

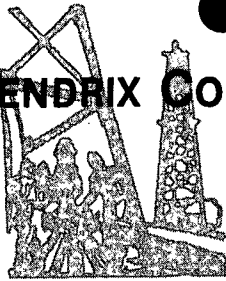
1R - 341

GENERAL CORRESPONDENCE

YEAR(S):

2002

JOHN H. HENDRIX CORPORATION



MAILING ADDRESS
P.O. BOX 3040
MIDLAND, TX 79702-3040

(915) 684-6631
FAX (915) 684-7317
110 N. MARIENFELD, SUITE 400
MIDLAND, TEXAS 79701-4412

July 16, 2002

RECEIVED

JUL 19 2002

ENVIRONMENTAL BUREAU
OIL CONSERVATION DIVISION

~~Mr. Leo V. Sims II~~
~~P. O. Box 2630~~
~~Hobbs, NM 88241-2630~~

Dear Mr. Sims:

We are returning your invoice submitted on May 3, 2002 for the Danglade No. 2 wellsite, unpaid. The charges, in our opinion, are unreasonable and highly excessive for the following reasons.

1. The charge for what you describe as surface damage is \$.15 per square foot. This would amount to \$6,534/acre.
2. Your billing for backfill material is \$6.00/cubic yard, not including transportation.

WALLACH CONCRETE INC. prices for fill material at their Eunice Plant are:

Road quality caliche \$2.00/yard.

Caliche fines that are being used by some operators for backfill

\$1.00/yard.

Red blow sand for top soil \$5.00/yard.

Red clay for encapsulating \$5.00/yard.

Mr. Leo V.Sims II

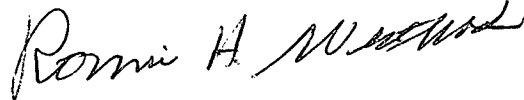
-2-

July 16, 2002

We understand your desire to have us purchase fill material from you and are willing to do so if your prices are competitive. If you would like to discuss this further, please let us know. If otherwise, we will make other arrangements to conclude this work.

Yours very truly,

JOHN H. HENDRIX CORPORATION



Ronnie H. Westbrook
Vice President

✓ cc: William C. Olson
Environmental Bureau
Oil Conservation Division
New Mexico Energy, Minerals &
Natural Resources Dept.
1220 S. St. Francis Dr.
Santa Fe, NM 87505

May 3, 2002

Leo V. Sims II
P. O. Box 2630
Hobbs, NM 88241-2630
Authorized Agent for S&D Ranch, LLC

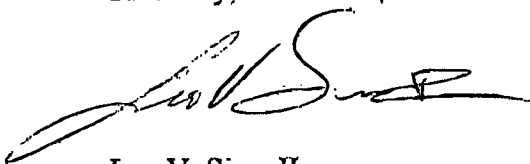
John Hendrix Corp.
P.O. Box 910
Eunice, NM 88231

As per our request the following are the figures we discussed on damages at the Danglade # 2 Well Site in the NE/4, NE/4, Sec. 24, Township 22 South, Range 37. Please make payment to S&D Ranch, LLC. at the address above. The tax ID# for S&D Ranch, LLC is 85-0466893. Attached is a GPS map of the sq. footage

39,253.24 sq. feet Surface damage @ \$.15	\$5,885.29
Backfill material 8,908 cubic yards @ \$6.00	<u>\$53,448.00</u>
Total	\$59,333.29

Thank you for your attention to this matter.

Sincerely,



Leo V. Sims II

01 MAY 29 PM 1:10

May 24, 2001

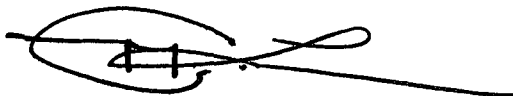
Mr. William C. Olson
Environmental Bureau
Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

**Re: Laboratory Report for Chloride Analysis, John H. Hendrix Corp., Danglede
2 Emergency Pit Investigation Report, NE/4, NE/4, 24, Township 22 South,
Range 37 East, Lea County, New Mexico, May 17, 2001**

Dear Bill:

Please find the enclosed laboratory report for chloride analyses discussed in the above-referenced report. The final report for chloride was received from the laboratory after the report was issued. Please call me at (915) 687-0901 if you have questions.

Sincerely,
Larson and Associates, Inc.



Mark J. Larson, CPG, CGWP
President

Encl.

cc: Mr. Ron Westbrook
Mr. Michael L. Klein
Mr. Chris Williams

ENVIRONMENTAL LAB OF , INC.

"Don't Treat Your Soil Like Dirt!"

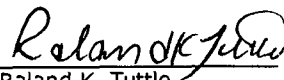
LARSON AND ASSOCIATES, INC.
ATTN: MR. MARK LARSON
P.O. BOX 50685
MIDLAND, TEXAS 79710-0685
FAX: 687-0456

Sample Type: Soil
Sample Condition: Intact/Iced/ 3.5 deg C
Project #: 01-0100
Project Name: John H. Hendrix-Danglade #2
Project Location: Lea County, N.M.

Sampling Date: 04/17/01
Receiving Date: 04/18/01
Analysis Date: 05/11/01

ELT#	FIELD CODE	Chloride mg/kg
39288	BH-1, 10'	71
39289	BH-1, 20'	177
39290	BH-1, 30'	1994
39292	BH-2, 10'	1276
39293	BH-2, 20'	177
39294	BH-2, 30'	142
39296	BH-3, 10'	142
39297	BH-3, 20'	222
39298	BH-3, 30'	1453
39300	BH-4, 10'	106
39301	BH-4, 20'	638
39302	BH-4, 30'	7799
	Quality Control	4963
	True Value	5000
	% Accuracy	99
	Blank	<10

Methods: EPA SW 846-9253


Raland K. Tuttle

5-14-01
Date

Environmental Lab of Texas, Inc.

12600 West I-20 East
Odessa, Texas 79763

Phone: 915-563-1800
Fax: 915-563-1713

CHAIN OF CUSTODY RECORD AND ANALYSIS REQUEST

Project Manager:

Michael Hannon

Company Name

Hannon and Associates Inc

Company Address:

P.O. Box 50635

City/State/Zip:

Midland, Texas 79710-0635

Telephone No:

(915) 487-0456

Fax No:

(915) 487-0456

Sampler Signature:

[Signature]

Project Name: John H. Hannon - Donor

Project #: 01-0100

Project Loc: Big County, NM

PO #:

Page 1 of 2

LAB # (lab use only)	FIELD CODE	Date Sampled	Time Sampled	No. of Containers	PRESERVATIVE										MATRIX										TDS / CL / SAR / EC	TPH 418 I	TPH TX 1005/1006	TPH 8015M GRO/DRO	Metals As Ag Ba Cd Cr Pb Hg S	Volatiles	Semivolatiles	BTEX 8021B/5030	Acids																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																													
					Ice	HNO ₃	HCl	NaOH	H ₂ SO ₄	None	Other (Specify)	Water	Sludge	Soil	Other (Specify)																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																															
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Special Instructions:

Additional 2 20, 50, 100' requested 5-10-01

Sample Containers intact?

Temperature Upon Receipt:

Laboratory Comments:

3.5°C

Received by:

Date:

Time:

Received by:

Date:

Time:

Phone: 915-563-1800
Fax: 915-563-1713

CHAIN OF CUSTODY RECORD AND ANALYSIS REQUEST

Project Manager:

21 Nov 72
Larsen

Project Name: John W. Henderson - De

Company Name

harm and also creates life

Project #: 01-0155

Company Address:

Box 50635

Project Loc: Lea County NM

City/State/Zip:

Midland, Texas 79710-0685

2025

Telephone No:

(95) 687-0901

Fax No: (915) 637-0456

Sampler Signature:

1

Page 2 of 2

[illegible]

Special Instructions:

Sample Containers Intact?
Temperature Upon Receipt:
Laboratory Comments:

Relinquished by:

Date	Time
4/13/01	16:50

Received by:

Date	Time
------	------

Relinquished by:

Received by ELOI

Date	Time
------	------

ENVIRONMENTAL LAB OF , INC.

"Don't Treat Your Soil Like Dirt!"

LARSON & ASSOCIATES, INC.
ATTN: MR. MARK LARSON
P.O. BOX 50685
MIDLAND, TEXAS 79710-0685
FAX: 687-0456

Sample Type: Soil
Sample Condition: Intact/ Iced/ 4.0 deg C
Project #: 01-0100
Project Name: John H. Hendrix Corp.
Project Location: Lea County, N.M.

Sampling Date: 04/20/01
Receiving Date: 04/23/01
Analysis Date: 05/11/01

ELT#	FIELD CODE	Chloride mg/kg
39522	HA-1, 2'	6026
39523	HA-2, 2'	248
39524	HA-3, 2'	124
39525	HA-4, 2'	4307
39526	HA-5, 2'	35
39527	North	8508
39528	East	6647
39529	South	7356
39530	West	12408
Quality Control		4963
True Value		5000
% Accuracy		99
BLANK		<10

Methods: EPA SW 846-9253


Celey Keene


Date

12600 West I-20 East
Odessa, Texas 79763

Phone: 915-563-1800
Fax: 915-563-1713

CHAIN OF CUSTODY RECORD AND ANALYSIS REQUEST

Project Name: John H. Hendrix
Project #: 01-0100
Project Loc: Lea County, N.Y.
PO #: _____

Project Manager: Marie Larson
Company Name Larson and Associates, Inc.
Company Address: P.O. Box 50685
Midland, Texas City/State/Zip: 79710-0685
Telephone No: (915) 687-0901 Fax No: (915) 687-0456

Fax No: (915) 627-0456

Sampler Signature: 

LAB # (lab use only)	FIELD CODE	Date Sampled	Time Sampled	No. of Containers	Preservative								Matrix				Analyze For				
					HCl	HNO ₃	H ₂ SO ₄	None	Other (Specify)	Water	Sludge	Soil	Other (Specify)	TDS / CL / SAR / EC	TPH 419.1	TPH TX 1005/1006	TPH 8015M GRO/DRO	Metals As Ag Ba Cd Cr Pb Hg Se	Volatiles	Semivolatiles	BTEX 8021B/5030
39522	HA-1 2'	4/20/8	13:25	✓																	
39523	HA-2 2'	"	13:35	✓																	
39524	HA-3 2'	"	13:40	✓																	
39525	HA-4 2'	"	13:45	✓																	
39526	HA-5 2'	"	14:35	✓																	
39527	None	"	13:55	✓																	
39528	See	"	14:10	✓																	
39529	Swamp	"	14:15	✓																	
39530	Wet	"	14:20	✓																	
Special Instructions:		Additional. Can abt 5:30 Reducted 5:00/ 0430																			
Relinquished by:		Date	Time	Received by:		Date	Time	Sample Containers intact? <input checked="" type="checkbox"/> Y <input type="checkbox"/> N Temperature Upon Receipt 41.0°C Laboratory Comments:													

A TRASMITTAL FROM THE OFFICE OF:

LEO V. Sims II
814 W. Marland
HOBBS NM 88240
(505) 393-3024

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TO:

Randolph Rayless

DATE:

4/13/02

DOCUMENTS ENCLOSED:

RE: Mr. Gucker Book!!

50

PAGES INCLUDING COVER SHEET

TELEPHONE FLAP

John H. Hendrix, Corp.

PO Box 910

Eunice, New Mexico

88231 505-394-2649

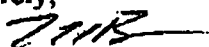
**Mr. Leo Sims
Hobbs, NM**

4/02/02

Dear Flap :

As you know, we had contracted Mr. Mark Larsen out of Midland, Tx., to do a study of the Dangladc # 2 cleanup site. At the conclusion of his study, he presented the results to the OCD and obtained permission to backfill the pit. He asked that I get with you to see how you would like to proceed with the backfill phase of the project (where to obtain needed fill material, etc.). Please call me at your earliest convenience.

Sincerely,



**Marvin L. Burrows
Production Superintendent
JHH, Corp.
Eunice, NM**