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**GENERAL
CORRESPONDENCE**

YEAR(S):

1998

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October 22, 1998

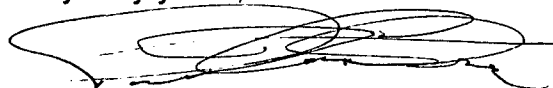
Mr. Wayne Price
Environmental Engineer
New Mexico Energy, Minerals &
Natural Resources Department
2040 South Pachecho
Santa Fe, NM 87505

Re: Shahara Oil LLC's Phillips State Lease
NE/4 NW/4, Section 16-T17S, R33E, Lea County, NM

Dear Mr. Price:

Please be advised that Shahara Oil has retained a consultant for preparation of the appropriate remediation/closure plan for the captioned well. The same should be submitted to you shortly.

Very truly yours,



Paul A. Cooter

PAC\smb

cc: Perry Hughes
Alberto Gutierrez

DISTRICT I
P.O. Box 1940 Hobbs, NM
District II
Drawer DD, Artesia, NM 88211
District III
100 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NM 87505

SUBMIT 1 COPY TO
APPROPRIATE
DISTRICT OFFICE
AND 1 COPY TO
SANTA FE OFFICE

(Revised 3/9/94)

PIT REMEDIATION AND CLOSURE REPORT

Operator: Shahara Oil, LLC Telephone: 885-5433
Address: 207 W McKay, Carlsbad NM 88220
Facility Or: Phillips State Lease
Well Name _____
Location: Unit or Qtr/Qtr sec C Sec 16 T 17S R 33E County Lea
Pit Type: Separator Dehydrator Other Emergency Overflow
Land Type: BLM , State X, Fee , Other

Pit Location: Pit dimensions: length 50', width 20', depth 4'
(attach diagram) Reference: wellhead , other
Footage from reference: _____
Direction from reference: _____ Degrees _____ East North _____
_____ of _____
_____ West South _____

Depth To Ground Water: Less than 50 feet (20 points)
(Vertical distance from 50 feet to 99 feet (10 points)
contaminants to seasonal Greater than 100 feet (0 Points) 0
high water elevation of
ground water)

Wellhead Protection Area: Yes (20 points)
(Less than 200 feet from a private No (0 points) 0
domestic water source, or; less than
1000 feet from all other water sources)

Distance To Surface Water: Less than 200 feet (20 points)
(Horizontal distance to perennial 200 feet to 1000 feet (10 points) 0
lakes, ponds, rivers, streams, creeks, Greater than 1000 feet (0 points)
irrigation canals and ditches)

RANKING SCORE (TOTAL POINTS): 0

Date Remediation Started: 12/22/97 Date Completed: 12/22/97

Remediation Method: Excavation Approx. cubic yards
(Check all appropriate sections) Landfarmed Insitu Bioremediation
Other

Remediation Location: Onsite Offsite
(ie. landfarmed onsite, name and location of offsite facility)

General Description Of Remedial Action: Dry emergency pit filled with caliche. Ground contours returned to original. This work done in conjunction with expansion of tank battery and doing away with all injection facilities on lease as part of redevelopment project.

Ground Water Encountered: No X Yes Depth

Final Pit:
Closure Sampling:
(if multiple samples, attach sample results and diagram of sample locations and depths)

Sample location

Sample depth

Sample date Sample time

Sample Results

Benzene(ppm)

✓ Total BTEX(ppm)

Field headspace(ppm)

✓ ✓ TPH
✓ CHLORIDES

BOTTOM
HOLE
TPH
BTEX
CHLORIDES

Ground Water Sample: Yes No (If yes, attach sample results)

I HEREBY CERTIFY THAT THE INFORMATION ABOVE IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE AND BELIEF

DATE 06/30/98

SIGNATURE

Perry L. Hughes

PRINTED NAME Perry L. Hughes
AND TITLE President