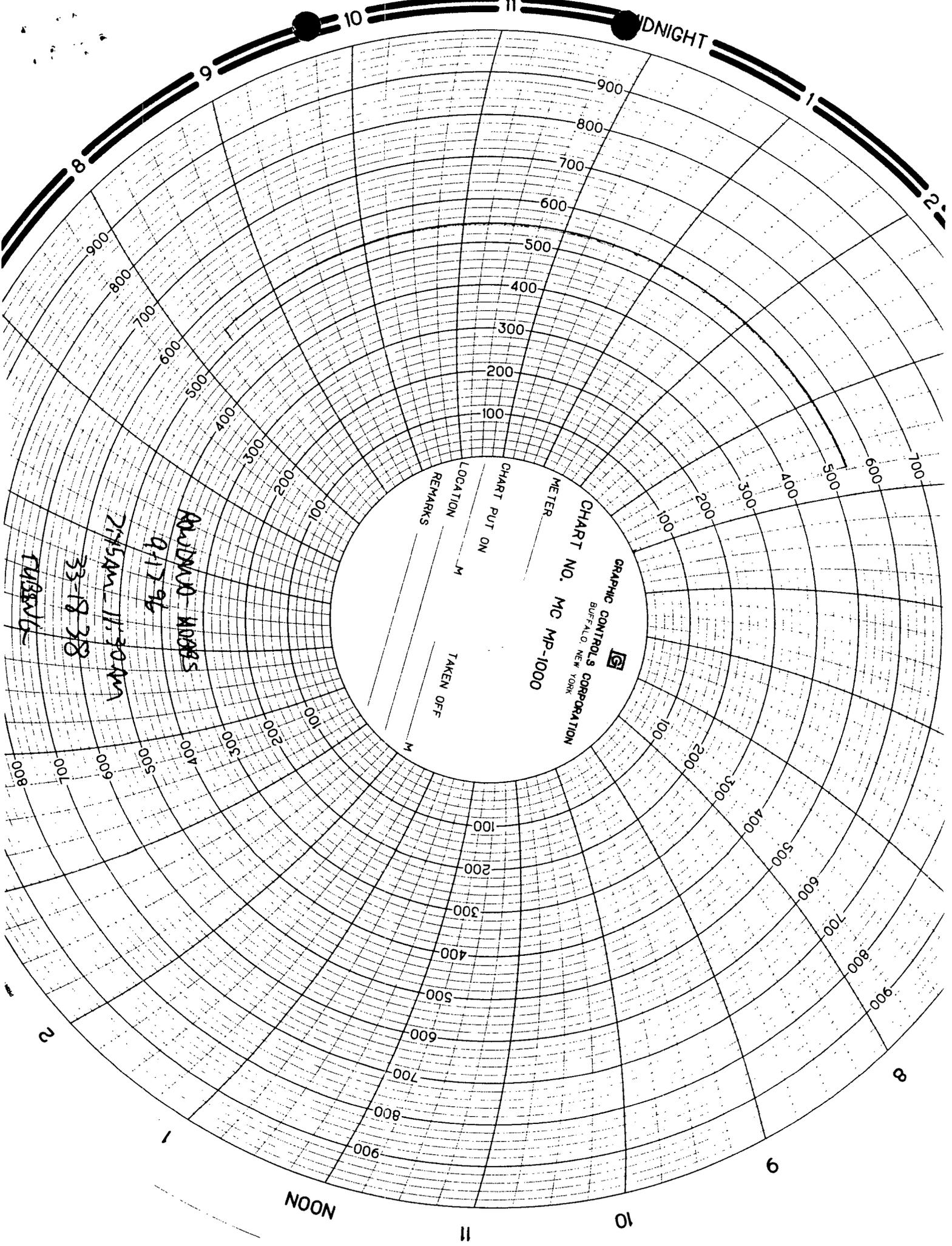
METER NUMBER
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DATE PUT ON

TIME & MILE TIME
TIME TAKEN OFF
DATE TAKEN OFF

BR-2221
B 0-1000-8

ROBERT WOODS
 9-17-38
 7:00 AM - 11:30 AM
 33-18-38
 1500







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

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

March 30, 1999

CERTIFIED MAIL
RETURN RECEIPT NO. P 288 259 116

Mr. Bob Patterson
Rowland Trucking Company
P.O. Box 340
Hobbs, NM 88240

Subject: **NOTICE OF DEFICIENCY**

Re: Truckers #2 Brine Station (BW-018)

The New Mexico Oil Conservation Division (NMOCD) is in receipt of Rowland Trucking Company's (RTC's) Discharge Plan Application dated April 15, 1998. NMOCD issued a public notice on May 1, 1998. Upon reviewing RTC's file the NMOCD found the following deficiencies:

1. RTC failed to submit the required \$50.00 filing fee. Please send and make check payable to NMED-Water Quality Management and addressed to the OCD Santa Fe Office by **April 30, 1999.**
2. RTC is not current on the required quarterly reports. Please submit quarterly reports listing, by month, the volumes of fluids injected and produced by **April 30, 1999.**
3. **RTC has not ran an Annuals/Casing Mechanical Integrity test since 1991.** Prior to Discharge Plan approval OCD will require the casing/tubing to be isolated from the formation and tested to 300 psi for 30 minutes. The existing packer and/or another packer shall be set immediately above the top perfs and casing/tubing filled with an inert fluid and allowed to stabilize. A continuous recording pressure chart with a 2 hour clock shall be installed on the casing/tubing annulus. The recorder pressure range shall not be greater than 1,000 psi.

OCD will require this test to be preformed and results submitted to this office by May 30, 1999. RTC shall notify OCD District and Santa Fe Offices 72 hours prior to all testing so that an OCD representative may witness the test. The test shall be ran during OCD's normal working hours.

Bob Patterson
March 30, 1999
Page 2

OCD recommends that a test be conducted at this same time to determine the size and configuration of the mined cavity during this event, as this test will eventually be required as part of RTC's discharge plans requirements. The method and time of testing shall also be approved by OCD prior to performing test.

If you require any further information or assistance please do not hesitate to write or call me at (505-827-7155).

Sincerely Yours,



Wayne Price-Pet. Engr. Spec
Environmental Bureau

xc: OCD Hobbs District Office

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

RECEIVED
MAY 14 1998

DISCHARGE PLAN APPLICATION FOR BRINE EXTRACTION FACILITIES
(Refer to OCD Guidelines for assistance in completing the application.)

RECEIVED
MAY 14 1998

NEW RENEWAL

Environmental Bureau
Oil Conservation Division

- I. FACILITY NAME: UNICHEM INTERNATIONAL, TRUCKER'S #2 BRINE EXTRACTION FACILITY
- II. OPERATOR: Rowland Trucking Company
ADDRESS: P.O. Box 340, Hobbs, NM 88240
CONTACT PERSON: Bob Patterson PHONE: 394-258
- III. LOCATION: /4 /4 Section 33 Township 18S Range 38E
Submit large scale topographic map showing exact location.
- IV. Attach the name and address of the landowner of the facility site.
Information on file NMOCD, Santa Fe, NM Discharge Plan BW-18
- V. Attach a description of the types and quantities of fluids at the facility.
Information on file NMOCD, Santa Fe, NM Discharge Plan BW-18
- VI. Attach a description of all fluid transfer and storage and fluid and solid disposal facilities.
Information of file NMOCD, Santa Fe, NM Discharge Plan BW-18
- VII. Attach a description of underground facilities (i.e. brine extraction well).
Information of file NMOCD, Santa Fe, NM Discharge Plan BW-18
- VIII. Attach a contingency plan for reporting and clean-up of spills or releases.
Information of file NMOCD, Santa Fe, NM Discharge Plan BW-18
- 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.
Information of file NMOCD, Santa Fe, NM Discharge Plan BW-18
- 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: Bob Patterson Title: Supervisor

Signature: *Bob Patterson* Date: 4-15-98

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

RECEIVED

MAY 14 1998

DISCHARGE PLAN APPLICATION FOR BRINE EXTRACTION FACILITIES
(Refer to OCD Guidelines for assistance in completing the application.)
Central Bureau
OIL CONSERVATION DIVISION

NEW RENEWAL

- I. FACILITY NAME: UNICHEM INTERNATIONAL, TRUCKER'S #2 BRINE STATION
- II. OPERATOR: Rowland Trucking Company
ADDRESS: P.O. Box 340, Hobbs, NM 88240
CONTACT PERSON: Bob Patterson PHONE: 394-258
- III. LOCATION: /4 /4 Section 33 Township 18S Range 38E
Submit large scale topographic map showing exact location.
- IV. Information on file NMOCD, Santa Fe, NM Discharge Plan BW-18
Attach the name and address of the landowner of the facility site.
- V. Information on file NMOCD, Santa Fe, NM Discharge Plan BW-18
Attach a description of the types and quantities of fluids at the facility.
- VI. Information of file NMOCD, Santa Fe, NM Discharge Plan BW-18
Attach a description of all fluid transfer and storage and fluid and solid disposal facilities.
- VII. Information of file NMOCD, Santa Fe, NM Discharge Plan BW-18
Attach a description of underground facilities (i.e. brine extraction well).
- VIII. Information of file NMOCD, Santa Fe, NM Discharge Plan BW-18
Attach a contingency plan for reporting and clean-up of spills or releases.
- IX. Information of file NMOCD, Santa Fe, NM Discharge Plan BW-18
Attach geological/hydrological evidence demonstrating that brine extraction operations will not adversely impact fresh water.
- X. Information of file NMOCD, Santa Fe, NM Discharge Plan BW-18
Attach such other information as is necessary to demonstrate compliance with any other OC rules, regulations and/or orders.
- XI. Information of file NMOCD, Santa Fe, NM Discharge Plan BW-18
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 the 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: Bob Patterson Title: Supervisor

Signature:  Date: 4-15-98

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

The Santa Fe New Mexican

Since 1849. We Read You.

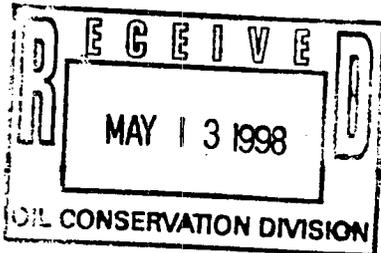
NM OCD

AD NUMBER: 23232

ACCOUNT: 56689

LEGAL NO: 63435

P.O. #: 98-199-000



301 LINES ONCE at \$ 120.40

Affidavits: 5.25

Tax: 7.85

Total: \$ 133.50

AFFIDAVIT OF PUBLICATION

STATE OF NEW MEXICO
COUNTY OF SANTA FE

I, BETSY PERNER being first duly sworn declare and say that I am Legal Advertising Representative of THE SANTA FE NEW MEXICAN, a daily news paper published in the English language, and having a general circulation in the Counties of Santa Fe and Los Alamos, State of New Mexico and being a Newspaper duly qualified to publish legal notices and advertisements under the provisions of Chapter 167 on Session Laws of 1937; that the publication # 63435 a copy of which is hereto attached was published in said newspaper once each WEEK for ONE consecutive week(s) and that the notice was published in the newspaper proper and not in any supplement; the first publication being on the 1 day of MAY 1998 and that the undersigned has personal knowledge of the matter and things set forth in this affidavit.

/s/

Betsy Perner

LEGAL ADVERTISEMENT REPRESENTATIVE

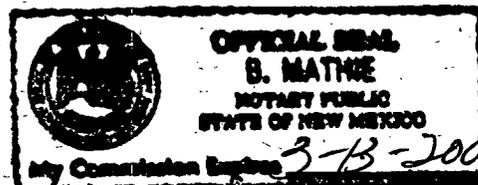
Subscribed and sworn to before me on this
1 day of MAY A.D., 1998

Notary

B. Mathe

Commission Expires 3-13-2001

*GW-144-GW-146
& GW-147
OK
JF*





NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

April 28, 1998

CERTIFIED MAIL
RETURN RECEIPT NO. P-288-259-059

Mr. Pete Turner
Rowland Trucking Company
418 South Grimes
Hobbs, New Mexico 88240

RE: Quarterly Reports
Truckers #2 Brine Station (BW-018) and Carlsbad Brine Station (BW-019)

Dear Mr. Turner:

As a condition of discharge plan approval, all brine facilities are required to submit quarterly reports listing, by month, the volumes of fluids injected and produced, The New Mexico Oil Conservation Division had not received any quarterly reports for the above mention brine facilities since January 25, 1992. Please update all delinquent quarterly reports by June 29, 1998.

If Rowland has any questions, please contact me at (505) 827-7155.

Sincerely,

Mark Ashley
Geologist

xc: OCD Hobbs Office

PS Form 3800, April 1995

US Postal Service	
Receipt for Certified Mail	
No Insurance Coverage Provided.	
Do not use for International Mail (See reverse)	
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Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

P 288 259 059

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 application(s) have been submitted to the Director of the Oil Conservation Division, 2040 South Pacheco, Santa Fe, New Mexico 87505, Telephone (505) 827-7131:

(GW-144) - Union Pacific Resources, Karen Singletary, (817) 877-6764, 801 Cherry Street, Fort Worth, Texas 76102-6803, has submitted a discharge application for its previously approved discharge plan for the Westall Compressor Station located in the SW/4 NW/4 of Section 35, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico. Approximately 3 gallons per day of wash down water is stored in an above ground steel tank prior to disposal at an OCD approved site. Ground water most likely to be affected in the event of an accidental discharge is at a depth of approximately 16 feet with a total dissolved solids concentration of approximately 7,843 mg/l. The discharge plan addresses how spills, leaks, and other accidental discharges to the surface will be managed.

(GW-146) Burlington Resources, Jeff Schoenbacher, (505) 326-9537, P.O. Box 4289, Farmington, New Mexico, 87499-4289, has submitted a discharge application for its previously approved discharge plan for the Sims Mesa Compressor Station located in the NE/4 of Section 22, Township 30 North, Range 7 West, NMPM, Rio Arriba County, New Mexico. Approximately 36 gallons per day of waste water is stored in above ground closed top steel tanks prior to disposal at an OCD approved site. Ground water most likely to be affected in the event of an accidental discharge is at a depth of approximately 160 feet with a total dissolved solids concentration of approximately 600 mg/l. The discharge plan addresses how spills, leaks, and other accidental discharges to the surface will be managed.

(GW-147) El Paso Natural Gas Company, Donald R. Payne, (915) 759-2270, P.O. Box 1492, El Paso, Texas, 79901-1442, has submitted a discharge application for its previously approved discharge plan for the Deming Compressor Station located in the SE/4 SE/4 of Section 32, Township 23 South, Range 11 West, NMPM, Luna County, New Mexico. Approximately 43,200 gallons per day of cooling tower blowdown water with a total dissolved solids concentration of approximately 77,000 mg/l is stored in above ground lined evaporation pond equipped with leak detection. Ground water most likely to be affected in the event of an accidental discharge is at a depth of approximately 30 feet with a total dissolved solids concentration of

approximately 5,000 mg/l. The discharge plan addresses how spills, leaks, and other accidental discharges to the surface will be managed.

(BW-018) Rowland Trucking Company, Bob Patterson, (505) 394-2581, P.O. Box 340, Hobbs, New Mexico, 88240, has submitted a discharge application for its previously approved discharge plan for the Trucker's #2 Brine Station located in the NE/4 SW/4 of Section 33, Township 18 South, Range 38 East, NMPM, Lea County, New Mexico. Fresh water is injected into the Salado Formation at an approximate depth of 2,000 feet and brine is extracted with an average total dissolved solids concentration of 390,000 mg/l. Ground water most likely to be affected in the event of an accidental discharge is at a depth of approximately 60 feet with a total dissolved solids concentration of approximately 500 mg/l. 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(s) may be viewed at the above address between 8:00 a.m. and 4:00 p.m., Monday through Friday. Prior to ruling on any proposed discharge plan application(s), 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 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(s) based on information available. If a public hearing is held, the Director will approve or disapprove the proposed plan(s) based on the information in the discharge plan application(s) and information submitted at the hearing.

GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 24th day of April 1998.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



LORI WROTENBERY, Director

S E A L

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: UNICHEM INTERNATIONAL, TRUCKER'S #2 BRINE STATION
- II. OPERATOR: Rowland Trucking Company
ADDRESS: P.O. Box 140, Hobbs, NM 88240
CONTACT PERSON: Bob Patterson PHONE: 394-2581
- III. LOCATION: /4 /4 Section 33 Township 18S Range 38E
Submit large scale topographic map showing exact location.
- IV. Attach the name and address of the landowner of the facility site.
Information on file NMOCD, Santa Fe, NM Discharge Plan BW-18
- V. Attach a description of the types and quantities of fluids at the facility.
Information on file NMOCD, Santa Fe, NM Discharge Plan BW-18
- VI. Attach a description of all fluid transfer and storage and fluid and solid disposal facilities.
Information of file NMOCD, Santa Fe, NM Discharge Plan BW-18
- VII. Attach a description of underground facilities (i.e. brine extraction well).
Information of file NMOCD, Santa Fe, NM Discharge Plan BW-18
- VIII. Attach a contingency plan for reporting and clean-up of spills or releases.
Information of file NMOCD, Santa Fe, NM Discharge Plan BW-18
- 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.
Information of file NMOCD, Santa Fe, NM Discharge Plan BW-18
- 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: Bob Patterson

Title: Supervisor

Signature: *Bob Patterson*

Date: 4-15-98

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



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

January 23, 1998

CERTIFIED MAIL
RETURN RECEIPT NO. P-288-259-009

Mr. Pete Turner
Rowland Trucking Company
418 South Grimes
Hobbs, New Mexico 88240

**RE: Discharge Plan BW-018 (formerly DP-371) Renewal Notice
Truckers Brine-Hobbs
Lea County, New Mexico**

Dear Mr. Turner:

On December 18, 1982, the groundwater discharge plan, DP-371, for the Unichem International, Inc. Truckers Brine Station located in the NE/4, SW/4 of Section 33, Township 18 South, Range 38 East, NMPM, Lea County, New Mexico, was approved by the Director of the New Mexico Environmental Division (ED) (formerly the New Mexico Environmental Improvement Division). The discharge plan was subsequently renewed on July 19, 1988 by the ED and February 11, 1993 by the New Mexico Oil Conservation Division (OCD). This discharge plan was required and submitted pursuant to Water Quality Control Commission (WQCC) regulations and was approved pursuant to Section 3109 for a period of five years. The approval will expire on July 18, 1998. The Truckers Brine Station is now owned and operated by Rowland Trucking Company (Rowland).

If the facility continues to have potential or actual effluent or leachate discharges and wishes to continue operation, the discharge plan must be renewed. **Pursuant to Section 5101.G., if an application for renewal is submitted at least 180 days before the discharge plan expires, then the existing approved discharge plan for the same activity shall not expire until the application for renewal has been approved or disapproved.** The OCD is reviewing discharge plan submittals and renewals carefully and the review time can extend for several weeks to months. Please indicate whether Rowland has made, or intends to make, any changes in the system, and if so, please include these modifications in the application for renewal.

The discharge plan renewal application for the **Truckers Brine Station** is subject to WQCC Regulation 3114. Every billable facility submitting a discharge plan renewal will be assessed a

Mr. Pete Turner
January 23, 1998 •
Page 2

fee equal to the filing fee of \$50 plus a flat fee of \$690.00 for Brine Extraction Facilities. The \$50 filing fee is to be submitted with the discharge plan renewal application and is nonrefundable. The flat fee for an approved discharge plan renewal may be paid in a single payment due at the time of approval, or in equal annual installments over the duration of the discharge plan.

Please make all checks payable to: **NMED-Water Quality Management** and addressed to the OCD Santa Fe Office.

Please submit the original discharge plan renewal application and one copy to the OCD Santa Fe Office and one copy to the OCD Hobbs District Office. **Note that the completed and signed application form must be submitted with the discharge plan renewal request.** A complete copy of the regulations is also available on the OCD's website at www.emnrd.state.nm.us/ocd/.

If Rowland no longer has any actual or potential discharges and a discharge plan is not needed, please notify this office. If Rowland has any questions, please do not hesitate to contact Mark Ashley at (505) 827-7155.

Sincerely,



Roger C. Anderson
Environmental Bureau Chief

RCA/mwa

xc: OCD Hobbs Office

P 288 259 009

PS Form 3800, April 1995

US Postal Service Receipt for Certified Mail No Insurance Coverage Provided. Do not use for International Mail (See reverse)	
Sent to	
Street & Number	
Post Office, State, & ZIP Code	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
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Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

November 24, 1997

Mr. Pete Turner
Rowland Trucking Company
418 South Grimes
Hobbs, New Mexico 88240

RE: Mechanical Integrity Testing of Brine Supply Wells

Dear Mr. Pete Turner:

Enclosed is a copy of the mechanical integrity test conducted on your brine well. Please retain this copy for your records.

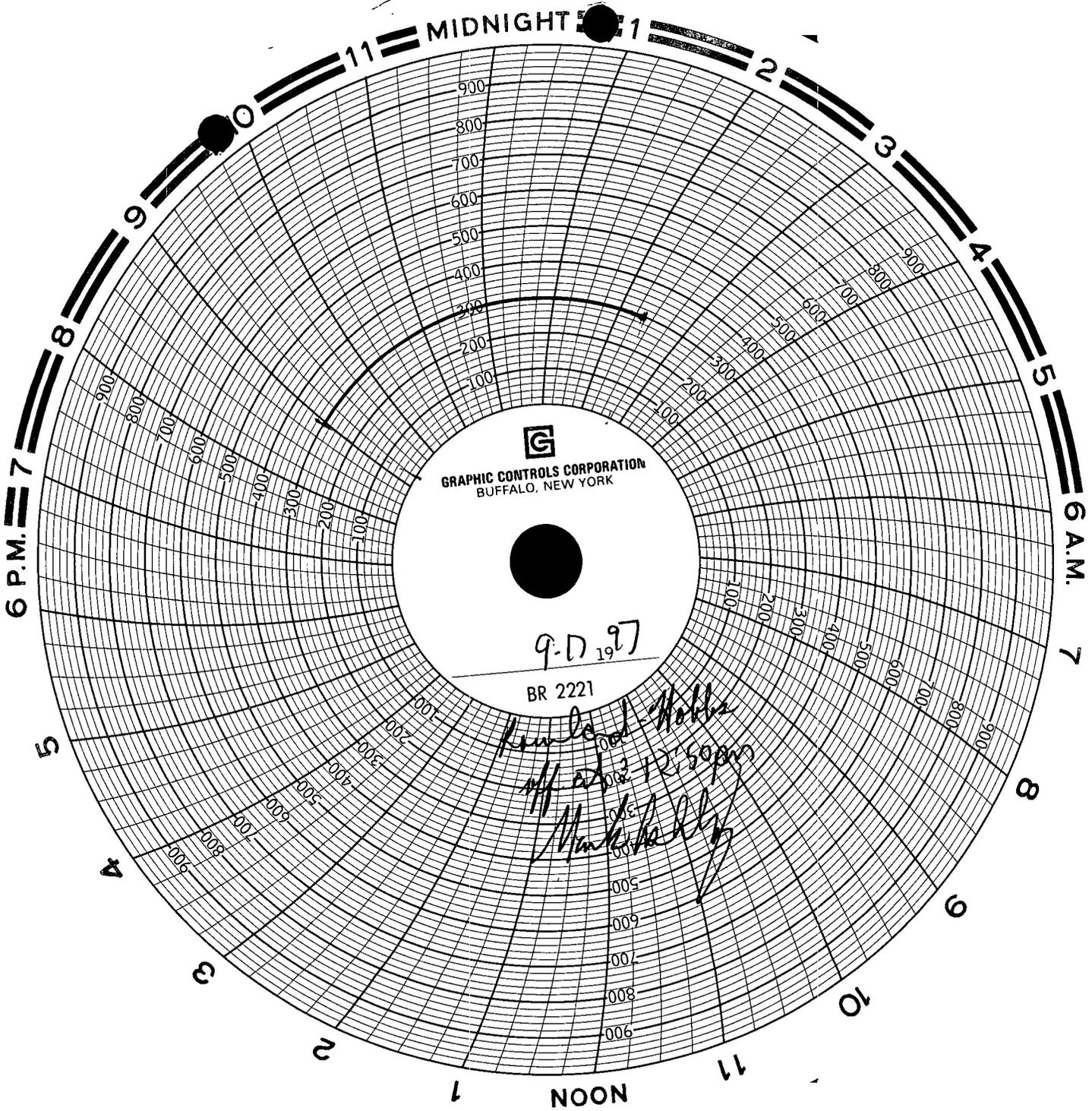
As a condition of discharge plan approval, all brine facilities are required to submit a quarterly report listing, by month, the volumes of fluids injected and produced. The New Mexico Oil Conservation Division (OCD) has not received any quarterly reports for the Carlsbad or the Hobbs brine stations since February 2, 1992. Please update all delinquent quarterly reports by January 26, 1997.

On behalf of the OCD, I would like to thank you for your time and cooperation during the testing. If you have any questions, please contact me at (505) 827-7155.

Sincerely,

Mark Ashley
Geologist

Attachment



GRAPHIC CONTROLS CORPORATION
BUFFALO, NEW YORK

9-D 1977

BR 2221

Lowland Hobbs
off about 12:50 pm
Mark Hobbs

P 288 258 946

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to	
Street & Number	
Post Office, State, & ZIP Code	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

PS Form 3800, April 1995



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

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

August 12, 1997

Certified Mail

Return Receipt No. P-288-258-946

Mr. Pete Turner
Rowland Trucking Company
418 South Grimes
Hobbs, New Mexico 88240

RE: Mechanical Integrity Testing of Brine Supply Wells

**Annual Test
Truckers Brine-Hobbs BW-018
Lea County, New Mexico**

**Annual Test
Truckers Brine-Carlsbad BW-019
Eddy County, New Mexico**

Dear Mr. Turner:

The Underground Injection Control Program of the Federal Safe Drinking Water Act requires that operators demonstrate mechanical integrity of all injection wells by ensuring that there are no leaks in the tubing, casing, or packer, and that the injected fluid is confined within the injection zone through proper cementing.

All brine wells that operate without a packer will be required to have an annual open hole pressure test equal to 1.5 times the normal operating pressure or 300 psi, whichever is greater, for four hours with a maximum of 10 percent bleed-off allowed. Every five years or at the time of discharge plan renewals they will be required to have an open hole pressure test equal to 1.5 times the normal operating pressure or 300 psi, whichever is greater, for four hours with zero bleed-off.

All brine wells that operate with a packer will be required to have an annual casing/tubing annulus pressure test equal to 300 psi for 30 minutes.

Operators will be responsible for providing equipment and shall bear all costs incurred. The date and time of all tests will be scheduled and witnessed by the New Mexico Oil Conservation Division.

Please have the Truckers Brine-Hobbs ready for testing on September 16, 1997 at 7:00 AM, and the Truckers Brine-Carlsbad ready for testing on September 18, 1997 at 9:00 AM as outlined below.

For brine wells operating without a packer:

- 1) The cavern must be pressured up and stabilized for a period of at least 24 hours prior to testing.

Mr. Pete Turner
August 12, 1997
Page 2

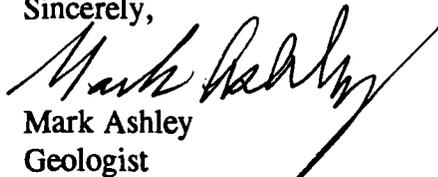
- 2) The system shall be tested to 1.5 times the normal operating pressure or 300 psi, whichever is greater, for a period of four hours. A maximum of 10 percent bleed-off will be allowed for annual tests. Testing conducted every five years or at the time of discharge plan renewal will have zero bleed-off.
- 3) A continuous recording pressure chart with an 8 hour clock shall be installed on the casing/tubing annulus. The pressure range shall not be greater than 1,000 psi.
- 4) Have well head prepared for test. All valves should be in good working order.
- 5) All gauges shall be in good working order.
- 6) Have manpower and equipment available for pressure test.

For brine wells operating with a packer:

- 1) Have the casing/tubing annulus and tubing loaded with inert fluid prior to testing.
- 2) The casing/tubing annulus shall be tested to 300 psi for 30 minutes.
- 3) A continuous recording pressure chart with an 8 hour clock shall be installed on the casing/tubing annulus. The pressure range shall not be greater than 1,000 psi.
- 4) Have well head prepared for test. All valves should be in good working order.
- 5) All gauges shall be in good working order.
- 6) Have manpower and equipment available for pressure test.

If you have any questions regarding this matter, please feel free to contact me at (505) 827-7155.

Sincerely,


Mark Ashley
Geologist

PRINTED IN U.S.A.

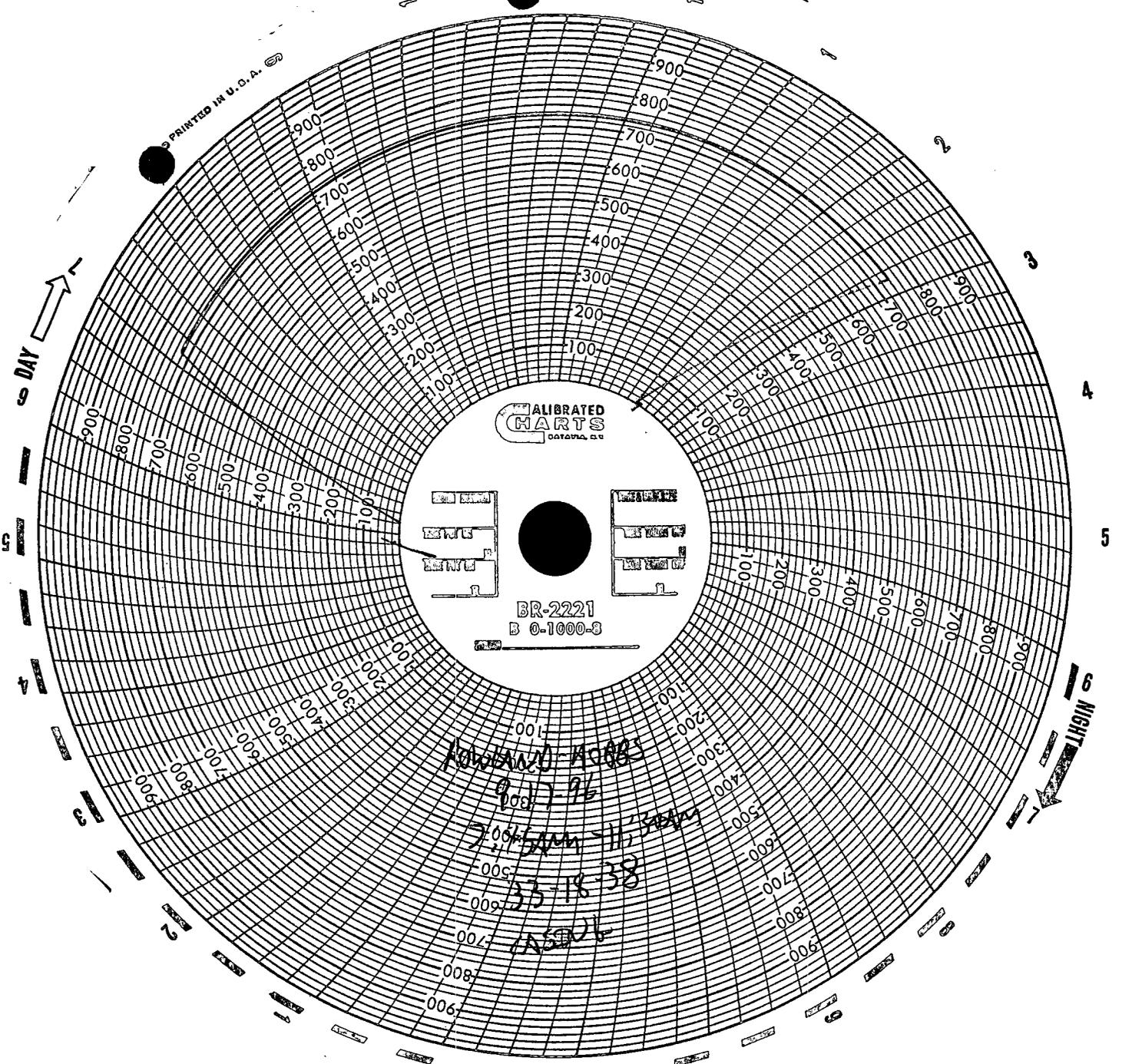
CALIBRATED
CHARTS
DATA, INC.

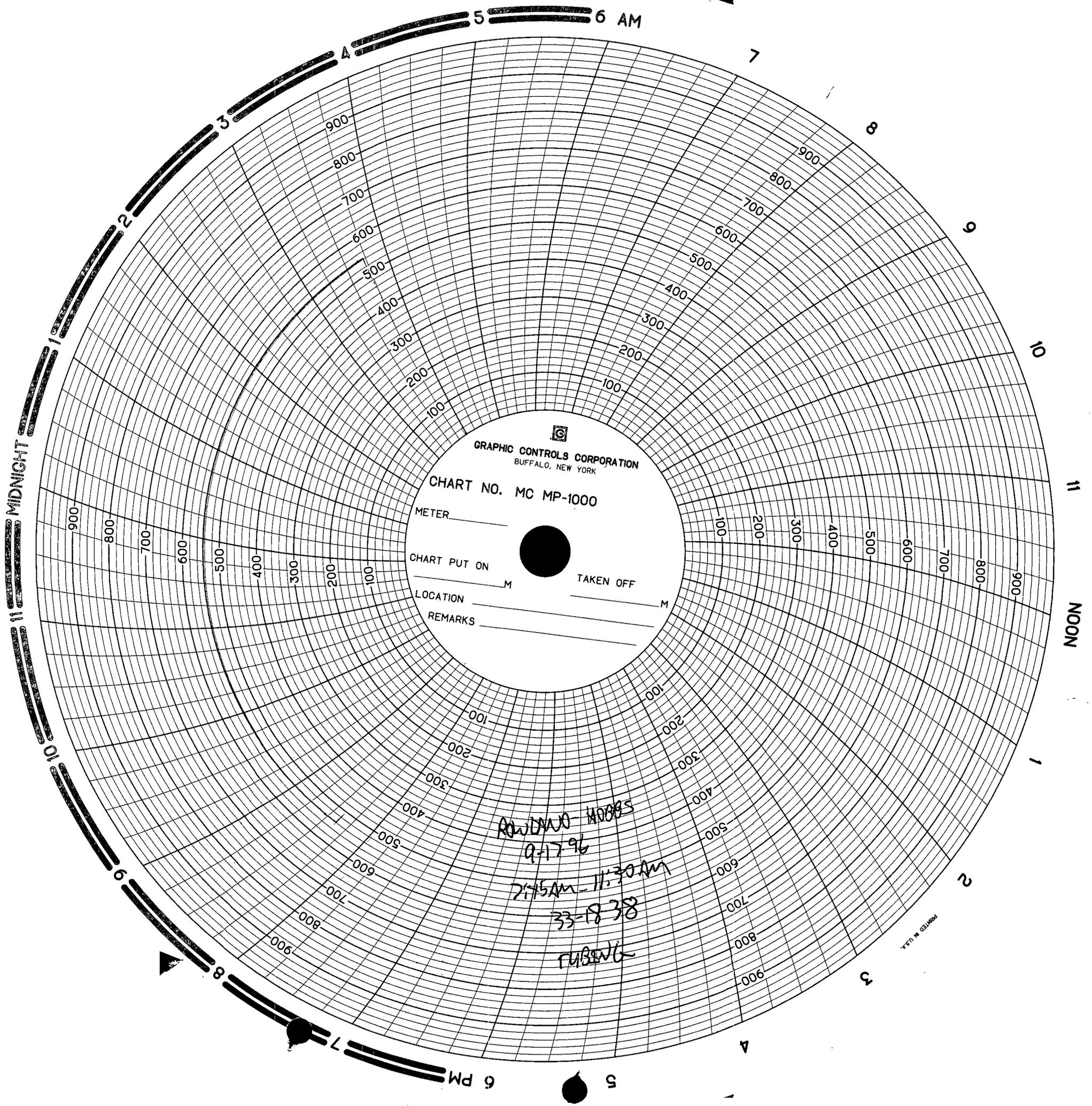
BR-2221
B 0-1000-3

HOWARD ACOBS
9007 7/6
7:00 AM - 11:30 AM
33-18-38
ASD

DAY

NIGHT





GRAPHIC CONTROLS CORPORATION
BUFFALO, NEW YORK

CHART NO. MC MP-1000

METER _____

CHART PUT ON _____

LOCATION _____

REMARKS _____

TAKEN OFF _____

ROWEN WOODS
9-17-96

7:45 AM - 11:30 AM

33-18 38

RUBEN G

MADE IN U.S.A.



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

October 3, 1996

Mr. Pete Turner
Rowland Trucking Company
418 South Grimes
Hobbs, New Mexico 88240

RE: Mechanical Integrity Testing of Brine Supply Wells

Dear Mr. Pete Turner:

Enclosed is a copy of the mechanical integrity test conducted on your brine well. Please retain this copy for your records.

On behalf of the New Mexico Oil Conservation Division, I would like to thank you for your time and cooperation during the testing. If you have any questions, please contact me at (505) 827-7155.

Sincerely,

A handwritten signature in cursive script that reads "Mark Ashley".

Mark Ashley
Geologist

Attachment



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

August 16, 1996

Certified Mail

Return Receipt No. P-288-258-821

Mr. Pete Turner
Rowland Trucking Company
418 South Grimes
Hobbs, New Mexico 88240

RE: Mechanical Integrity Testing of Brine Supply Wells

Discharge Plan Renewal Test	Annual Test
Truckers Brine-Carlsbad BW-019	Truckers Brine #2-Hobbs BW-018
Eddy County, New Mexico	Lea County, New Mexico

Dear Mr. Turner:

The Underground Injection Control Program of the Federal Safe Drinking Water Act requires that operators demonstrate mechanical integrity of all injection wells by ensuring that there are no leaks in the tubing, casing, or packer, and that the injected fluid is confined within the injection zone through proper cementing.

All brine wells that operate without a packer will be required to have an annual open hole pressure test equal to 1.5 times the normal operating pressure or 300 psig, whichever is greater, for four hours with a maximum of 10 percent bleed-off allowed. Every five years or at the time of discharge plan renewals they will be required to have an open hole pressure test equal to 1.5 times the normal operating pressure or 300 psig, whichever is greater, for four hours with zero bleed-off.

All brine wells that operate with a packer will be required to have an annual casing/tubing annulus pressure test equal to 1.5 times the normal operating pressure or 300 psig, whichever is greater, for four hours.

Operators will be responsible for providing equipment and shall bear all costs incurred. The date and time of all tests will be scheduled and witnessed by the New Mexico Oil Conservation Division.

Please have the Truckers Brine-Carlsbad ready for testing on September 16, 1996 at 8:00 AM, and the Trucker Brine #2-Hobbs ready for testing on September 17, 1996 at 7:00 AM as outlined below.

Mr. Pete Turner
August 16, 1996
Page 2

For brine wells operating without a packer:

- 1) The cavern must be pressured up and stabilized for a period of at least 24 hours prior to testing.
- 2) The system shall be tested to 1.5 times the normal operating pressure or 300 psig, whichever is greater, for a period of four hours. A maximum of 10 percent bleed-off will be allowed for annual tests. Testing conducted every five years or at the time of discharge plan renewal will have zero bleed-off.
- 3) A continuous recording pressure chart with an 8 hour clock shall be installed on both the casing/tubing annulus and tubing. The pressure range shall not be greater than 1,000 psig.
- 4) Have well head prepared for test. All valves should be in good working order. All casing/tubing annulus and tubing valves shall be open.
- 5) All gauges shall be in good working order.
- 6) Have manpower and equipment available for pressure test.

For brine wells operating with a packer:

- 1) Have the casing/tubing annulus and tubing loaded with inert fluid prior to testing.
- 2) The casing/tubing annulus shall be tested to 1.5 times the normal operating pressure or 300 psig, whichever is greater, for four hours.
- 3) A continuous recording pressure chart with an 8 hour clock shall be installed on the casing/tubing annulus. The pressure range shall not be greater than 1,000 psig.
- 4) Have well head prepared for test. All valves should be in good working order.
- 5) All gauges shall be in good working order.
- 6) Have manpower and equipment available for pressure test.

Mr. Pete Turner
 August 16, 1996
 Page 3

If you have any questions regarding this matter, please feel free to contact me at (505) 827-7155.

Sincerely,



Mark Ashley
 Geologist

P 288 258 821

PS Form 3800, April 1995

US Postal Service Receipt for Certified Mail No Insurance Coverage Provided. Do not use for International Mail (See reverse)	
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Street & Number	
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Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	