

1R - 458

APPROVALS

YEAR(S):



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

October 25, 2005

Mr. Bob Allen
Safety & Environmental Solutions, Inc.
703 E. Clinton, Suite 102
Hobbs, NM 88240

RE: Americo Energy Denton SWD #1 Site
Unit Letter D, Section 13, Township 15 South, Range 37 East
Lea County, New Mexico
Site Investigation Report Dated August 1, 2005
NMOCD Ref. 1R-0458

Dear Mr. Allen:

The New Mexico Oil Conservation Division (NMOCD) has received and reviewed the report shown above submitted by you on behalf of Americo Energy (Americo). This report is hereby approved with the following understandings and conditions:

1. Monitor wells at the site will continue to be sampled for chlorides on a quarterly basis.
2. Results of such monitoring will be reported to the NMOCD on a semi-annual basis.
3. Since the monitor wells were last sampled in June and July of 2005, Americo will be responsible for sampling again on or about November 15, 2005 and March 31, 2006. Sample analyses results are to be reported to the NMOCD by April, 30, 2006 and then semi-annually thereafter.

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

Copy: NMOCD, Hobbs

Martin, Ed, EMNRD

From: Johnson, Larry, EMNRD
Sent: Tuesday, October 04, 2005 3:10 PM
To: Martin, Ed, EMNRD
Subject: RE: 1R-17 Americo Denton SWD Line

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I gave him approval to start removing the contaminated soil in the NW section of the spill area to disposal.

From: Martin, Ed, EMNRD
Sent: Tue 10/4/2005 3:08 PM
To: Johnson, Larry, EMNRD
Subject: RE: 1R-17 Americo Denton SWD Line

Like much else around here, it's a shot in the dark. I vote we give them a chance to see what they can do, but ride herd on them pretty closely.

Do you have a proposal from Bob Allen on this site awaiting approval?

From: Johnson, Larry, EMNRD
Sent: Tuesday, October 04, 2005 3:06 PM
To: Martin, Ed, EMNRD
Subject: RE: 1R-17 Americo Denton SWD Line

Americo is in process of obtaining partnership approval to replace the line and some equipment. The spill area is so large, it is a struggle to tackle it in one bite - so it will be done in phases - the first was approved recently and SESI is supposed to begin soon.

Oscar Nasrasiti was in Hobbs recently and was scheduled to come by OCD, but Darr Angel captured him and time ran out. I have not talked to Darr, but report was that he was OK with the cleanup as presented.

I did talk with one of the partners today and he is ready to move while times are affording the capitol to expend. He indicated that another of the partners shared the same view.

This is one of those deals that it appears that Americo will work toward a project but may walk if the expense outpaces them. What is your thought?

From: Martin, Ed, EMNRD
Sent: Tue 10/4/2005 1:45 PM
To: Johnson, Larry, EMNRD
Subject: 1R-17 Americo Denton SWD Line

Hey, Larry. What is the status of this one? Have they submitted any plan? Or, are we waiting on them?

Ed

10/25/2005