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APPROVALS

YEAR(S):

2001-2000



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

March 13, 2001

CERTIFIED MAIL
RETURN RECEIPT NO. 5051-4201

Mr. George H. O'Brien
George O'Brien Oil Company
P.O. Box 1717
Midland, Texas 79702

RE: MGM GRAHAM STATE #1 PIT CLOSURES

Dear Mr. Sugano:

The New Mexico Oil Conservation Division (OCD) has reviewed George O'Brien Oil Company's (GOOC) March 6, 2001 e-mail titled "GEORGE O'BRIEN GRAHAM STATE #1" which was submitted on behalf of GOOC by their consultant Whole Earth Environmental and February 13, 2001 correspondence titled "MGM GRAHAM STATE #1, UL O-SEC.3-T11S-R33E, LEA COUNTY, NM" and accompanying February 7, 2001 report titled "GEORGE O'BRIEN OIL COMPANY, GRAHAM STATE #1 PIT CLOSURE PROJECT". These documents contain the results of closure of former unlined oilfield production pits at GOOC's MGM Graham State #1 well site located in Unit O, Section 3, Township 11 South, Range 33 East, NMPM, Lea County, New Mexico.

The closure of the unlined pits at the MGM Graham State #1 site, as contained in the above referenced documents, is approved. Please be advised that OCD approval does not relieve GOOC of responsibility should remaining contaminants pose a future threat to ground water, surface water, human health or the environment. In addition, OCD approval does not relieve GOOC of responsibility for compliance with any other applicable federal, state or local laws and regulations.

If you have any questions, please call me at (505) 476-3491.

Sincerely,

William C. Olson
Hydrologist
Environmental Bureau

xc: Chris Williams, OCD Hobbs District Office
Mike Matush, NM State Land Office
Mike Griffin, Whole Earth Environmental, Inc.



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December 4, 2000

George O'Brien
P.O. Box 1717
Midland, Texas 79702

Re: Work Plan submitted on November 17, 2000
Graham State #1
UL O-Sec 3-T11S-R33E

Dear Mr. O'Brien:

The New Mexico Oil Conservation Division (OCD) has reviewed George O'Brien's November 17, 2000, work plan which was submitted on the behalf of George O'Brien by their consultant Whole Earth Environmental. This document contains George O'Brien's work plan for closure of an unlined pit at the Graham State #1 site west of Tatum, New Mexico.

The above referenced work plan is approved with the following conditions:

1. All soil samples will be obtained and analyzed for concentrations of chloride, BTEX and TPH remediation levels.
2. Soils in excess of 250 mg/l chloride will not be placed back into the excavated area unless George O'Brien can demonstrate that chlorides will not pose a future threat to ground water, surface water, human health or the environment.
3. George O'Brien shall obtain a soil sample for every 100 yards of blended soils to confirm that the blended soils have achieved appropriate chloride, BTEX and TPH remediation levels.
4. George O'Brien shall determine the vertical extent of chloride, BTEX and TPH contamination related to the pit.

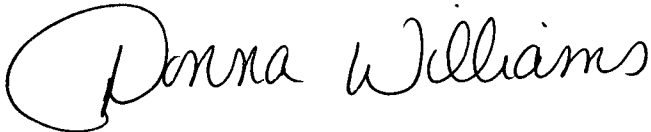
George O'Brien
December 4, 2000
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5. George O'Brien will submit the report on the investigations to the OCD by January 26, 2001. The report will be submitted to the OCD District I Hobbs Office.
6. George O'Brien shall notify the OCD at least 24 hours in advance of all scheduled activities and such that the OCD has the opportunity to witness the events and split samples.

Please be advised that OCD approval does not limit George O'Brien to the proposed work if the plan fails to adequately remediate or determine the extent of contamination related to George O'Brien's activities, or if contamination exists which is outside the scope of the plan. In addition, OCD approval does not relieve George O'Brien of responsibility for compliance with any other federal, state or local laws and regulations.

If you have any questions, please call me at (505) 393-6161 ext...113.

Sincerely,

A handwritten signature in cursive script that reads "Donna Williams". The signature is written in dark ink and is positioned above the typed name and title.

Donna Williams
Environmental Engineer Specialist

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