

REPORTS

DATE: 2003 - 1997

Clay & Jeri Osborn 11 Rocky Top Lane P.O. Box 1285 **Jal, NM 88252** Phone 505.395.2510 Fax 505.395.2676 E-Mail cjosborn@valornet.com



505.395.2676

Fax

To:	Mr. E	Bill Olson		From:	Clay Osborn	
Faoc.	505.	476.3462		Pages:	2	
Phone:	505.	476.3440		Date:	12/28/2003	
Re:	Mara	alo Jalmat Yates Un	it Well #10	CC:		
🗆 Urge	ent	E For Review	🗋 Please Coi	nment	Please Reply	🗋 Please Recycle
					<u></u>	

• Comments:

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Rocky Top Ranch

Clay & Jeri Osborn P.O. Box 1285 Jal, NM 88252-1285 Phone 505.395.2510 Fax 505.395.2676 E-Mail cjosborn@valornet.com

Mr. Chris Williams New Mexico Oil Conservation Division 1625 N. French Dr. Hobbs, NM 88240

December 28, 2003

Re: Maralo Jalmat Yates Well #10

Dear Mr. Williams,

While mapping leaks at our ranch we have discovered that the Maralo Jalmat Yates Unit, Well # 10 was drilled off Unit, and on the Smith and Marrs, Inc., Elydia C. Winters Lease. This well should be in Section 12, Township 25S, Range 36E, Lea County NM not in Section 7, Township 25S, Range 37E. This is a very serious matter that needs investigated immediately.

I am enclosing maps and pictures of an injection line leak to aid in your investigation into this matter. This well seems to have been drilled in the South Langlie Jal Unit, and unless there is a chance this is a directionally drilled well, then there are no correct royalty schedules, drilling permits, or injection permits.

As I have previously stated this is a very serious matter and has far reaching implications for oil revenues from offset producers and our interest as fee owners. I request that this be given high priority in your Division as conservers of the State of New Mexico's interest.

This letter is being written with hope that your response will be forthcoming and prompt.

Sincerely,

Clay Osborn

cc Lori Wrotenbery, Director, NMOCD, Santa Fe Office Bill Olson, NMOCD, Santa Fe Office

Copy

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Clay & Jeri Osbom 11 Rocky Top Lane P.O. Box 1285 Jal, NM 88252 Phone 505,395.2510 Fax 505.395.2676 E-Mail cjosborn@valornet.com





To:	Mr. i	Bill Olson		From:	Clay Osborn	
Fax:	505.	476.3462		Pages:	3	
Phone:	505.	476.3440		Date:	12/28/2003	
Re:	Sou	th Langlie Jal Unit A	batement Plan	CC:		
🗆 Urge	mt	🛛 For Review	Please Col	mment	Please Reply	🗆 Please Recycle

• Comments:

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Recid 12.27.03

SMITH & MARRS INC. BOX 863 KERMIT, TEXAS 79745

December 23, 2003

Mr. & Mrs. Clay Osborn Box 1285 JAL, N.M. 88252

Dear Mr. & Mrs. Osborn

As you are aware BURRO LAKE LLC purchased from CHAPARRAL ENERGY, L.L.C. the South Langlie Jal Unit in Lea County, New Mexico in November, 2002. SMITH & MARRS INC. as the operator has entered into an agreement with the NMOCD and Chaparral to conduct the Stage 1 Abatement Plan that was agreed to by Chaparral & Bristol in 1999.

We request you provide us with written permission to enter the land covered by the Stage 1 Abatement plan in order to drill the abatement wells (10 wells +-).

If I do not receive a response by January 9, 2004, I assume you are denying us permission to drill the abatement wells.

Thank you, for you consideration on this matter and I look forward to hearing from you in the near future.

Sincerely,

Rickey Smith

cc: Chad Smith GREAK & SMITH PC

Rocky Top Ranch

Clay & Jeri Osborn P.O. Box 1285 Jal, NM 88252 Phone 505.395.2510 Fax 505.395.2676 E-Mail cjosborn@valornet.com

December 27, 2003

Smith & Marrs, Inc. P.O. Box 863 Kermit, Texas 79745

Dear Mr. Smith,

We are in receipt of your letter dated December 23, 2003. As per your intro to our awareness of Burro Lake, LLC, you are much mistaken. We were not aware of BURRO LAKE, LLC and have never heard of them; maybe you could forward their address and a person's name to contact so that we can forward this response to them as well. You have also alluded to an agreement between NMOCD and Chaparral Energy, Inc in 1999. We also are not aware that Bristol Resources Corp. and Chaparral Energy, Inc. had agreed to an Abatement Plan for the South Langlie Jal Unit back in 1999.

We are aware that Smith & Marrs, Inc. is the operator of the South Langlie Jal Unit and of the agreement you have with the NMOCD and Chaparral Energy, LLC to conduct the Stage 1 Abatement Plan and the letter dated April 25, 2002 from Roger C. Anderson, Environmental Bureau Chief of the NMOCD, to Robert C. Lang IV of Chaparral Energy stating the OCD'S Stage 1 Abatement Plan and their conditions for the South Langlie Jal Unit.

We would be happy to meet with you on discussion of the drilling of water monitor wells, soil boreholes and all other aspects of the investigation on our property and any other issues we need to discuss in order to proceed. Please notify us at least 48 hours in advance when you would like to arrange this meeting so that I can plan my schedule accordingly.

We look forward to meeting you and discussing this matter.

Sincerely,

Clay Osborn

cc: Chris Williams, NMOCD Hobbs District Office Bill Olson, MNOCD Santa Fe Office Rodger C. Anderson, Environmental Bureau Chief, NMOCD Santa Fe Office Lori Wrotenbery, Director NMOCD, Santa Fe Office David K Brooks, Assistant General Counsel, NMOCD Santa Fe Office



<u>USPS CERTIFIED MAIL</u> # 7001 1140 0002 4295 0011 RETURN RECEIPT

September 25, 2002

Mr. Paul Sheeley Environmental Engineer New Mexico Energy, Minerals and Natural Resources Department 1625 French Drive Hobbs, New Mexico 88240

RE: USPS Certified Mail #7099 0002 3948 4110 Dated September 16, 2002 NOTICE OF VIOLATION No OCD Spill Report Submitted for August 29, 2002 UL A-Sec 13-T25S-R36E-Jalmat Battery Unlined earthen containment breached. No corrective action.

Dear Mr. Sheeley:

In regard to the alleged major spill referenced above, please be advised that the spill was discovered by Maralo LLC field personnel on August 27, 2002 and deemed a loss of less than 25 barrels; therefore, not a major produced/fresh water spill. A vacuum truck was called that date to empty the overflow tank. There was no fluid on the surface to pick up. There is no doubt our error was in not submitting the minor release information in a timely written manner. Enclosed please find the final Form C-141 as required.

We are unable to understand the Hobbs OCD consternation in its efforts to contact Maralo, LLC by telephone prior to the above September 16th notice. Please furnish this office with the telephone number used to make 10 attempts to contact.

Maralo, LLC has operated in the Hobbs District area for over 20 years, submitting a vast amount of filings. Our address and telephone number has never changed. A recorded message with contact personnel information is available at our telephone number (915-684-7441) 24 hours a day, 7 days a week, with an operator always available during weekdays from 8AM-5PM CST/CDT. This is the first instance in which a Maralo, LLC representative could not be reached.

Page 2

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The unwitting assertion in the September 16th letter "of repeated major spills and failure to comply with OCD Rules and Regulations in the past" was addressed by Mr. Rick G. Strange of Cotton, Bledsoe, Tighe & Dawson in a letter dated April 2, 2001 to Mr. William C. Olson Environmental Bureau, Santa Fe, New Mexico, which documented the recent operational history of Maralo, LLC in the Jal Mat area and the landowner's refusal to allow economic remediation by applicable standards.

Maralo, LLC will comply with OCD Rules and Regulations as required, directed and permitted.

Sincerely,

Phillip W. Smith Phillip W. Smith

Operations Manager

PWS/dl Encl. (1) Form C-141

- Cc: Lori Wrotenbery Director, NMOCD Roger Anderson – Environmental Bureau Chief Chris Williams – District I Supervisor Bill Olson – Hydrologist
 - Larry Johnson Environmental Engr.

District I 1625 N. French Dr., Hobbs, NM 88240 District II 811 South First, Artesia, NM 88210 District III 1000 Rio Brazos Road, Aztec, NM 87410 District IV 2040 South Pacheco, Santa Fe, NM 87505

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State of New Mexico Energy Minerals and Natural Resources

Oil Conservation Division 2040 South Pacheco Santa Fe, NM 87505 Form C-141 Revised March 17, 1999

Submit 2 Copies to appropriate District Office in accordance with Rule 116 on back side of form

			Relea	se Notifica	tion a	nd Cor	rective Act	ion			
					OPER	ATOR_		🗌 Ini	tial Rep	ort XX Final	Report
Name of Co	mpany ALO, LLC					Contact Pl	ILLIP SMITH	OPERAT	IONS M	ANAGER	
Address						Telephone	e No.				
		32, MIDLAN	D, TX 7	9702			915) 684-744	L			
Facility Nar	ne MAT YATES	TTMI 2			-	Facility T	ype NJECTION STA	TTON			
Surface Ow				Miner	l Owner				Lease	No	
Surface Ow	Y OSBORN			IVINICIA.					Lease	- NO.	
				LOCAT	TION (OF RELI	EASE				
Unit Letter	Section	Township	Range	Feet from the	_	South Line	Feet from the	East/We	st Line	County	
A	13	255	36E	1050	NOR	тн	1100	EAST		LEA	
				NATI		F RELE	ACE				
Type of Rele				MAIC		Volume of			Volum	e Recovered	
Source of Re	I, F/W					L	lour of Occurrence	:e	Date an	d Hour of Discov	ery
		NK OVERFLO	MED		····		2002, 8AM MD	T		JG 2002, 11AM	
Was Immedi	ate Notice (Yes 🕅	No 🚺 Not R	equired	If YES, To	Whom?				
By Whom?						Date and H	lour	·			
Was a Water	rcourse Read					If YES, Vo	olume Impacting	the Water	ourse.		
			Yes 🖸	No		-					
		pacted, Desci	_								
CAUSE:	RUBBER		IAPHRA	I RUPTURED ON	HEAD S	WITCH AND	FAILED TO S	HUTDOWN	WATER	TRANSFER PUN	Ρ,
REMEDIA		TANK OVERF : ESTABL		-NOTIFICATIO	N ON 75	O BBL WAT	ER TANK FILI	_			
AREA AI			OUTSIC	ken.* DE DIKE AREA U NTED DIRT USEI						PROX. 150' X	50'.
and regulati endanger pu of liability s water, huma	ons all oper blic health (hould their) in health or	ators are requi or the environ operations have the environme	red to rep ment. The ve failed to ent. In add	e is true and comp ort and/or file cert e acceptance of a o adequately invest dition, NMOCD a al laws and/or reg	tain relea C-141 rep stigate an acceptanc	se notification port by the N id remediate	ons and perform of MOCD marked a contamination th	corrective a as "Final R at pose a th	eport" do preat to g	r releases which n wes not relieve the round water, surfa	nay operator ice
							OIL CONS	SERVA	TION	DIVISION	
Signature:	Dan	alker	Zen	an							
Printed Nan		THEA LOGA				Approved District S	by upervisor:				
Title:	REGU	LATORY AN	LYST			Approval			Expirati	on Date:	
Date:	09/2	3/02	Phone	e: (915) 684-	7441		s of Approval:	_		Attached	

* Attach Additional Sheets If Necessary

COTTON, BLEDSOE, TIGHE & DAWSON

A PROFESSIONAL CORPORATION ATTORNEYS AT LAW 500 W. ILLINOIS SUITE 300 MIDLAND, TEXAS 79701-4337

P.O. BOX 2776 ZIP 79702-2776

TELEPHONE (915) 684-5782 FAX (915) 682-3672 WEB www.cbtd.com

April 2, 2001

FAX (713) 759-0458

1415 LOUISIANA

SUITE 2100

HOUSTON, TEXAS 77002-7351

TELEPHONE (713) 759-9281

RECENTED

APR 0 5 2001

ENVIRONMENTAL BUREAU OIL CONSERVATION DIVISION

William C. Olson, Hydrologist
Environmental Bureau
New Mexico Energy, Minerals and Natural Resources Department
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Dear Mr. Olson:

RICK G. STRANGE

BOARD CERTIFIED CIVIL TRIAL LAW

BOARD CERTIFIED OIL, GAS & MINERAL LAW

Writer's Direct #: (915) 685-8574

Writer's Direct Fax #: (915) 684-3168

Email: rstrange@cbtd.com

We have been retained by Maralo, LLC and asked to respond to your letter dated February 6, 2001. We are submitting this correspondence now to meet your deadline. From a review of the correspondence, however, it appears that the best way to resolve this issue is if the parties were to meet at the site to review the actions taken to date, and to discuss possible alternatives. If this is agreeable to you, please contact us with possible dates. We will coordinate with Mr. Osborn to find a time convenient for all.

In your February 6th letter you indicate that because Maralo has been unable to implement a soil blending remediation action plan, that we must now submit an alternate remediation plan. Of course, the reason we have been unable so far to implement a plan is the landowner's refusal to allow us to proceed with a previously approved remediation plan. What your letter leaves unsaid, but what is obvious from the correspondence and other communications to date is that the New Mexico Energy, Minerals and Natural Resources Department has apparently adopted an unwritten policy that any remediation plan must now meet with the approval of the landowner regardless of any prior action by the OCD, or any applicable standard, and regardless of how unreasonable the landowner may be. This is unacceptable.

As you are well aware, Maralo submitted a C-141 dated October 5, 2000 to your office along with a remediation plan from R.E. Environmental Services that involved cleaning the affected area using evacuation and blending until the soil reached a target level of 5,000 ppm. This is a perfectly reasonable approach, one followed by many others in the industry, and importantly, one Donna Williams, with your office, approved. On October 9, 2000 we attempted to implement the approved

A PROFESSIONAL CORPORATION

April 2, 2001 Page 2

plan, but were stopped by the landowner. Maralo contacted Ms. Williams who promised to help with Mr. Osborn on October 10th. We also asked RE Environmental to resume their activities. Despite her promise, Ms. Williams failed to contact Mr. Osborn – who once again stopped our efforts.

The plan submitted by Maralo meets all applicable standards. But for the landowner's insistence that we undertake activities that are far beyond any required standard, and are clearly uneconomical (Mr. Osborn is, for example, insisting that we pay him \$450 per acre per month until native vegetation is restored), our remediation work would now be complete.

We are willing to meet with you and Mr. Osborn at the site to discuss this issue further. We are not, however, willing to submit to an alternative remediation plan now, especially since the new standard is apparently whatever is necessary to satisfy the landowner. We remain ready and willing to implement the plan forwarded to your office on October 5th and approved by Ms. Williams.

With regard to the April 17, 2000 spill we must disagree with your statement that the information provided is insufficient to demonstrate that contaminates have not and will not migrate vertically and cause ground water contamination. Please keep in mind that the Jal Mat Yates Battery site has two firewalls. One surrounds the entire battery site, and a second the tanks themselves. The April 17th spill involved 60 barrels of water and 1 barrel of oil that escaped from a hole in the header. This spill was completely contained within the outer firewall. It did not escape the site, nor did it cross the firewall surrounding the tanks.

We took soil samples from the area where the leak occurred and the spill was contained. Because the spill did not penetrate the firewall surrounding the tanks we did not take a sample from inside that firewall. Any sample taken today from inside the firewall surrounding the tanks would have no relevance to the April 17th incident.

Soil tested at the release site six months after the spill showed the 250 ppm chloride standard for domestic water supply was located at 13.5 feet. Records from the State Engineers Office indicates the presence of two wells in the immediate area. One has a water level of 350' and the second a water level of 390'. There is, thus, no danger of ground water contamination from this spill.

In your letter you refer to "ground water data from a spill investigation west of the Jal Mat Yates Unit Battery" but you do not provide the actual data. Without the data it is impossible for us to comment, and certainly you cannot expect us to put much faith or confidence in undisclosed data. In as much as official State Records and soil testing of the affected area indicate no danger of groundwater contamination by this spill we are unwilling to agree to undertake further investigation at this time. We would be willing to review the undisclosed data and to discuss this issue further at the site.

Finally in your February 6th letter you asked for test data for the Maralo Water Supply Well #2. Attached please find a report we received from Cardinal Laboratories dated February 19, 2001. We tested not only the well you requested (the Number Two Well) but also the other freshwater

April 2, 2001 Page 3

wells in that area that we utilize in our operations. The attached report includes an analysis of oilrelated constituents. The lab followed EPA methods as is indicated in their report.

We hope you will take advantage of our offer to meet at the site and look forward to working with you.

Very truly yours,

COPTON, BLEDSOE, TIGHE & DAWSON B

Rick G. Strange

RGS/sm Enclosures CARDINAL LAB HUBBS

THUL I

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PHONE (915) 873-7001 . 2111 BEECHWOOD . ABILENE, TX 79803

PHONE (505) 393-2325 . 101 E. MARLAND - HOBBS, NM 88240

ANALYTICAL RESULTS FOR MARALO, LLC ATTN: PHILLIP SMITH P.O. BOX 832. MIDLAND, TX 79703 FAX TO: (915) 684-9836.

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Analysis Date: 02/16/01 Sampling Date: 02/13/01 Sample Type: GROUNDWATER Sample Condition: CQOL & INTACT Sample Received By: GP Analyzed By: BC

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POLYNUCLEAR AROMATIC

Receiving Date: 02/13/01

Reporting Date: 02/19/01

Project Location: JAL, NM

Lab Number: H5806-1-

Sample ID: WELL #1

Project Number: NOT GIVEN

Project Name: JALMAT YATES FRESH H20 TEST

HYE	ROCARBON - 8270 (mg/L) -	Sample Result	Method			True Value
		H5806-1	Blank	<u>Q</u> C	% Recov.	QC
1	Naphthalene	< 0.002	< 0.002	0.041	82	
2	Acenaphthylene	< 0.002	<0.002	0.042	84	0.050
3	Acenaphthene	<0.002	< 0.002	0.048	82	0.0503
4	Fluorene	<0.002	<0.002	0.053	. 106	0.050
5	Phenanthrene	< 0.002	< 0.002	0.044	88	0.050
6	Anthracene	<0.002	< 0.002	0.047	. 94	0.050
7	Fluoranthene	<0.002	<0.002	0.040	80	0.050'
8	Pyrene	<0.002	< 0.002	0.054	108	0.050'
8	Benzo(a)anthracene	. <0.002	<0.002	0.043	88	0.050
10	Chrysene	<0.002	< 0.002	0.040	. 80	0.060
11	Benzo(b)fluoranthene :	<0.002	<0.002	0.038	. 76	0.050
12	Benzo(k)fluoranthene	<0_002	<0.002	0.045	90.	
13	Benzo(a)pyrena.	<0.002	. <0.002	0.042	. 84	0.050
14	Indeno(1,2,3-cd)pyrene	<0.002	<0.002	0.044	. 88	
15	Dibenzo(a,h,)anthracene	- <0.002	<0.002	0.042	. 84	0.060
16	Benzo(g,h,l)perviene .	<0.002	<0.002	0.045	. 90	. 0.050

	% Recovery	
17 Nitrobenzene-d5	95	
18 2-Fluorobiphenyi	78	
19 Terphenyl-d14	100	

METHODS: EPA SW-846 8270

1810 Date

PLEASE NOTE: Liability and Damagas. Candinal's flability and aliant's exclusive temsoly for any claim adding, whether based in contract or tort, shall be limited to the emount peld by client for analyses. All claims, including these for negligence and any other cause whetherer shall be deemed waived unless made in writing and received by Cardinal within thirly (30) days after completion of the applicable service. In no event shall Cardinal be lable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliares. Sources of whether auch claim is based upon any of the above-stated reasons or otherwise.

CARDINAL LAB HUBBS



PHONE (915) 673-7001 · 2111 BEECHWOOD · ABILENE, TX 78605

PHONE (506) 393-2326 . 101 E. MARLAND . HOBBS, NM 86240

ANALYTICAL RESULTS FOR MARALO, LLC ATTN: PHILLIP SMITH P.O. BOX 832 Receiving Date: 02/13/01-Reporting Date: 02/19/01 FAX TO: (915) 684-9836 Project Number: NOT-GIVEN Project Name: JALMAT YATES FRESH H2O TEST Project Location: JAL,-NM-

Analysis Date: 02/16/01 Sampling Date: 02/13/01 Sample Type: GROUNDWATER Sample Condition: COOL & INTACT Semple Received By: GP Analyzed By: BC

POLYNUCLEAR AROMATIC

Lab Number: H5606-2

Sample ID: WELL #2

HYE)ROCARBON - 8279 (mg/L)	···· Sampie Result	- Method	• •••		True Value
	1	H5606-2	Blank	QC	% Recov.	QC
1	Naphthalene	0.011	< 0.002	0.041	82	0.050
2	Acenaphthylene	<0.002	< 0.002	0.042	84	0.050
3	Acenaphthene	<0.002	< 0.002	0.046	82	0.050
4	Fluorene	0.010	<0.002	0.053	108	0.050
5	Phenanthrene	0.027	< 0.002	0.044	88	0.050
6	Anthracene	<0.002	<0.002	0.047	94	0.050 '
7	Fluoranthene	<0.002	< 0.002	0.040	80	0.050
8	Pyrene	< 0.002	<0.002	0.054	108	0.050
9	Benzo(a)anthracene	< 0.002	<0.002	0.043	86	0.050
10	Chrysene	<0.002	<0.002	. 0.040		0.050
11	Benzo(b)fluoranthene	<0.002	<0.002	0.038	78	0.050
12	Benzo(k)fluoranthana	< 0.002	<0.002	0.045	90	0.050
13	Banzo(a)pyrana	<0.002	< 0.002	0.042	84	. 0.050
14	Indeno(1,2,3-cd)pyrena		<0.002			0.050
15	Dibenzo(a,h,)anthracena	<0.002	<0.002	. 0.042	84	. 0.050
16	Benzo(g,b,i)perylene.	<0.002	<0_002	0.045	90	0.050

	% Recovery	
17 Nitrobenzene-d6	104	
18 2-Fluorobiphenyl	89	· ·
19 Terphenyl-d14	101	2

METHODS: EPA SW-846,8270

19/01

PLEASE NOTE: Liability and Damages, Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or lort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whether each weived unless made in whiting and received by Cardinal within thiny (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of prelim incurred by client, its subsidiaries, stilling in 5000 (2011) gaing out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-staled measures or otherwise.



PHONE (915) 673-7001 - 2111 BEECHWOOD - ABILENE, TX 78603

PHONE (505) 393-2328 . 101 E. MARLAND . HOBBS, NM 88240

ANALYTICAL RESULTS FOR MARALO, LLC ATTN: PHILLIP SMITH E.O._BOX 832 Receiving Date: 02/13/01 MIDLAND, TX 79703 Reporting Date: 02/19/01. EAX TO:- (915) 684-9838. Project Number: NOT GIVEN Project Name: JALMAT YATES FRESH H20 TEST Project Location: JAL, NM

Analysis Date: 02/16/01 Sampling Date: 02/13/01 Sample Type: GROUNDWATER Sample Condition: COQL & INTACT Sample Received By: GP Analyzed By: BC

POLYNUCLEAR AROMATIC

Lab Number_ H5606-3

Sample ID: WELL #4

HXE	ROCARBON-8270 (mgA_)	Sample Result	Method.			True Value
	<u>,</u>	H5606-3	Blank	QC	% Recov.	QC.
1	Naphthalene	< 0.002	<0.002	0.041	82	0.050
2	Acenaphthylene	<0.002	< 0.002	0.042	84	0.050
3	Acenaphthene	< 0.002	<0.002	0.046	92	0.050
4	Fluorene	<0.002	<0.002	0.053	106	0.050
5	Phenanthrene	<0.002	< 0.002	0.044	68	0.050
6	Anthracene	<0.002	< 0.002	0.047	94	0.050
7	Fluoranthene	<0.002	<0.002	0.040	. 80	0.050
8	Pyrene	<0.002	<0.002	0.054	108	0.050
9	Benzo(a)anthracene	< 0.002	<0,002	0.043	. 86	0.050
10	Chrysene	<0.002	< 0.002	0.040	. 80	0.050
11	Benzo(b)fluoranthene	. <0.002	< 0.002	0.038	76	0.050
12.	Benzo(k)fluorapthene.	<0.002	<0.002	0.045		0.050
13	Benzo(a)pyrene.	<0.002	<0.002	0.042		
14	Indeno(1,2,3-cd)pyrane	<0.002	<0.002	0.044	88	0.050
15.	Dibenzo(a,h,)anthracena , .	<0.002	<0.002	0_042	. 84	0.050
18	Benzo(g,h,i)perylene	<0.002	<0.002	0.045	. 90	. 0.050

	% Recovery
17 Nitrobenzene-d5	49
18 2-Fluoroblphenyl	35
19 Terphenyl-d14	80)

METHODS: EPA 8W-846 8270

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PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the smount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Candinal within thiny (30) days after completion of the applicable service. In no event shall Cardinal be liable tor Indidental or consequential damages, including, without timitation, business interruptions, loss of use, or loss of profits incurred by client, its subscitations, stilling SCORDENCE Baing out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise.



PHONE (915) 673,7001 . 2111 BEECHWOOD . ABILENE, TX 79603

PHONE (505) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR MARALO, LLC ATTN: PHILLIP SMITH P.O. BOX 832 MIDLAND, TX 79703 FAX-TO: (915)-684-9838

Receiving Date: 02/13/01 Reporting Date: 02/19/01 Project Number: NOT GIVEN Project Name: JALMAT YATES FRESH H2O TEST Project Location: JAL, NM Sampling Date: 02/13/01 Sample Type: GROUNDWATER Sample Condition: COOL & INTACT Sample Received By; GP Analyzed By: BC

				ETHYL	TOTAL
		BENZENE	TOLUENE	BENZENE	XYLENES
LAB NO.	SAMPLE ID	(mg/L) -	(mg/L)	(mg/L)	(mg/L)
ANALYSIS E	DATE	02/14/01	02/14/01	02/14/01	02/14/01
H5606-1	WELL #1	<0.002	<0.002	<0.002	<0.006
H5806-2	WELL #2	0.008	0.005	0.145	0.248
H5606-3	WELL#4	<0.002	<0.002	<0.002	<0.005
			· .		
			ļ	·	
<u> </u>					
Quality Cont	rol	0.097	0.097	0.101	0.302
True Value C	20	0.100	0.100	0.100	0.300
% Recovery		97.3	97.3	101	101
Relative Pen	cent Difference	1.1	3.3	Q.1	<0.1

METHOD: EPA.SW-846.8260

Alothe

PLEASENCE VILS All claims, including those for negligance and any other cause whatsoever shall be deemed weived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, inducting, without finitation, business interuptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hareunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise.

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PHONE (916) 873-7001 · 2111 BEECHWOOD · ABILENE, TX 79803

PHONE (505) 393-2328 . 101 E. MARLAND . HOBBS, NM 88240

ANALYTICAL RESULTS FOR MARALO, LLC. ATTN: PHILLIP SMITH P.Q. BOX 832 MIDLAND, TX 79703 FAX.TO:. (815) 684-9836

Receiving Date: 02/13/01 Reporting Date: 02/19/01 Project Number: NOT GIVEN Project Name: JALMAT YATES FRESH H2O TEST Project Location: JAL, NM Sampling Date: 02/13/01 Sample Type: GROUNDWATER Sample Condition: COOL & INTACT Sample Received By: GP Analyzed By: AH

•	·	Na.	Ca	Mg.	К	Conductivity.	T-Alkalinity
LAB NUMBER	SAMPLE ID	(mg/L)	(mg/L)	(mg/L)	(mg/L)	(mS/cm)	(mgCaCO ₃ /L)
ANALYSIS DAT	E:	02/15/01	02/16/01	02/16/01	02/16/01	02/16/01	02/16/01
H5606-1	WELL #1	143	38	44	7.07	1146	312
H5606-2	WELL #2	110	34	44	7.74	1057	387
H5606-3	WELL#4	172	38	46	6.84	1227	303
Quality Control		1.030	47	52	5.04	1489	
True Value QC	<u> </u>	1.000	4/ 50		5.04	1409	NR
% Recovery		103	84.3	104	101	105	NR
Relative Percen	t Difference	0.5	8.5		2.0		NR
METHODS:		273.1	3500-Ca-D	3500-Mg E	8049	120.1	310.1
		CF ·	SO4	60 3 -	HCO3	. pH ·	TDS
		(mg/L)	(mg/L)	(mg/L)	(mg/L)	(s.u.)	(mg/L)
ANALYSIS DAT	E:	02/16/01	02/16/01	02/16/01	02/16/01	02/16/01	02/19/01
H5606-1	WELL#1	63	187	0	381	7.72	738
H5606-2	WELL #2	18	102	56	358	8.37	665
H5606-3	WELL #4	79	242	0	370	7.80	800
Quality Quarters!							
Quality Control		1051	53.03	NR	995	7.05	NR
True Value QC		1000	60.00	NR	1000	. 7.00	NR
% Recovery Relative Percent	Difference	105 6.8	106 	NR	99,5 . 0	101 0.3	NR NR
METHODS:		8M4500-CI-B	375.4	310.1	310.1	150.1	160.1
		SIN TOUCOPU	0/0.4	010.1	310.1	130,1	100.1

19-01

FLEASE NOTE: Liability and Damages. Cardinal's liability and olicit's exclusive remedy for any claim analyse, whether based in contract or tori, shall be limited to the amount paid by offent for analyses. All claims, including those for negligence and any other cause whateoever shall be deemed waived unlear made in writing and received by Cardinal within thiny (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, ices of use, or tops of profile incoursed by client, its subsidiaries, still in 56963941. Baing out of or related to the performance of services hersunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise: CLAY OSBORN P.O. BOX 1258 JAL, NM 88252 (505) 395-2510

TO TON FINE

January 29, 2001

Mr. Phillip Smith Maralo, LLC P.O. Box 832 Midland, Texas 79702

RE: JAL MAT YATES UNIT TANK BATTERY SITE JAL, NEW MEXICO

Dear Mr. Smith:

I am in receipt of a copy of your letter dated December 18, 2000 in reference to the Maralo, LLC Jal Mat Yates Unit tank battery site. You stated in that letter that I have prohibited you from completing the remediation of the above referenced site.

To begin with I was not contacted by you or your representatives that remediation had started on this site. I discovered as I came home from work on the evening of October 9, 2000 that R. E. Environmental Service, Inc. had moved equipment onto this site and began remediation of the impacted soil due to the spill. It appeared that the R.E. Environmental had covered approximately the entire east quarter of this spill with my topsoil and grass without my knowledge or permission. I then telephoned your Production Foreman, Mr. Boyd Chesser, and notified him that if this continued without my permission I would file trespassing charges. I also explained to him that I was not opposed to R.E. Environmental continuing with the delineation process; however, they were not to use my soil or grasses without prior approval, compensation and a written agreement from me.

On the very next day you phoned me about this cleanup. I informed you during our conversation that I had no problem with the delineation process but that I had not approved the usage of my topsoil or grass as blending and backfill. I then explained that if your company insisted on doing so without my permission, I would be forced to file trespassing charges. As landowner I require that we meet to discuss soil disposal or land farming on any leak or spill. No one is allowed to come on private property and start remediation with out permission and approval. OCD approval of your remediation plan does not give your company or anyone else the right to use or trespass private property.

Boyd Chesser and another Maralo employee came to my home November 3, 2000 and we went to the spill site. I explained, very plainly, that Maralo, LLC, would compensate me for my topsoil and grass. We also discussed how land farming would make the spill site larger. I explained to him why I preferred the site to be cored instead of testing with a backhoe. We went to the monitor well NW of the leak site and I also pointed out the monitor well SE of the site. We also discussed the water well NE of spill site. I told him soil analyticals would have to be taken according to NMOCD rules and Regulations. I do require a copy of all analyticals for my files. Mr. Chesser was not aware of NMOCD land farming guidelines. I informed him the NMOCD's "Guidelines For Remediation Of Leaks, Spills And Releases" could be obtained from the Hobbs OCD office. I also discussed with him how I preferred the contaminated soil be dug out and hauled off but since you have elected to remediate on site that I would work with you within the NMOCD Land Farming Guidelines.

Please refer to Bill Olson's letter to you on October 24, 2000. If you will follow these conditions and go by the NMOCD "Guidelines For Remediation Of Leaks, Spills And Releases and you agree to meet with me to discuss this matter we should be able to come to terms about the use of our property for land farming on site or haul off and disposal of the contaminated soil.

Sincerely.

Clay Osborn

cc: Bill Olson-NMOCD/Santa Fe



December 18, 2000

CERTIFIED MAIL/RETURN RECEIPT Z 557 842 318

Mr. William C. Olson Hydrologist Environmental Bureau New Mexico Oil Conservation Division 2040 South Pacheco Street Santa Fe, New Mexico 87505

RE: Your letter dated October 24, 2000, Item #4 Maralo, LLC Jalmat Yates Unit Tank Battery Site

Dear Mr. Olson:

On two separate occasions (as documented on the enclosed invoice) Maralo LLC has attempted to accomplish the remediation as specified in the above letter. RE Environmental Services, Inc. invoice #8332 dated October 31, 2000 details the remedial activities that were attempted at the Jalmat Yates Unit Battery in conjunction with the release dated September 27, 2000. We continue to be prohibited from completing this task by surface owner, Clay Osborn.

October 9, 2000: Equipment was moved into place by RE Environmental Services Inc. as detailed in bid dated September 29, 2000 in preparation to timely remediate. The intended work was specified on the C-141 dated October 5, 2000 in the Describe Area Affected and Cleanup Action Taken portion of the form.

October 10, 2000: Clay Osborn shut down cleanup. I received telephoned approval of this C-141 from Donna Williams, NMOCD, Hobbs. She stated she would call Clay Osborn regarding her acceptance of the plan and would fax an approval letter to Maralo, LLC. We notified RE Environmental Services to continue with remediation work as per Ms. Williams verbal approval and her stated intent to notify Clay Osborn.

October 11, 2000: RE Environmental Services again initiated remediation work as previously accepted by Ms. Williams. I conferenced later in the day with her and Chris Williams of the NMOCD Hobbs office regarding this issue and requested confirmation of Ms. Williams's telephone call with Clay Osborn. Ms. Williams admitted she did not contact Clay Osborn, nor had she followed up with a remediation approval letter to Maralo, LLC. The verbal approval of yesterday was denied. Maralo, LLC was requested to coordinate investigative and remedial activities with Bill Olson, NMOCD, Santa Fe. You were not available for a week. Remediation work shut down once again.

October 19, 2000: In our telephone conversation, you requested the Jalmat Yates Battery data be faxed to you, which resulted in your October 24, 2000 letter sent to my attention. Until the surface owner grants work approval and site access, we are unable to perform the remediation work as specified.

Sincerely,

Jewely Smith

Phillip Smith Operations Manager

cc: NMOCD Hobbs



P.O. Box 13418 • Odessa, TX 79768-3418 • (915) 550-8522 • Fax (915) 366-0804

Date 10/31/00 Customer's Name Maralo, LLC

Address P.O. Box 1505, Andrews, TX 79714 Business Associate No.

Location /Jalmat Yates Unit Battery

Description Of Work - Furnish Labor, Equipment Excavate contaminated soil, document test points and results.

Paval

DATE	OPERATOR	TYPE EQUIPMENT	HRS.	RATE	TOTAL
10/09	M. Paz	Backhoe 4WD EX w/opr	11	45.00	495.00
	A. Vasquez	Laborer Started	11	15.00	165.00
<u></u>	A. Herrera	Laborer Cleanup	11	15.00	165.00
	D.Robinson	On-site Supervisor	6.5	25.00	162.50
		On-site TPH Test	3	20.00	60.00
10/10 -	M. Paz	Backhoe 4WD EX w/opr	5	45.00	225.00
	A. Herrera	Laborer > (Clay Osboure Shut	5	15.00	75.00
	D.Robinson	On-site Supervisor US down	6	25.00	150.00
<u></u>		On-site TPH On cleanup	2	20.00	40.00
		On-site Chlorides	7	20.00	140.00
10/11-	T. Solis	Backhoe 4WD EX w/opr(Started)	4	45.00	180.00
	R. Catano	Laborer Dack UP + Clay	4	15.00	60.00
	A. Herrera	Laborer Shut US down again	4	15.00	60.00

TERMS: NET 30 / UNPAID BALANCE INCURS INTEREST OF 1 1/2% PER MONTH. 1Am 11-10-00

WORK APPROVED BY:

120

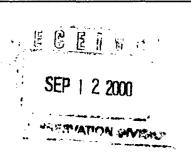


NEW MEXICO ENERGY, MINERALS & NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION DISTRICT | HOBBS PO BOX 1980, Hobbs, NM 88241 (505) 393-6161 FAX (505) 393-0720

Jennifer A. Salisbury CABINET SECRETARY

ŝ





To: Bill Olson

From: Donna williams

CC:

Date: 09/08/00

Re: Maralo

Bill,

Hi, for your files and review....another one for you to add to your list of things to do. I have requested from Dorothea Logan with Maralo a map of where the water well is at that the sample was taken from. Where the well is with respect to the leak in question and with respect to the facility. And she said she would be getting back with me on this matter. And as soon as I get this information I will be forwarding it to you.

If you have any questions give me a call.

Thanks a lot.

mma Waliams

Donna Williams

		melec
facsimile TRANSMITTAL		
DATE: 6 - 28	?- <u>00</u> DFOLLOW	
	_	FAX # (915) 684-9836
deliver to:	DONNA WILLIAM	<u>ns</u>
COMPANY:	OCD/HOBBS	
FAX NUMBER:	505-393-072	0
FROM:	DOROTHER LOGAN	/

Donna:

BURTED WALL IL . I VAM

FRUM-MARALU

I am sending copies of the Water Level Information from the State Engineers Office and the Champion Technologies recent Water Analysis Report of a Jalmat Yates Fresh Water Well of near proximity to the reported release.

Both demonstrate that contaminants have not, and given the elapsed 2 month period of time, will not migrate vertically to cause groundwater to exceed standards. Please call me and let me know if further demonstration is required. A final report can be submitted after hearing from you.



Maralo, LLC P.O. Box 832 Midland, Texas 79702 (915) 684-7441

.JUN-28-05 11:11AM FRUM-MAKALU

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT



June 13, 2000

Maralo, LLC Attn: Dorothea Logan P.O. Box 832 Midland, Tx 79702

C-141: Submitted on April 19, 2000 Re: UL A-Sec 13-T25S-R36E Jai Mat Battery

Dear Ms. Logan:

The New Mexico Oil Conservation Division (NMOCD) is in receipt of the C-141 referenced above that was submitted by Maralo. The NMOCD hereby requires Maralo to demonstrate that contaminants have not and will not migrate vertically so as to cause groundwater to exceed standards. If this demonstration cannot be made, Maralo will submit to the NMOCD a corrective action plan and/or a remediation plan (using the guidelines to assist you in this matter) within 15 days of receipt of this letter pursuant to Rule 116.D.

An attempt was made by an NMOCD inspector to enter the battery area to check on the spill after it occurred. The gate was locked and the inspector could not gain entrance. Please provide the NMOCD Hobbs District Office with a key to the facility, -Chris Williams District 1 Supervisor.

If you have any further questions, or need any assistance please do not hesitate to write or call me at (505) 393-6161 ext...113.

Sincerely,

unna Williamo

Donna Williams **Environmental Engineer Specialist** cc: Roger Anderson - Environmental Bureau Chief Chris Williams - District I Supervisor

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District I State State Energy Miner						New Me	nico Reconce			Error (* 1		
										Form C-1. Revised March 17, 19		
Judie III 2040 1000 Rio Brazos Road, Aztor, NM \$7410 Santa						e, NM 8	7563		Subt	ut 2 Copies to appropri- strict Office in according		
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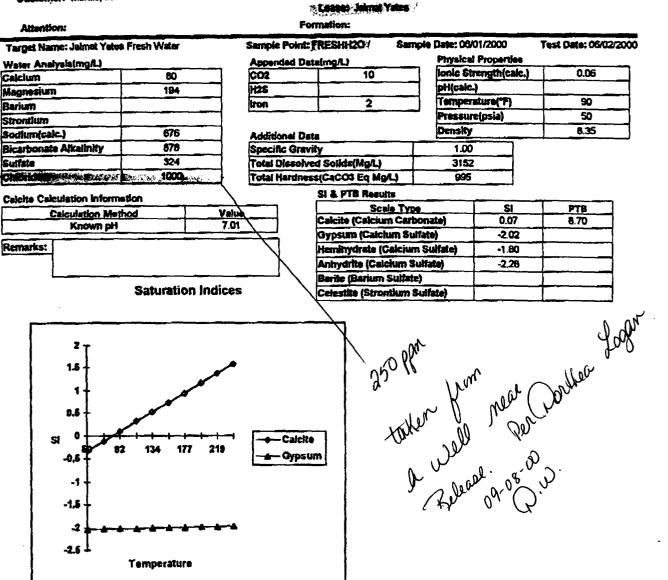


Water Analysis Rep 1

6/2/2000

Address:

Customer: Maralo, Inc.



Saturation Index Data Points

	Calcite	Gypsum
50	-0.33	-2.04
71	-0.12	-2.03
92	0.09	•2.02
113	0.31	-2.02
134	0.52	-2.01
156	0.73	-2.00
177	0.94	-2.00
198	1.16	-1.99
219	1.37	-1.99
240	1.58	-1.98

som for advoise

:505 823

0-20-00; 10:03AM; NM. STATE ENG.

WATER LEVEL INFORMATION

DATE: 6-20-00 FROM: Fred MEM:m REQUESTED BY: Dorothia Logan LOCATION: 25.36,13.

A review of the records of the State Engineers Office revealed the following water levels within the location listed above. This is the most current information that this office has on record. Some of this information maybe several years old, therefore may no longer be accurate.

DATE	TOWNSHIP	RANGE	SECTION	SUBDIVISION	ELEVATION W/L
10-23-80	<i>as</i> s,	36E,	13	NEYY	350'
11-4-80	252	36E.	13.	NEX	390'

New Mexico Onice of the State Engineer

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New Mexico Office of the State Engineer Well Reports and Downloads								
Township: 25S Range: 36E	Sections:							
NAD27 X: Y:	Zone: Search Radius:							
County: Basin:	Number: Suffix:							
Owner Name: (First) (La	st) C Non-Domestic C Domestic							
Well Data Report Avg Depth	to Water Report Column Report							
AVERAGE DEPTH OF WATER REPO Bsn Tws Rng Sec Zone X	RT 08/22/2000 (Depth Water in Feet) Y Wells Min Max Avg							

No Records found, try again

.../awd.html?email_address=dwilliams@state.nm.us&tws=25S&rng=36E&sec=&X=&Y=&Z=&8/22/2000

Rocky Top Ranch P.O. Box 1285 Jal, NM 8825 Phone 505-395-2510

EEEEE OCT | 2 2000

October 8, 2000

RE: Maralo's Jalmat Yates Unit

Bill Olson Oil Conservation Division 2040 South Pecheco Santa Fe, NM 87505

Dear Bill,

I'm sending you a copy of the pictures from the Maralo's Jalmat Yates Unit flow line leak that occurred Sept. 27, 2000. When you look at the pictures you'll see one picture in particular of a large puddle of oil standing in a road that was left to soak into the ground after E.L. Gonzalez and Donna left location. Mr. Hunt had the tank truck empty the cellar at well #17 then sent the truck home. Mr. Hunt did not tell us that the tubing head had leaked and ran the cellar over.

I think this time we need to look at the vertical and horizontal depth in this area, as there have been numerous leaks of 30-400 BBLS over the past years in this same area which have never been reported or cleaned up.

If I can help you in any way or answer any questions please feel free to call me anytime day or night. Thank you for all your help.

Yours truly.

Clay Osborn

FAXED & MAILED BY CERTIFIED MAIL RETURN RECEIPT NO. Z 557 842 317

November 10, 2000

Mr. William C. Olson Hydrologist Environmental Bureau Oil Conservation Division 2040 South Pacheco Street Santa Fe, New Mexico 87505

NOV 1 3 2000

RE: Your letter dated October 24, 2000 Maralo, LLC Jal Mat Yates Unit Tank Battery Site

Dear Mr. Olson:

In response to your directive in Item No. 5 of the above referred letter, and based upon the October 31, 2000 excavation and sampling (Enclosure #1 Hydrocarbon Test Results) by R. E. Environmental Services, Inc., P. O. Box 13418, Odessa, Texas 79768, Maralo LLC believes that the results are within the parameters defined in Ground And Surface Water Protection -- 20 MAC 6.2 and the NMOCD Guidelines For Remediation of Leaks, Spills and Releases.

A water sample from the Jal Mat Yates Water Supply Well #1, (Enclosure #2) located within 100 feet west of the spill shows an acceptable chloride content level. I am also enclosing a faxed copy dated June 20, 2000 of the Water Level Information Form from Fred McMinn at the New Mexico State Engineers Office (Enclosure #3) showing the water level at 350 feet and 390 feet. In subsequent telephone calls to that office, I have been told that there is no other registered groundwater in Section 13, T25S-R36E, Lea County, New Mexico.

This documentation offers evidence that contaminants have not and will not migrate vertically and cause ground water to exceed the standards. Upon abandonment of this facility, Maralo LLC will remediate in accordance with OCD approved procedures.

Sincerely,

Phillip Smith Operations Manager

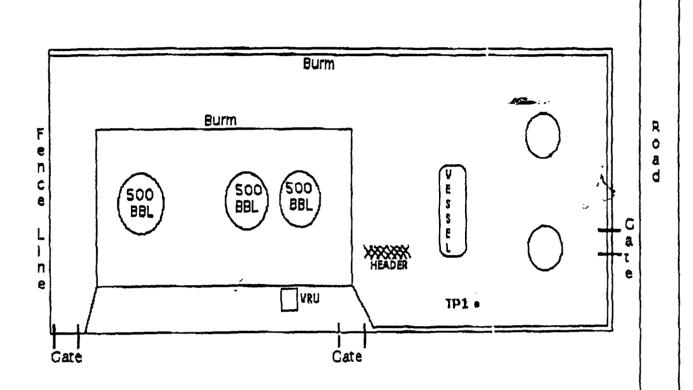
Enclosures (3)

ce: Chris Williams, OCD Hobbs District Office



R.E. ENVIRONMENTAL SERVICES, I.NC. P.O. BOX 13418 ODESNA, TEXAS 79768-3418 (915) 550-8522





MARALO, INC. Jalmat Yates Battery

Hydrocarbon Test Results

Test Points	TPH Results	Chloride Results

1. / 304ppm @ 3' 250ppm @13.5'

 P. O. BOX 1468 MONAHANS, TEXAS 79756 PH. 943-3234 OR 563-1040 	Martin	Water Lat	oorat	ories, In	ic. 🛡		709 W. INDIANA MIDLAND, TEXAS 79703
FH. 343-5234 ON 203-1040	RES	ULT OF WAT	ER AN	ALYSES			PHONE 683-4521
			1.6			900113	
TO:Mr. Phillip Sm:	ith	LABORATORY NO. SAMPLE RECEIVED				9/14/00	·
P.O. Box 832, Midland		702		_	PORTED_	0/20/00	
					FORIED		
COMPANY Maralo, LLC			LEA	SE	Jalmat	Yates	
SECTION BLOCK SUF	٩VEY	_ COUNTY _	Lea		STAT	F NM	
SOURCE OF SAMPLE AND DATE 1	TAKEN:						
NO.1 Raw water - tal	ken at Jalmat	Yates.	9/	11/00	Frish	whater supply	wel #1
NO. 2							
NO. 3			······			<u></u>	
NO. 4							
REMARKS:							
	CHEMIC	AL AND PHYS	SICAL	PROPER	TIES		
		NO. 1		NO	. 2	NO. 3	NO. 4
Specific Gravity at 60 * F.		1.0020					
pH When Sampled							
pH When Received		7.23					<u> </u>
Bicarbonate as HCO3		361					
Supersaturation as CaCO ₃				<u> </u>			
Undersaturation as CaCO,							
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Magnesium as Mg Sodium and/or Potassium		27					
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Chloride as Cl	·	<u>222</u> 51					
Iron as Fe		0.30					
Barium as Ba		0.50					
Turbidity, Electric			{				
Color as Pt							
Total Solids, Calculated		878					· <u></u>
Temperature *F.							
Carbon Dioxide, Calculated		<u> </u>					
Dissolved Oxygen,				<u> </u>			
Hydrogen Sulfide		0.0					
Resistivity, ohms/m at 77 * F.		9.58					
Suspended Oil							
Filtrable Solids as mg/l							
Volume Filtered, mi							
Nitrate, as N		0.2]				
				··· <u> </u>			
		· .				l	<u> </u>
	and the second statement of the second statement of the second statement of the second statement of the second	sults Reported As					<u> </u>
Additional Determinations And Remarks	The und	lersigned	cer	<u>tities</u>	the at	ove to be the	rue and
correct to the best o	I HIS KNOWLED	ige and b	elie	Ι.		<u> </u>	<u> </u>
	<u></u>						
		·····			<u></u>		
					<u> </u>	a Contra	
Form No. 3					- 77	1 1 27 2 20 20	·

By

ENCLOSURE #2

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-20-00; 10:03AM; NM. STATE ENG.

WATER LEVEL INFORMATION

DATE: 6-20-00 FROM: Fred MSM:m REQUESTED BY: Dorothia Loga~ LOCATION: 25.36.13.

A review of the records of the State Engineers Office revealed the following water levels within the location listed above. This is the most current information that this office has on record. Some of this information maybe several years old, therefore may no longer be accurate.

DATE	TOWNSHIP	RANGE	SECTION	SUBDIVISION	ELEVATION W/I	4
10-23-80	<i>as</i> s,	36E,	13	NEYY	350	/
11-4-80	255	36E.	13.	NEX	390'	

ENCLOSURE #3

;505 823

8559

Exercit I 1625 N. French Dr., Hobbs, NM 88240 District II 811 South First, Artesia, NM 88210 District III 1000 Rio Brazos Road, Aztec, NM 87410 District IV 2040 South Pacheco, Santa Fe, NM 87505

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State of New Mexico Energy Minerals and Natural Resources

Oil Conservation Division 2040 South Pacheco Santa Fe, NM 87505

Form C-141 Revised March 17, 1999

Submit 2 Copies to appropriate District Office in accordance with Rule 116 on back side of form

		<u>, , , , , , , , , , , , , , , , , , , </u>	Relea	se Notificat	tion a	nd Cor	rective Act	ion					
				(OPER	ATOR	OR 🔀 Initial Report 🔲 Final Rep						
Name of Con MAR	npany ALO, LLC					Contact	ACT PHILLIP SMITH, OPERATIONS MANAGER						
Address						Telephone No.							
		<u>32, MIDLAN</u>	D, TX	79702		Facility T	(915) 684-7	441					
Facility Nam		ES UNIT BA	TTERY				PRODUCTION	FACILITY					
Surface Owr	ner Y OSBORN		<u></u>	Mineral	Owner		_		Lease	No.			
			TION	OF RELI	CASE		<u> </u>	<u> </u>					
Unit Letter	Section	Township	Range	Feet from the		South Line	Feet from the	East/Wes	t Line	County	,		
A	13	255	36E	1050		NORTH	1100	EAST		LEA			
				NATU	RE O	F RELE	ASE						
Type of Relea	ase & WATER					Volume of		S WATER		e Recove 0 BBLS			
Source of Re		AK FROM W					lour of Occurrent	c			of Discover	ſŸ	
Was Immedia			EL 733	<u></u>		09/27/00			09/27	<u>/00 11/</u>			
			Yes 🔲	No 🗌 Not R	equired	-	ILLIAMS/OCD H	IOBBS					
By Whom?	RALO LLC	PUMPER WA	RREN HUI			Date and Hour 09/27/00 01:30PM MST							
Was a Water	course Rea	ched?			•	If YES, Volume Impacting the Watercourse.							
			Yes 🕅						÷		•		
If a Watercon	urse was Im	pacted, Desci	ribe Fully.	•									
											<u> </u>		
1		em and Rem											
		DN CAUSED											
		and Cleanup			<u></u>								
		1,000' X			WING PE	Roposed . Ci	EANUP IS ATT	ached àn	d sche	DULED I	FOR 10/09	9/00: 1	
CLEANUP	ACTION:	EXCAVATE	CONTAM	INATED MATERI	AL TO	REQUIRED	DEPTH. BRING	IN CLEA	N MAT	ERIAL I	FROM ARE	A OF	
				NDING PURPOSE									
				ve is true and com port and/or file cer									
endanger pu	blic health	or the environ	ment. Th	e acceptance of a	C-141 re	port by the l	MOCD marked	as "Final R	eport" d	loes not 1	elieve the o	operator	
of liability s	hould their	operations ha	ve failed t	to adequately invedition, NMOCD a	stigate au	nd remediate te of a C-141	contamination the	at pose a ti rlieve the	ireat to	ground w	rater, surface	ce r	
				al laws and/or-reg				<u> </u>					
	\bigcirc						<u>OIL CON</u>	SERVA	TION	DIVIS	SION		
Signature:	Ala	athe	Z	gan									
Printed Nan	ne: DO	ROTHEA LOG	AN	እ		Approve District S	d by Supervisor:		.				
Title: REGU	LATORY A	NALYST	······································			Approva	I Date:		Expira	tion Dat	e:		
Date: OCTO)00 Sheets If Ne		e: (915) 684-	-7441	Conditio	ns of Approval:			/	Attached		

<u>R.E. ENVIRONMENTAL SERVICES INC.</u> P.O. BOX 13418 ODESSA TX, 79768-3418 (915) 550-8522

September 29, 2000

Maralo, Inc. 223 W. Wall Suite 900 Midland, TX 79702

Dear Mr. Phillip Smith:

As per the flowline leak in the battery in the Yates Unit Field:

The agreed dimensions of cleanup are 1,000'x6'x2'. The method of cleanup we propose is to excavate contaminated material to the required depth while also bringing in clean material from along side the spill area for blending purposes at the same time. Once all material is out and clean bottoms are reached, we will blend and take the required tests until the 5,000ppm target is reached. We will then backfill with this material and level to complete the job.

TOTAL COST OF CLEANUP - \$4,800.00

Thank you for giving us this opportunity to be of service to you. If you should have any questions, please feel free to call me at (915) 550-8522.

Sincerely,

Sireh Keberwen

Derek Robinson

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NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

	Lori	Wrotenbery
		Director
Oil Conservation	Division	

<u>انا انم</u>

June 13, 2000

Maralo, LLC Attn: Dorothea Logan P.O. Box 832 Midland, Tx 79702

Re: C-141: Submitted on April 19, 2000 UL A-Sec 13-T25S-R36E Jal Mat Battery

Dear Ms. Logan:

The New Mexico Oil Conservation Division (NMOCD) is in receipt of the C-141 referenced above that was submitted by Maralo. The NMOCD hereby requires Maralo to demonstrate that contaminants have not and will not migrate vertically so as to cause groundwater to exceed standards. If this demonstration cannot be made, Maralo will submit to the NMOCD a corrective action plan and/or a remediation plan (using the guidelines to assist you in this matter) within 15 days of receipt of this letter pursuant to Rule 116.D.

An attempt was made by an NMOCD inspector to enter the battery area to check on the spill after it occurred. The gate was locked and the inspector could not gain entrance. Please provide the NMOCD Hobbs District Office with a key to the facility. -Chris Williams District 1 Supervisor.

If you have any further questions, or need any assistance please do not hesitate to write or call me at (505) 393-6161 ext...113.

Sincerely,

unna William

Donna Williams Environmental Engineer Specialist cc: Roger Anderson – Environmental Chris Williams – District I Superv

Oil Co

Iomollow maralo 11:00 A.m. Warren Hunt End Ecombo To gate Son S. End 90 To Sout

District I 1625 N. French Dr., Hobbs, NM 88240 District II 811 South First, Artesia, NM 88210 District III 1000 Rio Brazos Road, Aztec, NM 87410 District IV 2040 South Pacheco, Santa Fe, NM 87505 Rela	Oil	State of New Mexico Energy Minerals and Natural Resources Oil Conservation Division 2040 South Pacheco Santa Fe, NM 87505 Notification and Corrective Actio					Form C-141 Revised March 17, 1999 Submit 2 Copies to appropriate District Office in accordance with Rule 116 on back side of form			
	· · · ·	<u>OPER</u>	ATOR	· · · · · · · · · · · · · · · · · · ·	🕅 Initia	al Report	Final Report			
Name of Company MARALO, LLC			Contact	PHIL			TIONS MANAGER			
Address P. O. BOX 832, M	IDLAND, TX 7970	02	Telephon	(915)) 684-7441	L				
Facility Name JAL MAT BATTERY			Facility T	ype PRODU	JCTION FAC	CILITY				
Surface Owner CLAY OSBORN	Mineral	Owner	· · · · · · · · · · · · · · · · · · ·			Lease N	o. _			
	LOCAT	ION	OF RELI	EASE						
Unit Letter Section Township Range	Init Letter Section Township Range Feet from the North						ounty			
A 13 25S 36E	1050		NORTH	1100	EAST		LEA			
	NATU	RE O	F RELE	ASE						
Type of Release WATER & OIL			Volume of 60 BW,			/olume R 30 BW	ecovered			
Source of Release HOLE IN HEADER			Date and H	lour of Occurrenc	e D	Date and H	Hour of Discovery			
Was Immediate Notice Given?	No 🗌 Not Re	quired	If YES, To	00 APPROX NO Whom? DICKEY, NHO		04/17/	00 12:30PM NST			
By Whom? WARREN HUNT		. •	Date and H							
Was a Watercourse Reached?	No No		If YES, V	DO 12:30 PM I blume Impacting t	he Watercou	le i le i				
If a Watercourse was Impacted, Describe Full	r.*			ł	olo da	2 N N	,			
Describe Cause of Problem and Remedial Act <u>CAUSE</u> : HOLE IN HEADER <u>ACTION</u> : REPLACED FITTING				yavren s me	to de ($\overline{\mathbf{Q}}$				
Describe Area Affected and Cleanup Action T AREA AFFECTED: RELEASE COMPLET CLEANUP ACTION: BACKDRAG LOCATI	ELY CONTAINED 1		FIREWALL							
I hereby certify that the information given abo and regulations all operators are required to re endanger public health or the environment. The of liability should their operations have failed water, human health or the environment. In a compliance with any other federal, state, or low	port and/or file certa te acceptance of a C to adequately investi dition, NMOCD acc	uin releas -141 rep igate and ceptance	se notification fort by the N d remediate (ns and perform co MOCD marked a contamination that	prrective actions s "Final Report t pose a threat	ons for re ort" does : it to groun	leases which may not relieve the operator nd water, surface			
Signature: Denother to	gan	••• 	· ·	OIL CONS	<u>ERVATI(</u>	<u>0N DI</u> ~	<u>VISION</u>			
Printed Name: DOROTHEA LOGAN		· · ·	Approved District Su		• • •	•	a da an an gana an			
Title: REGULATORY ANALYST			Approval	Date:	Ex	piration	Date:			
Date: APRIL 19, 2000 Phot	e:(915) 684-744	41	Condition	s of Approval:			Attached			
Attach Additional Sheets If Necessary							pl.			

<u>CERTIFIED MAIL</u> <u>RETURN RECEIPT NO. Z 557 842 358</u>

October 26, 2000

Mr. William C. Olson Hydrologist Environmental Bureau Oil Conservation Division 2040 South Pacheco Street Santa Fe, New Mexico 87505

RE: Your letter dated and faxed October 24, 2000 Maralo, LLC Jal Mat Yates Unit Tank Battery Site

Dear Mr. Olson:

Per your directive in Item No. 6 of the above referred letter, Maralo LLC submits the enclosed Form C-141 in duplicate with attachments to comply with the November 1, 2000 deadline request.

OCT 3 0 2000

Duplicate copies of this filing have been sent this date to the OCD Hobbs District office. Please call Phillip Smith or Dorothea Logan at (915) 684-7441 should you have any question regarding this filing.

Sincerely,

Jonsthen Jagan

Dorothea Logan ' Regulatory Analyst

Encls (2)

cc: Chris Williams, OCD Hobbs District Office

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 District I 1625 N. French Dr., Hobbs, NM 88240 	State Energy Miner
District II	
811 South First, Artesia, NM 88210 District III	2040
1000 Rio Brazos Road, Aztec, NM 87410	Santa
District IV 2040 South Pacheco, Santa Fe, NM 87505	

te of New Mexico erals and Natural Resource	s
onservation Division 40 South Pacheco nta Fe, NM 87505	

Form C-141 Revised March 17, 1999

Submit 2 Copies to appropriate District Office in accordance with Rule 116 on back side of form

			Relea	se No	otifica	tion a	nd Cor	rective Act	ion			
						OPER	ATOR		X Init	ial Repor	t 🔲 Final Repo	ort
Name of Co							Contact					
	ALO, LLC			·			Talanhon	PHILLIP SM	ITH, OPE	RATIONS	MANAGER	
Address P.	0. BOX 8	32, MIDLAN	Ю. ТХ 7	9702			Telephone	(915) 684-3	7441			
Facility Nan							Facility T					
		ER SUPPLY	WELL #2	2				WATER SUPP	LY WELL			
Surface Own					Minera	l Owner				Lease N	No.	
	Y OSBORN	I					-			Dealer	-	
				I	 _OCA7	TION O	OF RELI	EASE				
Unit Letter	Section	Township	Range	Feet f	rom the	North/	South Line	Feet from the	East/Wes	t Line 0	County	
A	13	255	36E		547	NOR	ท	1100	EAS	я	LEA	
		<u>. </u>	L	1		1						لــــ
					NATU	RE O	F RELEA	ASE				
Type of Release SKIM OIL & WATER							Volume of 10 - 1	Release 5 BBLS.		Volume I 0	Recovered	
Source of Rel	case WLINE						Date and H 09/11	Iour of Occurrenc	e		Hour of Discovery 9/11/00	
Was Immedia		Given?					If YES, To	-				
			Yes 🚺	No [] Not R	equired						
By Whom?							Date and H	lour				
Was a Water	course Read	ched?	Yes 🗴	No			If YES, Vo	olume Impacting	the Waterco	ourse.		
DESC	CRIPTION	OF EVEN	T: WE	LL WA	AS BEIN	IG PUL	LED BY B	ENTLE'S WA	TER WE		IPANY TO	
		ACE DOW										
FLO	VLINE FI	ROM WAT	ER WEL	LTO	STORA	GE TAI	NK HAD A	DEFECTIVE	CHECK	VALVE	IN LINE.	
WAT	ER STOR	LAGE TAN	K FILLE	DUP	AND O	VERFL	OWED IN	FO FLOWLIN	E TO WA	ATER W	ELL. DUE	
	OLE IN V	VATER WI	SLL TUI	SING S	STRING	, SKIM	l OIL (8-12	GALS) AND	WATER	(10-15 E	BBLS) FROM	
WAI		K BACKFL	OWEDI	SI GR	AVIIY	INIO	WATER W	ELL.				
SUBS	SEQUENT	CACTION	TAKEN	DEF	FCTIV	FPIM		, JOINT OF T			CV VALVE	
WER	E REPLA	CED OR R	EPAIRE	D. WI	ELL WA	S PUT	BACK IN	SERVICE AN	D OPFR	ATED FO	$OR \pm /_6$	
HOU	RS. AW	ATER SAM	IPLE (A'	ITAC	HED) W	AS TA	KEN AND	ANALYZED	BY MAR	TIN WA	TER LABS.	
											ant to NMOCD rules releases which may	
											s not relieve the opera	tor
of liability sh	ould their o	operations hav	re failed to	adequa	tely inves	tigate an	d remediate	contamination that	t pose a thi	reat to grou	und water, surface	
		he environme her fedgral, sta					e of a C-141	report does not re	lieve the o	perator of	responsibility for	
	*	()		10730	and of teg		T	OIL CONS	ERVAT	ION D	IVISION	_
Signature:	hall	A	h.	olza	100							
Signature:	map	enia	<u>~~ '</u>				Approved	by				
Printed Nam	c: PHILLI	P SMITH					District St					
Title:	OPERAT	IONS MANAG	ER				Approval	Date:		Expiration	Date:	
Date:	OCTOBE	R 26, 2000	Phone	. (91	5) 684-7	7441	Condition	s of Approval:			Attached	

* Attach Additional Sheets If Necessary

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P. O. BOX 1468 MONAHANS, TEXAS 79756	Martin Water La	boratories,	Inc. 🔴		709 W. INDIANA MIDLAND, TEXAS 7970
PH. 943-3234 OR 563-1040	RESULT OF WAT	ER ANALYSI	ES		PHONE 683-4521
				900113	
O:Mr. Phillip Smith			RECEIVED	9/14/00	
P.O. Box 832, Midland, Texas	s 79702		REPORTED	9/20/00	
COMPANY Maralo, LLC	· ·····	LEASE	Jalmat	Yates	
FIELD OR POOL	Jal			····	
SECTION BLOCK SURVEY	COUNTY	Lea	STATE	NM	······
SOURCE OF SAMPLE AND DATE TAKEN:					
NO.1 <u>Raw water - taken at</u> .	Jalmat Yates.	9/11/00)		·
NO. 2	• · · · · · · · · · · · · · · · · · · ·				
NO. 3			· · ·		
NO.4					
REMARKS:					······································
	CHEMICAL AND PHYS		ERTIES NO. 2	NO. 3	NO. 4
Specific Gravity at 60 ° F.	1.0020			140.3	110. 4
pH When Sampled	1.0020				+
pH When Received	7.23				
Bicarbonate as HCO,	361				
Supersaturation as CaCO,					
Undersaturation as CaCO ₃					
Total Hardness as CaCO,	244				
Calcium as Ca	53				
Magnesium as Mg	27				
Sodium and/or Potassium	163				
Sulfate as SO,	222				
Chloride as Cl	51			· · · · · · · · · · · · · · · · · · ·	
Iron as Fe	0.30				
Barium as Ba					
Turbidity, Electric					
Color as Pt				· · · · · · · · · · · · · · · · · · ·	
Total Solids, Calculated	878				
Temperature °F.				· · · · · · · · · · · · · · · · · · ·	
Carbon Dioxide, Calculated					
Dissolved Oxygen,					
Hydrogen Sulfide	0.0				
Resistivity, ohms/m at 77° F.	9.58				
Suspended Oil					
Filtrable Solids as mg/l					
Volume Filtered, ml					
Nitrate, as N	0.2				1
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			n		
	Results Reported As		the second s		
Additional Determinations And Remarks	ne undersigned	certifie	es the abo	ve to be ti	rue and
correct to the best of his ki	lowledge and be	eller.			
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District I 1625 N. French Dr., Hobbs, NM 88240 District II 811 South First, Artesia, NM 88210

State of New Mexico Energy Minerals and Natural Resources

Oil Conservation Division 2040 South Pacheco Santa Fe, NM 87505

Form C-141 Revised March 17, 1999

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Submit 2 Copies to appropriate District Office in accordance with Rule 116 on back side of form

District III 1000 Rio Brazo District IV 2040 South Pac	os Road, Azte	ec, NM 87410			2040 S Santa F	outh Pac e, NM 8	7505		Submi Dist	inct Of	tice to app fice in acc Rule 116	ondance
2040 500411	1000, 04110		Relea	se Notifica	tion a	nd Cor	rective Act	ion				<u>OT IOTII</u>
					OPER	ATOR		X Ini	tial Repo	ort [☐ Final	Report
Name of Con	mpany ALO, LLC			<u></u>		Contact	PHILLIP SM					
Address						Telephon	e No.			<u></u>		
		32, MIDLAN	ID, TX 7	9702		Facility T	(915) 684-2	7441			······	
Facility Nan JAL		ER SUPPLY	WELL #2	<u> </u>		Facility I	WATER SUPP	LY WELL				
Surface Own	ner VY OSBORN	l		Minera	l Owner	-			Lease	No		
				LOCA		OF RELI	EASE		· · · · · · · ·			
Unit Letter	Section	Township	Range	Feet from the	North/	South Line	Feet from the	East/We	st Line	County	y	
A	13	25S	36E	547	NORT	TH	1100	EA	ST	LEA		
		•		NATI	IRE O	F RELE	ASF					
Type of Rele	ase					Volume of	Release		Volume		ered	
SKIN OIL & WATER Source of Release							5 BBLS. Hour of Occurrence	.e	Date and		of Discov	ery
FLOWLINE Was Immediate Notice Given?						09/1				09/11	/00	
was minedi	ale Notice (Yes 🚺	No 🗌 Not R	equired	11 1125, 10						
By Whom?						Date and H	lour					
Was a Water	course Read	ched?	Yes 🗴] No		If YES, V	olume Impacting (the Watero	ourse.			
				LL WAS BEIN DEFECTIVE			BENTLE'S WA MOTOR.	TER WI	ELL CO	MPAN	NY TO	
WAT TO H	ER STOF	RAGE TAN WATER WI	K FILLE ELL TUI	ED UP AND O	VERFL , SKIM	OWED IN [OIL (8-12	DEFECTIVE TO FLOWLIN 2 GALS) AND 7ELL.	E TO W	ATER V	VELL.	DUE	ľ
WER	E REPLA	CED OR R	EPAIRE	D. WELL WA	AS PUT	BACK IN	, JOINT OF T SERVICE AN ANALYZED	D OPER	ATED F	FOR +	/-6	
and regulation endanger put of liability sl water, huma	bis all operations all operations blic health of hould their of health or he	ators are requi or the environ operations hav the environme	ired to report ment. The ve failed to ent. In add	ort and/or file cer e acceptance of a o adequately invest	tain relea C-141 re stigate an acceptanc	se notification port by the N ind remediate	v knowledge and u ons and perform c IMOCD marked a contamination that report does not re	orrective a is "Final R at pose a th	ctions for eport" do areat to gr	r release es not r ound w	es which a relieve the vater, surfa	nay operator ice
				10/26/00			OIL CONS	SERVA	TION I	DIVIS	SION	· · · · · · · · · · · · · · · · · · ·
Signature:	mup	- 1	<u>m</u>	10000		Approved						
Printed Nam							upervisor:	T				
Title:	OPERAT	FIONS MANA				Approval	Date:		Expiratio	- 1		
Date:	OCTOBI	ER 26, 2000	D Phone	: (915) <u>684</u> -	7441	Condition	is of Approval:			^	ttached	<u> </u>

* Attach Additional Sheets If Necessary

P. O. BOX 1468 MONAHANS, TEXAS 79756
MONAHANS, TEXAS 79756
PH. 943-3234 OR 563-1040

.1



Martin Water Laboratories, Inc.

709 W. INDIANA MIDLAND, TEXAS 79701 PHONE 683-4521

RESULT OF WATER ANALYSES

TO: <u>Mr. Phillip Smith</u> P.O. Box 832, Midland, Texas 79702	LABORATORY NO. <u>900113</u> SAMPLE RECEIVED <u>9/14/00</u> RESULTS REPORTED <u>9/20/00</u>
COMPANY Maralo, LLC	LEASEJalmat Yates
FIELD OR POOL Jal	
SECTION BLOCK SURVEY COUNTY _	LeaSTATENM
SOURCE OF SAMPLE AND DATE TAKEN:	
NO.1 <u>Raw water - taken at Jalmat Yates.</u>	9/11/00
NO. 2	
NO. 3	
NO. 4	
REMARKS:	

	CHEMICAL AND PHYSICAL			
	NO. 1	NO. 2	NO. 3	NO. 4
Specific Gravity at 60° F.	1.0020			
pH When Sampled				
pH When Received	7.23			
Bicarbonate as HCO ₃				
Supersaturation as CaCO ₃				
Undersaturation as CaCO ₃		······································		
Total Hardness as CaCO ₃	244			
Calcium as Ca	53			
Magnesium as Mg	27			
Sodium and/or Potassium	163			
Sulfate as SO.	222			
Chloride as Cl	51			
Iron as Fe	0.30			
Barium as Ba				
Turbidity, Electric				
Color as Pt				
Total Solids, Calculated	878			
Temperature *F.		<u> </u>		
Carbon Dioxide, Calculated				
Dissolved Oxygen,				
Hydrogen Sulfide	0.0			
Resistivity, ohms/m at 77° F.	9.58	······		
Suspended Oil				
Filtrable Solids as mg/l		<u> </u>		
Volume Filtered, ml				
Nitrate, as N	0.2			
	Results Reported As Milligra	ms Per Liter		
Additional Determinations And Remarks	The undersigned cer	tifies the at	ove to be tru	ie and
correct to the best of his	s knowledge and belie	f		
		· · · · · · · · · · · · · · · · · · ·		
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				,
		31	1 Contraction	
		- 2 ⁻		3

Waylan C. Martin, M.A.



facsimile TRANSMITTAL

DATE: 10-19-00 PAGES TO FOLLOW

FAX # (915) 684-9836

DELIVER TO: BILL OLGON OCD SANTA FE COMPANY: FAX NUMBER: 505-827-8177 FROM: <u>PHHILLIP SMITH</u> DOROTHER LOGAN REMARKS: PER YOUR REQUEST



Maralo, LLC P.O. Box 832 Midland, Texas 79702 (915) 684-7441

OCT-19-	00 11:16/	AM FROM-M	ARALO					1-915-684-983	6	T-315	P.1	02/07	F-108
District 1 625 N. Franct District II				T			of New Mexico als and Natural Resources Servetion Division Revised March 17, 1999						
III South First District III	, Artesia, Nh	A 88210			Oil	Conse	rvation D	ivision	•	.			
1000 Rio Braza	s Roed, Azze	ec, NM 87410			Ś	anta F	rvation D outh Paci e, NM 8	7565		Subm Dis	it 2 Cc trict ()	pies to	appropria accordan 116 on ba
District IV 2040 South Par	heco, Santa	Fe, NM 87505					•				wit	h Rule	il6 on ba
		· · · · · · · · · · · · · · · · · · ·	Relea	se N	otificat	tion a	and Cor	rective Act	ion			·i	
		····			(OPER	ATOR		Y Init	ial Rep	ort	🗍 Fi	inal Rep
Name of Co MAR	Mpany ALO, LLC		•				Contact	PHILLIP - SMI	TH, OPER	ATIONS	MAN	AGER	
Address	0 207 2		n TY	70702			Telephon	e No. (915) 684-7	441				
Facility Nan		32, MIDLAN	<i>U</i> , IA	/ 9/ 42			Facility T		441				
JAL	MAT YAT	ES_UNIT BA	TTERY					PRODUCTION	FACILITY	!			
Surface Ow	••••				Mineral	Owner	-			Lease	No.		
CLAY OSBORN													
Unit Letter	Section	Township	Dance	_		and the second day of the seco	OF RELI South Line	View Contract of the second se					
	Section	ion Township Range Feet from the Nort. 255 36E 1050				NOTIN		Feet from the	East/Wes		Cour	-	
<u>A</u>	13	295	JOE	10	50		NORTH	1100	EAST		LE	-A	
					NATU	RE O	FRELE	ASE					
Type of Rele	ase 8 WATE R	<u>}</u>			·····		Volume of	(Release OIL, 200 BBI	S WATED	Volum		vered S 01L	
Source of Re		•						Hour of Occurrent					covery
		EAK FROM WE	ELL #33				09/27/0			09/27			
Was Immedi	ate Notice (Y 🛪 🗋	No [Not Re	quired	IF YES, TO	o Whom? ILLIAMS/OCD	IORRS				
By Whom?	.'					<u> </u>	Date and I	Hour					
MA Was a Water	COURSE Rea	PUMPER WAL	RREN HU	NT .	···· · · · · · · · · · · · · · · · · ·	 .	09/27/0	0 01:30PM I olume Impacting		OURSe			**************************************
			Yes 🛛	No								•	
If a Waterco	urse was In	npacted, Descr	ribe Fully.	•	***								
						•							
Describe Ca	use of Prob	Iem and Reme	dial Actic	on Take	n.*								,
CAUSE:		ON CAUSED I											
ACTION:	REPAIRE	D & REPLAC	ED FLOM	LINE									
		and Cleanup			<u></u>		· · · · · · · · · · · · · · · · · · ·	· · · · ·					
		1,000' X (E FOLLO	WING PI	ROPOSED CI	LEANUP IS ATT	ACHED AN	d schei	DULED	EOR 1	10/09/0
								DEPTH. BRING					
CLOSE P	ROXINITY	TO SPILL	FOR BLE	NDING	PURPOSE	<u>s. te</u>	STS FOR 5	DOOPPM TARGET	TAKEN.	BACKI	ILLE	D & LI	EVELLED
and regulation	ons all oper	information graters are required	riven abov ired to rep	re is tru iortand	e and comp /or file-cert	plete to t ain rele	the best of m ase notificati	y knowledge and ons and perform	understand	that pur ctions fo	suant (or relea	to NMC uses who)CD rules ich may
cudanger pu	blic health	or the environ	ment. Th	e accep	tance of a	C-141 rd	port by the l	NMOCD marked	as "Final R	eport" d	oes 110	t relicve	; the oper
Water, huma	nould their	the environme	ent. In ad	dition,	NMOCD a	cceptan	nd remediate	contamination the report does not a	at pose a u relieve the (prest to g	nound of rest	water, ponsibil	ity for
compliance	with any ot	ther federal, st	ate, or loc	al laws	and/or-reg	ulations	T		\$ED17+*	TION	<u>היזית</u>	ISTON	<u> </u>
Signatures	\mathcal{Q}	ather			<u>.</u>			<u>OIL CON</u>	SERVA	HUN		12101	<u>1</u>
Printed Nan	777			X			Approvo						
	44	ROTHEA LOG	AN	<u></u>	······		District S	Supervisor:					~
Title: REGU	LATORY A	NALYST			••••••••••••••••••		Approva	1 Date:		Expirat	ion Di		
Date: OCTO	BER 5, 20	000	Phon	e (9	15) 684-1	7441	Conditio	ns of Amproval				Attach	ed 📋

 Date: OCTOBER 5, 2000
 Phone: (915) 684-7441
 Conditions of Approval:

 * Attach Additional Sheets If Necessary

R.E. ENVIRONMENTAL SERVICES INC. P.O. BOX 13418 ODESSA TX, 79788-3418 (915) 350-8522

September 29, 2000

Maralo, Inc. 223 W. Wall Suite 900 Midland, TX 79702

Dear Mr. Phillip Smith:

As per the flowline leak in the battery in the Yates Unit Field:

The agreed dimensions of cleanup are 1,000'x6'x2'. The method of cleanup we propose is to excavate contaminated material to the required depth while also bringing in clean material from along side the spill area for blending purposes at the same time. Once all material is out and clean bottoms are reached, we will blend and take the required tests until the 5,000ppm target is reached. We will then backfill with this material and level to complete the job.

TOTAL COST OF CLEANUP - \$4,800.00

Thank you for giving us this opportunity to be of service to you. If you should have any questions, please feel free to call me at (915) 550-8522.

Sincerely,

et Ribersen

Derek Robinson

CT-19-00 11:17/	M	FROM-MARAL	0		1-91	5-684-9836	T-315	P.04/07	F-106
P. O. BOX 1468 MONAHANS, TEXAS 7 PH. 943-9234 OR 563-1				Martin Water La	aboratories,	Inc.			W. INDIANA ID, TEXAS 7971
rii- 943-3634 (Jr) 963-1	UAU		NE 683-4521						
Mm	DL -1	1140 0-	J F J		LABORAT	ORY NO.	900113		
0: <u>Mr.</u> P.O. Box 8	22	Midles	ith	20702	_ SAMPLE F	ECEIVED _	9/14/00		
1.0. DOX 0.	242	_midian	o, lexas	79702	_ RESULTS	REPORTED_	9/20/00		
	aral	o, LLC			LEASE	Jalmat	Yates		
IELD OR POOL		• •		Jal .				·····	····-
ECTION 8	LOCK	< SUI	RVEY	COUNTY_	Lea	STAT	= NM		•
OURCE OF SAM	PLE A	AND DATE 1	TAKEN:						
NO.1	wat	er – ta	ken at J	almat Yates.	9/11/00				
NO. 2									
NO. 3							·····		
NO. 4								• • • • • • • • •	
EMARKS:									
	······		Ċ	HEMICAL AND PHY		and the second s			
				NO. 1		0.2	NO. 3	1	10.4
Specific Gravity at 60	<u> </u>		•	1.0020	_	· · · · · · · · · · · · · · · · · · ·			
pH When Sampled pH When Received									
Bicarbonate as HCQ.				<u> </u>					
Supersaluration as	-								
Underseturation as			·····						
Total Hardness as Ce				244					
Calcium as Ca				53					
Magnesium as Mg				27					
Sodium and/or Potes	sium			163				·	
Sulfate as SO,				222					
Chioride as Cl				51			· · · · · · · · · · · · · · · · · · ·		
Iron as Fe				0.30	•				
Berium as Ba		,							
Turbidity, Electric									
Color as PI				- 070					
Total Solida, Calculat Temperature 'F.	9 0			878					
Carbon Dioxide, Calc									
Disselved Oxygen,	10000							-	
Hydrogen Sulfide			·····-	0.0					<u> </u>
Resistivity, ohma/m a	1 77' F.			9.58			·····		
Suspended Qil									
Filtrable Solids as me	1								
Valume Filtered, m									
Nitrate, as	<u>5 N</u>			0.2					
·····		····		Results Reported As	Milliorame Ger Line				
Additional Determina	lions Ar	nd Remarka	The	undersigned	certifies	the abo	we to be to		
			his kno	wledge and be	elief.				
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			·····						

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Waylan C. Martin, M.A.

1-915-684-9836

T-315 P.05/07 F-106



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT



Maralo, LLC Attn: Dorothea Logan P.O. Box 832 Midland, Tx 79702

Re: C-141: Submitted on April 19, 2000 UL A-Sec 13-T25S-R36E Jal Mat Battery

Dear Ms. Logan:

The New Mexico Oil Conservation Division (NMOCD) is in receipt of the C-141 referenced above that was submitted by Maralo. The NMOCD hereby requires Maralo to demonstrate that contaminants have not and will not migrate vertically so as to cause groundwater to exceed standards. If this demonstration cannot be made, Maralo will submit to the NMOCD a corrective action plan and/or a remediation plan (using the guidelines to assist you in this matter) within 15 days of receipt of this letter pursuant to Rule 116.D.

An attempt was made by an NMOCD inspector to enter the battery area to check on the spill after it occurred. The gate was locked and the inspector could not gain entrance. Please provide the NMOCD Hobbs District Office with a key to the facility. -Chris Williams District 1 Supervisor.

If you have any further questions, or need any assistance please do not hesitate to write or call me at (505) 393-6161 ext...113.

Sincerely,

onna Williamo

Donna Williams Environmental Engineer Specialist cc: Roger Anderson – Environmental Bureau Chief Chris Williams – District I Supervisor

OCT-19-00) 11:17AM	FROM-MA	RALO				1-915-684-983	6	T-31	5 P.06/07	F-106	
This is a W						of New Mexico Is and Natural Resources servation Division South Pacheco Fe, NM 87505			Form C-141 Revised March 17, 1999 Submit 2 Copies to appropriate District Office in accordance with Rule 116 on back aide of form			
					Conse 2040 S Santa I							
			Relea	se Notifica	tion a	nd Cor	rective Act	ion		, , , , , , , , , , , , , , , , , , ,		
	· . ·				OPER	ATOR	<u> </u>	KA Ini	tial Rep	ort 🔯 Fi	nal Report	
Name of Company MARALO, LLC						Contact PHILLIP SNITH, OPERATIONS MANAGER						
Address	Address P. O. BOX 832, NIDLAND, TX 79702					Telephone No. (915) 684-7441						
Facility Nar		AL MAT BAT	TERY	- 4.		Facility T	ype PRODI	UCTION F	ACILIT	Y		
Surface Ow	ner	LAY OSBORN		Minera	l Owner				No.			
		LAT USDAN	• <u> </u>		CTON A	OF RELI	ACE					
Unit Letter	Section	Tomship	Range	Feet from the		South Line	Feet from the	East/Wc	st Line	County		
A	13	255	36E	1050		NORTH	1100	EAST	•	LEA	•• -••••	
				NATT	TRE O	F RELE	ASE					
Type of Rele		ATER & OII				Volume of	me of Release BW, 1 BO			Volume Recovered 30 BW		
Source of Re	Icase	OLE IN HE				Date and H	Date and Hour of Occurrence 04/17/00 APPROX ROON MST			Date and Hour of Discovery 04/17/00 12:30PM MST		
Was Immedi	ate Notice C		Yes 🗌	No 🗌 Not R	equired	IF YES, TO SYLVIA	Whom? DICKEY, NMO	C d/Kobb s	5			
By Whom?				· .		Date and H	lour					
WARREN HUNT Was a Watercourse Reached?					04/17/00 12:30 PN NST If YES, Volume Impacting the Watercourse.							
	use of Probl	em and Reme HOLE IN HER REPLACED F	dial Actio									
		and Cleanup	Action Ta	Ken •		· .	······································					
AREA AF	FECTED:	RELEASE C	OMPLETE	LY CONTAINED N, RAKE AND (AT BATTERY. ED CHAT IN B	ATTERY.	. ·			
and regulation	ous all opera	nors are requi	ment. The	e is true and comport and/or file cert acceptance of a adequately investition, NMOCD a	tain relea C-141 re stigate an acceptanc	se notification port by the N ind remediate c of a C-141	ons and perform c MOCD marked a contamination the report does not to	orrective a is "Final R at pose a th clieve the c	ictions to ieport" de ireat to g operator	or releases whi oes not relieve round water. s	ch may the operator urface	
of liability si water, huma	n bealth or t	the cuvitonme her federal, sta	ate, or loc	al laws and/or reg	DIG MANNA			TTTTTT			· · · · · · · · · · · · · · · · · · ·	
of liability si water, huma	n bealth or f with any oth	her federal, st	ate, or loc	al laws and/or reg	und in a state.		OIL CON	SERVA	MON	DIVISION		
of liability s water, huma compliance Signature:	n bealth or i with any oth	her federal, sta	ate, or loc	al laws and/or reg		Approved	by	<u>SERVA</u>	TION	DIVISION		
of liability s water, huma compliance Signature: Printed Nam	n bealth or i with any oth	her federal, su ACCLA HEA LOGAN	ate, or loc	A laws and/or reg		Approved District S	i by upervisor:				an a	
of liability s water, huma compliance Signature:	n bealth or i with any oth Der DOROTI REGUL	her federal, sta	ate, or loc To VST	el laws and/or reg	. ,	Approved District S Approval	i by upervisor:			DIVISION		

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OCT-19-00 11:18AM FROM-MARALO

1-915-684-9836

T-315 P.07/07 F-106

8338

; 505

023

-20-00;10:03AM;NM. STATE ENG.

WATER LEVEL INFORMATION

DATE: 6-20-00 FROM: Fred MEM:m REQUESTED BY: Dorothia Logan LOCATION: 25,36,13.

A review of the records of the State Engineers Office revealed the following water levels within the location listed above. This is the most current information that this office has on record. Some of this information maybe several years old, therefore may no longer be accurate.

DATE	TOWNSHIP	RANGE	SECTION	SUBDIVISION	ELEVATION	WIL	
10-23-80	<i>as</i> s,	36E,	13	NEYY	1	350')
11-4-80	a ss	36E.	13.	NEX	ĺ	390'	/











422-428 (No. 2> 00/09/27

CLAY AND JERI OSBORN ONE N. COUNTRY CLUB RD. P.O. BOX 1235 JAL, NM 88252



42/60/00 (I '9N) 857-254

OLAY AND JERI OSBORN ONE N. COUNTRY CLUB RD. P.O. BOX 1235 JAL, NM 88252



410-251 (No. 1) 00/09/25

CLAY AND JERI OSBORN ONE N. COUNTRY CLUB RD. P.O. BOX 1285 JAL; NM 88252



410-251 (No. 25) 00/09/27

OLAY AND JERI OSBORN ONE N. COUNTRY CLUB RD. P.O. BOX 1285 JAL, NM 88252



410-251 (No. 24) 00/09/27

CLAY AND JERI OSBORN ONE N. COUNTRY CLUB RD. P.O. BOX 1235 JAL, NM 88252



22/60/00 (SZ.ON) 122-014

CLAY AND JERI OSBORN ONE N. COUNTRY CLUB RD. P.O. BOX 1285 JAL, NM 88252



22/60/00 (ZZ*9N) 125-017

CLAY AND JEBI OSBOAN ONE N. COUNTRY CLUB RD. P.O. BOX 1285 JAL, NM 88252



410-251 (Nº*21> 00-00-55

CLAY AND JERI OSBORN ONE N. COUNTRY CLUB RD. P.O. BOX 1285 JAL, NM 88252



22/60/00 (02 'ON) 125-015



710-521 (No 1 90) 122-014

CLAY AND JERI OSBORN ONE N. COUNTRY CLUB RD. P.O. BOX 1285 JAL, NM 88252

2004 9213 1935



22/60/00 (BI '9N) 125-010



410-251 (Nº 1 2) 00/00/51



22/60/00 (91 'ON> 125-010



410-251 (Nº T 2) 00/00/51



710-521 (No. 141) 00/09/27



22/60/00 (EI '9N) 125-010



72/20/00 (SI 'ON) 122-014



410-251 <Nº I I > 00/00/07



410-251 (Nº 1 C) 00/00/01



22/60/00 (G *ON) 125-017



410-251 (Nº* 8) 00/06/51



27/60/00 (2 *PN) IZS-017



710-521 (No. 60/00/00/



22/60/00 (> 'ON> 125-01+



22/60/00 (E 'ON) 125-014



410-251 (Nº S) 00/00/51



486-387 (No. 25) 00/09/27

CLAY AND JERI OSBORN ONE N. COUNTRY CLUB RD. P.O. BOX 1285 JAL, NM 88252

200d SZ13 935



486-387 (No. 24) 00/09/27



22/60/00 (SZ *9N) 282-985



22/60/00 (ZZ*9N) 282-981



22/60/00 (IZ'ON) 282-980

ONE N. COUNTRY CLUB RD. P.O. BOX 1285 JAL, NM 88252



486-387 (No. 200/09/27



22/60/00 (GI *ON) 282-985



486-387 (No. 1 8) 00/09/27



486-387 (No. 1 - 00/09/28

CLAY AND JERI OSBORN ONE N. COUNTRY CLUB RD. P.O. BOX 1285 JAL, NM 88252

2008 5273 035



486-387 (No. 16) 00/09/27



486-387 (No. 15) 00/09/27



22/60/00 (PT *9N) 282-987



22/60/00 (ET "PN) 282-987



22/60/00 (ZI *9N) 282-984



22/60/00 (T T '9N) 282-985

ONE N. COUNTRY CLUB RD. P.O. BOX 1285 JAL, NM 88252



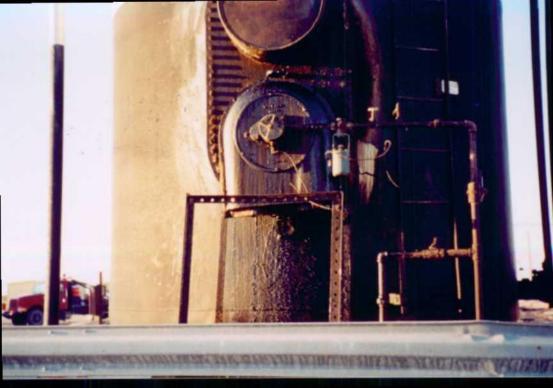
486-387 (No. 10) 00/09/27



122/60/00 (SZ 'ON) 851-

CLAY AND JERI OSBORN ONE N. COUNTRY CLUB RD. P.O. BOX 1285 JAL, NM 88252

2009 22.13



12/60/00 (12" N) 851-

ONE N. COUNTRY CLUB RD. P.O. BOX 1285 JAL, NM 88252



22/60/00 (SZ*ON) 957-6

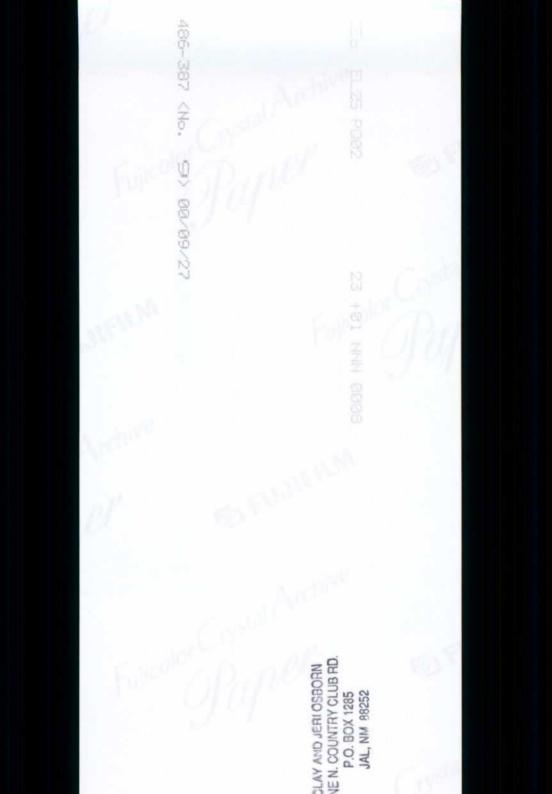
ONE N. COUNTRY CLUB RD. P.O. BOX 1285 JAL, NM 88252

EL25 P002

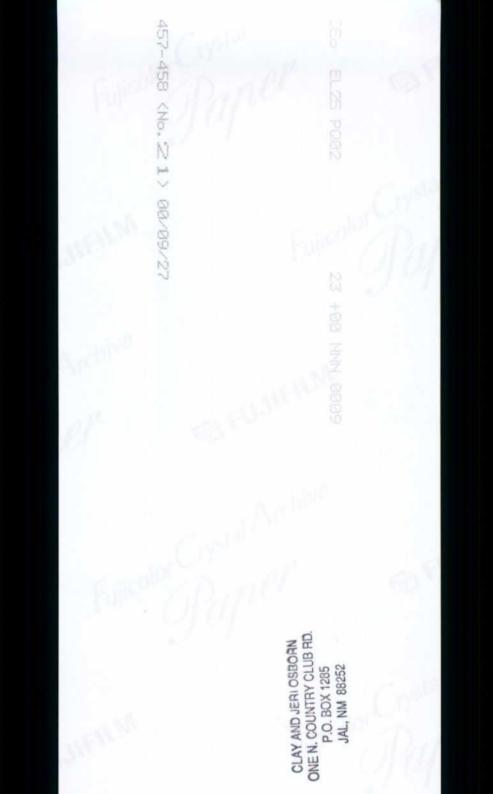


22/60/00 (22 * 9N> 85P-







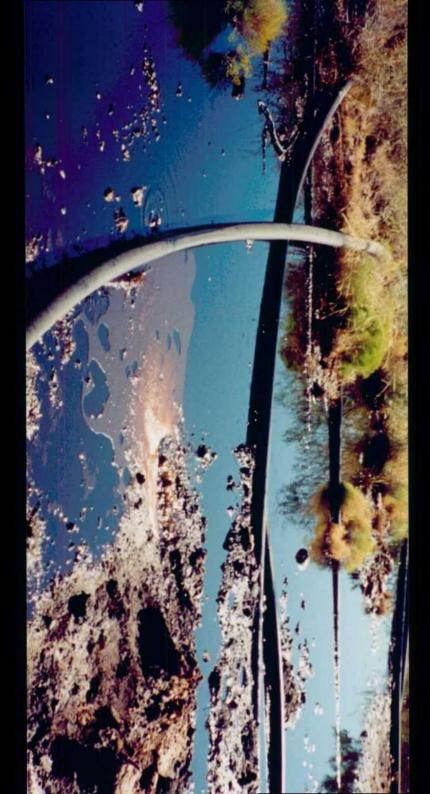








457-458 (No. 1 9) 00/09/27 CLAY AND JERI OSBORN ONE N. COUNTRY CLUB RD. P.O. BOX 1285 JAL, NM 88252



457-458 (No. 18) 00/09/27 CLAY AND JERI OSBORN ONE N. COUNTRY CLUB RD. P.O. BOX 1285 JAL, NM 88252







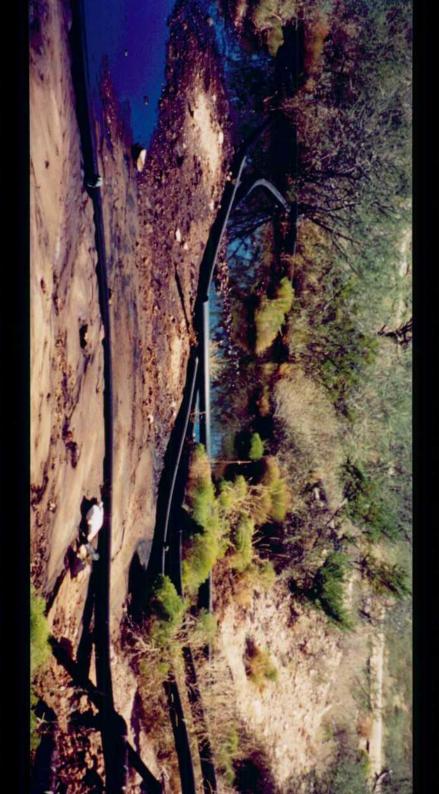
























22/60/00 (PT '9N) 857-257



22/60/00 (16 "ON> 850-250



422-428 (No. 8) 00/09/27



22/60/00 (2 "ON> 857-257



22/60/00 (9 "PN> 852-252



22/60/00 (S *ON> 857-257



422-428 (No. 4) 00/09/27

CLAY AND GENERAL TO A 222 ONE N. COUNTRY CLUB RD P.O. BOX 1285 JAL, NM 19915



422-428 (Nº 3> 00/00/52