

1R - 431

APPROVALS

YEAR(S):

Martin, Ed, EMNRD

To: Gary Miller; EVAN L WAUHOB; 'Bob Jennings'

Subject: RE: Gruy Riddle Reserve Pit site

This would be an acceptable solution. Please advise when proposed work is complete.

Thanks.

Ed Martin

New Mexico Oil Conservation Division
Environmental Bureau
1220 S. St. Francis
Santa Fe, NM 87505
Phone: 505-476-3492
Fax: 505-476-3462
email: ed.martin@state.nm.us

1R-431

From: Gary Miller [mailto:gmler@hec-enviro.com]

Sent: Tuesday, May 16, 2006 3:57 PM

To: Martin, Ed, EMNRD; EVAN L WAUHOB; 'Bob Jennings'

Subject: Gruy Riddle Reserve Pit site

Mr. Martin,

In response to your request to increase the production of the recovery well located at the subject location we offer the following solution.

The solar pump setup that is being used at this time is producing approximately 3 gpm and is running an average of 8 hours per day. On cloudy days it has even less run time. I am proposing to Gruy personnel that we increase the number of solar panels and add a battery system that will not only allow the system to run 24 hours per day but also to run for up to 3 days with no sunlight. This will increase the production of the well from approximately 1,500 gallons (35 bbl.) per day to approximately 3,500 gallons (83 bbl.) per day. Additional, permitting with the State Engineers office will eventually be required if we begin to approach the 3 acre/per year limit, however, this should not be an problem.

Please let me know if you have any questions.

Gary E. Miller
Highlander Environmental Corp.
1910 N. Big Spring
Midland, Texas 79705

432-682-4559 office
432-557-4681 cell
432-682-3946 fax

5/17/2006



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

August 5, 2005

Mr. Timothy M. Reed
Highlander Environmental Corp.
1910 N. Big Spring
Midland, TX 79705

Re: Sidewall Excavation and Sampling Results for the
Gruy Petroleum Management Company Riddle State #1 Well
Located in UL-B, Section 1, Township 22 South, Range 34 East
Lea County, New Mexico
NMOCD Ref: 1R-0431

Dear Mr. Reed:

The New Mexico Oil Conservation Division (NMOCD) has received and reviewed the above report. The "Proposed Actions" contained therein are hereby approved with the following understandings and conditions:

1. The bottom of excavation under and around the reserve pit area will be lined with a 40-mil liner.
2. Prior to installing the 40-mil liner, Highlander will install a cushion at the bottom of the excavation comprised of the stockpiled soils from stockpiles SP-2, SP-4 and SP-5.
3. After installing the liner Highlander will utilize the remaining stockpiles to backfill the excavation. The surface will be contoured so as to minimize infiltration into the previous site of the pit.
4. Prior to the installation of the recovery well (item #3 of the Proposed Actions), Highlander will submit to the NMOCD Santa Fe Office a map showing the proposed location of the recovery well in relation to the Riddle State #1 well and the former pit. Along with such map, Highlander will submit a description of the proposed recovery activities to include final disposition of the contaminated groundwater.

If you have any questions, contact me at (505) 476-3492 or ed.martin@state.nm.us

NEW MEXICO OIL CONSERVATION DIVISION

Edwin E. Martin
Environmental Bureau

Cc: NMOCD, Hobbs