

1R - 265

**GENERAL
CORRESPONDENCE**

YEAR(S):

1996 - 99



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

January 15, 1999

CERTIFIED MAIL
RETURN RECEIPT NO. Z-274-520-592

Mr. Larry Sugano
Tipperary Corporation
633 Seventeenth St., Suite 1550
Denver, Colorado 80202

**RE: TATUM PIT CLOSURES
LEA COUNTY, NEW MEXICO**

Dear Mr. Sugano:

The New Mexico Oil Conservation Division (OCD) has reviewed Tipperary Corporation's (TC) September 8, 1998 "WORK PLAN & 6/98 PROGRESS REPORT, TATUM PIT CLOSURE PROJECT, LEA COUNTY, NEW MEXICO". This document contains the results of TC's monitoring of ground water contamination related to the closure of 10 unlined pits west of Tatum, New Mexico. The document also contains TC's work plan for additional investigations through installation of monitor wells and ground water sampling.

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

1. A sufficient number of monitor wells will be installed to determine the downgradient and lateral extent of ground water contamination at each site with either downgradient monitor wells which show ground water contamination in excess of standards or with evidence of contaminants migrating as a slug through the monitoring system.
2. Each monitor well will be constructed and completed as follows:
 - a. A minimum of 15 feet of well screen will be installed with 5 feet of well screen placed above the water table and 10 feet of well screen placed below the water table.
 - b. An appropriately sized gravel pack will be set in the annulus around the well screen from the bottom of the hole to 2-3 feet above the top of the well screen.

Mr. Larry G. Sugano
January 15, 1999
Page 2

- c. A 2-3 foot bentonite plug will be placed above the gravel pack.
 - d. The remainder of the hole will be grouted to the surface with cement containing 3-5% bentonite.
 - e. A concrete pad and locking well cover will be placed at the surface.
 - f. The well will be developed after construction using EPA approved procedures.
3. No less than 48 hours after the wells are developed, ground water from all monitor wells at each site will be purged, sampled and analyzed for concentrations of benzene, toluene, ethylbenzene, xylene (BTEX) major cations and anions, total dissolved solids (TDS), and New Mexico Water Quality Control Commission (WQCC) metals using EPA approved methods and quality assurance/quality control (QA/QC).
4. All wastes generated during the investigation will be disposed of at an OCD approved facility.
5. TC will submit a report on the investigations to the OCD by April 1, 1999. The report will be submitted to the OCD Santa Fe Office with a copy provided to the OCD Hobbs District Office. The report will present the investigation work for each site as a separate case report. Each case report will contain the following information:
- a. A description of the investigation activities which occurred including conclusions and recommendations.
 - b. A geologic/lithologic log and well completion diagram for each monitor well.
 - c. A water table map showing the location of the pit, monitor wells, recovery wells and any other pertinent site features as well as the direction and magnitude of the hydraulic gradient created using the water table elevation from each monitor well.
 - d. Summary tables of all past and present ground water quality sampling results and copies of all recent laboratory analytical data sheets and associated QA/QC data.
 - e. If ground water recovery is occurring at the site, the volume of ground water and volume of product recovered to date.
 - f. The disposition of all wastes generated.

Mr. Larry G. Sugano
January 15, 1999
Page 3

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

If you have any questions, please call me at (505) 827-7154.

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.

Z 274 520 592

US Postal Service
Receipt for Certified Mail
No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

Sent to	
Street & Number	
Post Office, State, & ZIP Code	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

June 29, 1998

CERTIFIED MAIL
RETURN RECEIPT NO. Z-235-437-303

Mr. Larry Sugano
Tipperary Corporation
633 Seventeenth St., Suite 1550
Denver, Colorado 80202

RE: TATUM PIT CLOSURES
LEA COUNTY, NEW MEXICO

Dear Mr. Sugano:

The New Mexico Oil Conservation Division (OCD) has reviewed Tipperary Corporation's (TC) April 2, 1998 "PROGRESS REPORT, TATUM PIT CLOSURE PROJECT, LEA COUNTY, NEW MEXICO" and December 11, 1997 "TATUM PIT CLOSURE PROJECT, CLOSURE REPORT". These documents contain the results of TC's investigation of ground water contamination related to the closure of 10 unlined pits west of Tatum, New Mexico.

A review of the above referenced documents shows that at the majority of the sites the extent of ground water contamination has not been completely defined. Therefore, the OCD requires that TC submit a work plan to completely define the extent of ground water contamination which is in excess of New Mexico Water Quality Control Commission (WQCC) ground water standards. The work plan will be submitted to the OCD Santa Fe Office by August 28, 1998 with a copy provided to the OCD Hobbs District Office.

If you have any questions, please call me at (505) 827-7154.

Sincerely,

A handwritten signature in black ink, appearing to read "Will Olson".

William C. Olson
Hydrologist
Environmental Bureau

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



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

January 7, 1998

Mr. Larry Sugano
Tipperary Corporation
633 Seventeenth St., Suite 1550
Denver, Colorado 80202

**RE: GROUND WATER ANALYSES
LANE SALT LAKE FACILITY AND TATUM PIT CLOSURES**

Dear Mr. Sugano:

Enclosed you will find copies of the New Mexico Oil Conservation Division's (OCD) August 28, 1997, September 4, 1997 and September 5, 1997 laboratory analytical results of soil and ground water samples taken at Tipperary Corporation's (TC) Lane Salt Lake facility and seven of TC's Tatum pit closure sites.

If you have any questions, please call me at (505) 827-7154.

Sincerely,

A handwritten signature in black ink, appearing to read "William C. Olson".

William C. Olson
Hydrologist
Environmental Bureau

Enclosures

xc w/enclosures: Wayne Price, OCD Hobbs District Office
Mike Griffin, Whole Earth Environmental, Inc.



Tipperary
CORPORATION

633 Seventeenth Street
Suite 1550
Denver, Colorado 80202

November 21, 1997

Mr. William C. Olson
Hydrogeologist – Environmental Bureau
New Mexico Energy And Natural Resources Dept.
Oil Conservation Division
2040 South Pacheco 87505
Santa Fe, New Mexico 87504

**Subject: Tatum Pit Closure Project
Lea County, New Mexico
Progress Report Submittal**

Dear Mr. Olson:

We respectfully request an extension until December 12, 1997 to submit our progress report on the subject project. We are currently waiting on lab analyses from a portion of the recently completed monitor wells. The progress report will detail the investigative and remedial actions requested in your letter of June 4, 1997.

Let me know if you have questions or want to further discuss this matter.

Sincerely,

Larry G. Sugano
Vice President - Engineering

cc: Wayne Price, OCD Hobbs Office

WPWIN \TIP\LETTERS\TatumPitCloseNovx.L11.doc



State of New Mexico
ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT
Santa Fe, New Mexico 87505

STATE OF
NEW MEXICO
OIL
CONSERVATION
DIVISION

MEMORANDUM OF MEETING OR CONVERSATION

☒ Telephone ☐ Personal

Time 1530

Date 9/22/97

Originating Party

Other Parties

Bill Olson - Environmental Bureau

Bob Fehlmann - Tipperary Corp.
(303) 293-9379

Subject

Tipperary Pit Closures - Tatum, NM

Discussion

Came verbal approval of 9/22/97 fax from Mike Griffith
with following conditions:

1.) Monitor well construction, water quality sampling and
waste disposal will be conducted according to OCD's
June 4, 1997 approval conditions

2.) Wayne Price at OCD Hobbs will be contacted
about the drilling and sampling schedule

Also expressed concern about source well located 60' from pit instead
of directly adjacent to pit area as required in OCD's 6/4/97 approval

Conclusions or Agreements

I will fax copy of verbal approval to Tipperary
at (303) 291-0398

Distribution

Signed

Will Olson

file
Bob Fehlmann - Tipperary (fax copy)
Wayne Price - OCD Hobbs



**Whole Earth
Environmental**

19606 San Gabriel
Houston, TX 77084
Phone: (281) 492-7077
Fax: (281) 646-8996

FAX COVER PAGE

To: Bill Olsen

From: Mike Griffin

Company: NM OCD

Company: Whole Earth Environmental, Inc.

Fax No.: (505) 827-8177

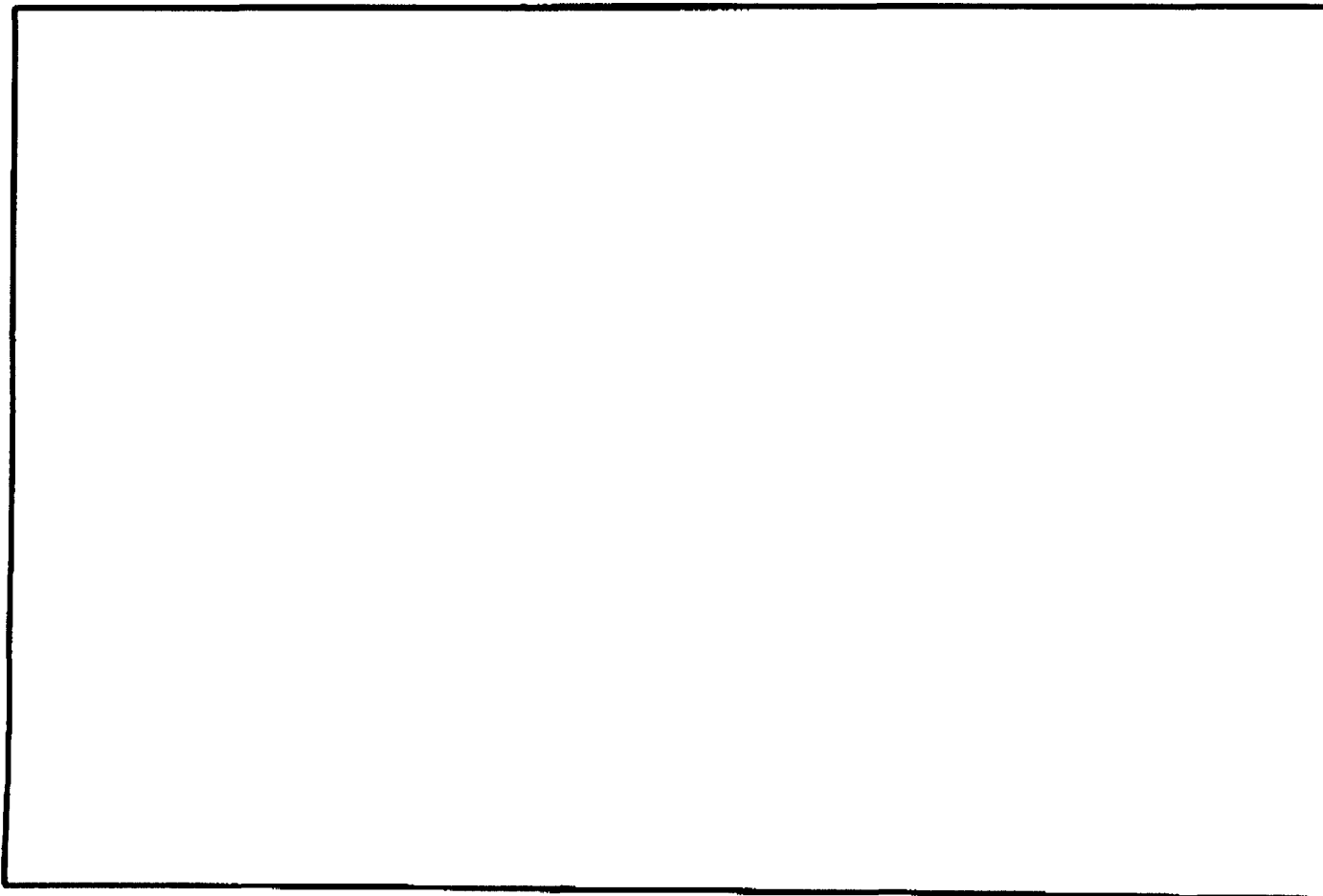
Pages including cover sheet: 3

Subject:

Extension Request

Message:

Date: 9/22/97





To: Bill Olsen

From: Mike Griffin *22*

Date: September 9, 1997

Subject: Extension Request

Sent by FAX to: (505) 827-8177

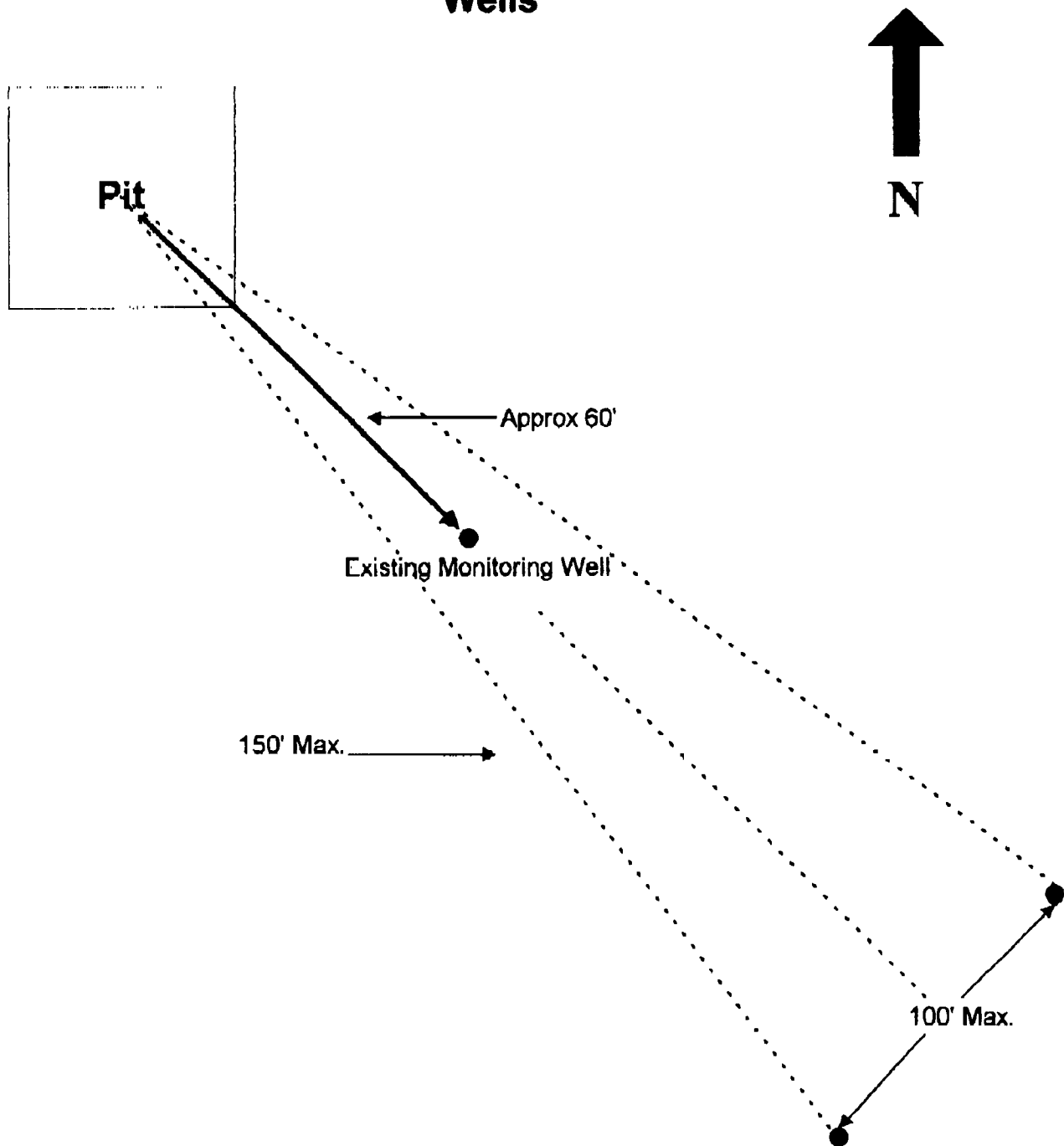
Bill, as you know we experienced an unforeseen delay in completing the Tipperary Tatum Pit Closure Project due to the discovery of detectable BTEX concentrations on five pit locations and the presence of free product in the G.S. State monitoring well. (Reference two letters Bob Fehlmann of Tipperary to you dated Sept. 11).

The new monitoring and recovery wells will be drilled beginning the morning of the 25th and will be sampled as soon as possible thereafter. We request an additional extension for project completion to the end of October.

By copy of this memorandum, I'm notifying Mr. Wayne Price of your Hobbs office as to the new schedule and will further advise him telephonically in advance of the final sampling events so as to allow him to witness.

Please advise if this causes any problems for you.

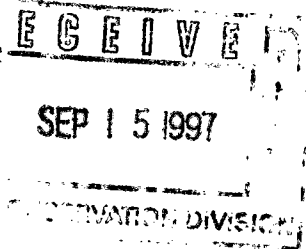
Typical Location of Monitoring Wells





Tipperary
CORPORATION

633 Seventeenth Street
Suite 1550
Denver, Colorado 80202



September 11, 1997

Mr. William C. Olson
Hydrogeologist – Environmental Bureau
New Mexico Energy And Natural Resources Dept.
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87504

Subject: Tatum, New Mexico Area “Pit Closure Project”.

Dear Mr. Olson:

Enclosed is a copy of the laboratory analyses of the first water samples taken from the new monitoring wells at our Tatum, New Mexico “Pit Closure Project”. The data indicates BTEX concentrations below allowable maximums for pit closures, but higher than maximums allowed for the more stringent WQCC standards that here apply to the Ogalla Aquifer. Pits with monitor well water samples exceeding the WQCC BTEX maximums include the: Bell State “A” #1, Sohio State “A”, Sohio State #1, Satellite #4, and the State NBF#1.

We have already removed the BTEX source (pit sludge) at these locations, and believe that through time, the processes of natural attenuation will remediate the minor amounts detected. Therefore, as a continuation of our pit closure project, in an effort to establish the extent of the plume we intend to set one new monitor well 150 feet down the ground-water gradient from each of the pits listed above. Tipperary believes these new monitor wells will define the lateral extent of the BTEX at these sites. We intend to sample these wells quarterly.

Please indicate your approval of the above modification to Tipperary’s pit closure plan so that we may proceed with the work. Let me know if you have questions or need more information.

Sincerely,

Robert H. Fehlmann
Environmental Coordinator

WPWIN \ TIP \ LETTERS \ NMPClose.L09

ENVIRONMENTAL LAB OF , INC.

"Don't Treat Your Soil Like Dirt!"

WHOLE EARTH ENVIRONMENTAL
ATTN: MR. MIKE GRIFFIN
18606 SAN GABRIEL
HOUSTON, TEXAS 77064
FAX: 1-281-846-8996

Receiving Date: 08/08/97
Sample Type: WATER
Project: TIPPERARY
Project Location: NONE GIVEN

Analysis Date: 08/09/97
Sampling Date: 08/06/97, 08/06/97
Sample Condition: Intact/ice

ELT#	FIELD CODE	BENZENE mg/l	TOLUENE mg/l	ETHYLBENZENE mg/l	m,p-XYLENE mg/l	o-XYLENE mg/l
12475	IVA COM MW#1	<.001	<.001	<.001	0.002	0.007
12476	IVA COM MW#2	<.001	<.001	<.001	<.001	<.001
12477	IVA COM SW	3.129	2.551	0.209	1.182	0.094
12478	GB #12	1.834	0.055	0.061	3.085	0.084
12481	BELL #8	0.687	0.013	0.024	0.060	0.006
12482	NBN #7	<.001	<.001	<.001	<.001	<.001
12483	SONIO 1 #10	2.558	1.148	0.243	1.257	0.081
12484	SONIO A #11	0.096	0.004	0.002	0.008	0.012
12485	SAT 4 #9	0.092	0.010	0.015	0.082	0.002
12486	NBF #8	0.302	0.208	0.039	0.753	0.161
12487	VERA #6	0.003	0.003	0.003	0.021	0.029
12488	MABLE MW #3	0.010	0.008	0.031	0.139	0.012
12489	MABLE MW #4	0.015	0.002	0.002	0.010	0.002
% IA		111	111	112	111	113
% EA		113	112	114	112	111
BLANK		<0.001	<0.001	<0.001	<0.001	<0.001

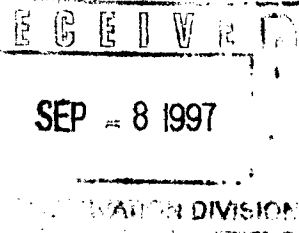
METHODS: SW 846-8020.5030


Michael R. Fowler

9-10-97
Date



Whole Earth Environmental, Inc.
19606 San Gabriel, Houston, Texas 77084
713/492-7077 Fax: 713/492-7077



September 2, 1997

State of New Mexico
Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

Attn: Bill Olson

SENT BY FAX TO: (505) 369-6230

Dear Bill:

This is to advise that all of the remediation work has been completed on the nine pits detailed in your letter of June 4, 1997 to Tipperary Corporation (Return Receipt No. P-410-431-177). All soil samples have been submitted to Environmental Labs of Texas for analysis in accordance with your instruction.

I plan to return to Tatum next Thursday, September 4th to obtain water samples from each monitoring well in accordance with your additional condition # 6. I anticipate having a complete closure report to Tipperary by September 15th.

Thank you for your flexibility.

Warmest regards,

Mike Griffin

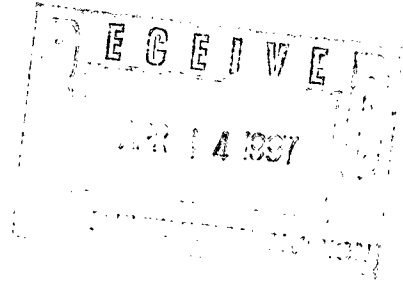
cc. Tipperary Corporation



Tipperary
CORPORATION

633 Seventeenth Street
Suite 1550
Denver, Colorado 80202

April 9, 1997



Mr. William C. Olson
Hydrogeologist - Environmental Bureau
New Mexico Energy and Natural Resources Dept.,
Oil Conservation Division
2040 Pacheco
Santa Fe, New Mexico

RE: PIT CLOSURES TATUM, NEW MEXICO

Dear Mr. Olson:

Enclosed is a copy of Tipperary's work results to date, and a new proposed closure plan, for the production emergency upset pits at Tatum, New Mexico. I believe that this report includes all the information that you requested in your March 27, 1997 letter concerning Tipperary's progress with this project.

I have forwarded a copy of this report to Jerry Sexton, in the OCD's Hobbs, NM office. Let me know if you have any questions.

Sincerely,

Larry G. Sugano
Vice President - Engineering

cc: Jerry Sexton, OCD Hobbs Office



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

March 27, 1997

CERTIFIED MAIL
RETURN RECEIPT NO. P-269-269-294

Mr. Robert H. Fehlmann
Tipperary Corporation
633 Seventeenth St., Suite 1550
Denver, Colorado 80202

**RE: PIT CLOSURES
TATUM, NEW MEXICO**

Dear Mr. Fehlmann:

The New Mexico Oil Conservation Division (OCD) has reviewed Tipperary Corporation's (TC) "TATUM, NEW MEXICO AREA PIT CLOSURE PROJECT". This document contains notification that TC encountered ground water during the closure of 9 unlined emergency pits in the North Bagley Oil Field near Tatum, New Mexico.

The document states that the results of the closures, the January 6, 1996 (1997 ?) coring investigation and a new closure plan would be submitted to the OCD. However, no date was given for when this information would be provided and to date the OCD has not received this information. Therefore, the OCD requires that TC provide the OCD with the following information by April 18, 1997:

1. A description of all closure activities conducted to date.
2. Maps showing the locations of each pit in relation to other site features.
3. The results of the soil sampling conducted during or after excavation of each pit including:
 - a. Laboratory or field analytical data sheets for all soil samples.
 - b. The sampling and EPA analytical methods used.
 - c. The associated quality assurance/quality control data.

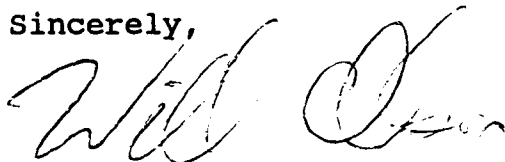
Mr. Robert H. Fehlmann
March 27, 1997
Page 2

4. The results of the coring investigations including:
 - a. The location of each core hole in relation to the pit.
 - b. Geologic logs for each core hole.
 - c. Laboratory or field analytical data sheets for all soil samples taken during coring including the sampling and EPA analytical methods used and the associated quality assurance/quality control data.
 - d. The depth to water in each core hole.
 - e. Field observations or measurements of free phase products on the water table.
 - f. Laboratory analytical data sheets for all water samples taken from each core hole including the sampling and EPA analytical methods used and the associated quality assurance/quality control data.
 - g. If the core holes were completed as monitor wells, monitor well completion diagrams and well development procedures.
5. A detailed work plan for additional investigations to determine the extent of soil and ground water contamination related to each pit.

Please provide the above required information to the OCD Santa Fe Office with a copy provided to the OCD Hobbs District Office.

If you have any questions, please call me at (505) 827-7154.

Sincerely,



William C. Olson
Hydrogeologist
Environmental Bureau

xc: Jerry Sexton, OCD Hobbs District Supervisor
Wayne Price, OCD Hobbs Office
Linda Freedman, NM State Land Office

Bill Olson

From: Wayne Price
Sent: Tuesday, February 25, 1997 12:30 PM
To: Bill Olson
Cc: Jerry Sexton
Subject: FW: Tipperary Pit Closures
Importance: High

added my recent field trip:

From: Wayne Price
To: Bill Olson
Cc: Jerry Sexton
Subject: Tipperary Pit Closures
Date: Tuesday, February 25, 1997 11:14AM
Priority: High

Dear Bill,

I am sending you a copy of the Tipperary file per your request.

Please note after I had received the first inquiry concerning these pits I sent the guidelines to Bob Fehlmann on or around Feb 12, 1996.

On Dec 12, 1996 I received a letter from Whole Earth informing me of their intentions to close four pits. I called Whole Earth and discussed the approval process.

On Dec 13, 1996 I informed Mike Griffin by telephone that the plan can not be approved as is because there was a discrepancy in the depth to groundwater and this will change the ranking criteria. Also some of the information submitted was for the San Juan Vulnerable area. Bob Fehlmann and Mike Griffin called to discuss the procedure, also Bob Fehlmann sent (fax) locations for five additional pits to be included in the plan.

I ask Tipperary and Whole Earth to resubmit their plan addressing the groundwater issue and vertical extent. At this time Tipperary and Whole Earth ask if they could get verbal permission to start due to a window of opportunity due to the weather and they would amend the plan.

I sent a copy of the telephone memorandum to both Mike Griffin and Bob Fehlmann documenting that I gave them permission to start but it will be contingent upon them following the NMOCD Guidelines and they must notify NMOCD when they check vertical extent. I also indicated they will be sent conditions of approval after I received the amended plan.

On Dec. 16, 1996 Bob Fehlmann called and ask questions concerning legal issues on pit closures, rules, etc. He requested a copy of the current Pit Closure Guidelines. I informed him it has been NMOCD Santa Fe's policy that when a company notifies us that they are closing a pit, then the closure would be approved by the NMOCD as is or with conditions.

On Dec 19, I sent Mr. Fehlmann a letter with a copy of the guidelines. I also included a statement that there was an understanding that Tipperary would be submitting an amended plan for NMOCD approval and that NMOCD will approve as is or with conditions.

On Jan 14, 1996 I received a telephone call from Mike Griffin requesting we "talk off the record." I told him I could not do that. He ask if we could talk in hypothetical terms. Mike describe a situation in the area of where the Tipperary pits are located and indicated "what if" they had drilled soil borings and encountered or tagged the top of the groundwater and it appears it was contaminated.

I told Mike that they would be required to notify the NMOCD Environmental Bureau Chief with 24 hours.

On Jan 22, 1997 Eric Nelson with the NM State Land Office-Hobbs called and notified me that he had a field trip with Ricky Pearce -Ranch and Mr. Pearce told him and showed him where Tipperary had drilled soil borings. Mr. Pearce witness these events.

On Feb 14, 1997 Mike Griffin called and ask what regulations would require them to notify Santa Fe. I sent him a copy of the WQCC reg's pg's 12-15. I told him he needs to notify our Santa Fe group of this. He indicated at this point in time he could not do this , however he assured me that his client wants to and will do the right thing.

Feb 21, 1997 Field Trip with Ricky Pearce ranch owner- Mr. Pearce pointed out where they drilled the bore holes at some of the locations, took pictures and made notes.

Feb 24, 1997 received copy of letter from Tipperary to Roger Anderson.

Conclusion: As of this date Tipperary has not submitted the amended plan for our approval nor did it notify me of the drilling activity.

Bill Olson

From: Wayne Price
Sent: Tuesday, February 25, 1997 12:14 PM
To: Bill Olson
Cc: Jerry Sexton
Subject: Tipperary Pit Closures
Importance: High

Dear Bill,

I am sending you a copy of the Tipperary file per your request.

Please note after I had received the first inquiry concerning these pits I sent the guidelines to Bob Fehlmann on or around Feb 12, 1996.

On Dec 12, 1996 I received a letter from Whole Earth informing me of their intentions to close four pits. I called Whole Earth and discussed the approval process.

On Dec 13, 1996 I informed Mike Griffin by telephone that the plan can not be approved as is because there was a discrepancy in the depth to groundwater and this will change the ranking criteria. Also some of the information submitted was for the San Juan Vulnerable area. Bob Fehlmann and Mike Griffin called to discuss the procedure, also Bob Fehlmann sent (fax) locations for five additional pits to be included in the plan.

I ask Tipperary and Whole Earth to resubmit their plan addressing the groundwater issue and vertical extent. At this time Tipperary and Whole Earth ask if they could get verbal permission to start due to a window of opportunity due to the weather and they would amend the plan.

I sent a copy of the telephone memorandum to both Mike Griffin and Bob Fehlmann documenting that I gave them permission to start but it will be contingent upon them following the NMOCD Guidelines and they must notify NMOCD when they check vertical extent. I also indicated they will be sent conditions of approval after I received the amended plan.

On Dec. 16, 1996 Bob Fehlmann called and ask questions concerning legal issues on pit closures, rules, etc. He requested a copy of the current Pit Closure Guidelines. I informed him it has been NMOCD Santa Fe's policy that when a company notifies us that they are closing a pit, then the closure would be approved by the NMOCD as is or with conditions.

On Dec 19, I sent Mr. Fehlmann a letter with a copy of the guidelines. I also included a statement that there was an understanding that Tipperary would be submitting an amended plan for NMOCD approval and that NMOCD will approve as is or with conditions.

On Jan 14, 1996 I received a telephone call from Mike Griffin requesting we "talk off the record." I told him I could not do that. He ask if we could talk in hypothetical terms. Mike describe a situation in the area of where the Tipperary pits are located and indicated "what if" they had drilled soil borings and encountered or tagged the top of the groundwater and it appears it was contaminated.

I told Mike that they would be required to notify the NMOCD Environmental Bureau Chief with 24 hours.

On Jan 22, 1997 Eric Nelson with the NM State Land Office-Hobbs called and notified me that he had a field trip with Ricky Pearce -Ranch and Mr. Pearce told him and showed him where Tipperary had drilled soil borings. Mr. Pearce witness these events.

On Feb 14, 1997 Mike Griffin called and ask what regulations would require them to notify Santa Fe. I sent him a copy of the WQCC reg's pg's 12-15. I told him he needs to notify our Santa Fe group of this. He indicated at this point in time he could not do this, however he assured me that his client wants to and will do the right thing.

Feb 24, 1997 received copy of letter from Tipperary to Roger Anderson.

Conclusion: As of this date Tipperary has not submitted the amended plan for our approval nor did it notify me of the drilling activity.

Wayne Price

From: Wayne Price
To: Bill Olson
Cc: Jerry Sexton
Subject: FW: Tipperary Pit Closures
Date: Tuesday, February 25, 1997 11:30AM
Priority: High

added my recent field trip:

From: Wayne Price
To: Bill Olson
Cc: Jerry Sexton
Subject: Tipperary Pit Closures
Date: Tuesday, February 25, 1997 11:14AM
Priority: High

Dear Bill,

I am sending you a copy of the Tipperary file per your request.

Please note after I had received the first inquiry concerning these pits I sent the guidelines to Bob Fehlmann on or around Feb 12, 1996.

On Dec 12, 1996 I received a letter from Whole Earth informing me of their intentions to close four pits. I called Whole Earth and discussed the approval process.

On Dec 13, 1996 I informed Mike Griffin by telephone that the plan can not be approved as is because there was a discrepancy in the depth to groundwater and this will change the ranking criteria. Also some of the information submitted was for the San Juan Vulnerable area. Bob Fehlmann and Mike Griffin called to discuss the procedure, also Bob Fehlmann sent (fax) locations for five additional pits to be included in the plan.

I ask Tipperary and Whole Earth to resubmit their plan addressing the groundwater issue and vertical extent. At this time Tipperary and Whole Earth ask if they could get verbal permission to start due to a window of opportunity due to the weather and they would amend the plan.

I sent a copy of the telephone memorandum to both Mike Griffin and Bob Fehlmann documenting that I gave them permission to start but it will be contingent upon them following the NMOCD Guidelines and they must notify NMOCD when they check vertical extent. I also indicated they will be sent conditions of approval after I received the amended plan.

On Dec. 16, 1996 Bob Fehlmann called and ask questions concerning legal issues on pit closures, rules, etc. He requested a copy of the current Pit Closure Guidelines. I informed him it has been NMOCD Santa Fe's policy that when a company notifies us that they are closing a pit, then the closure would be approved by the NMOCD as is or with conditions.

On Dec 19, I sent Mr. Fehlmann a letter with a copy of the guidelines. I also included a statement that there was an understanding that Tipperary would be submitting an amended plan for NMOCD approval and that NMOCD will approve as is or with conditions.

On Jan 14, 1996 I received a telephone call from Mike Griffin requesting we "talk off the record." I told him I could not do that. He ask if we could talk in hypothetical terms. Mike describe a situation in the area of where the Tipperary pits are located and indicated "what if" they had drilled soil borings and encountered or tagged the top of the groundwater and it appears it was contaminated.

I told Mike that they would be required to notify the NMOCD Environmental Bureau Chief with 24 hours.

On Jan 22, 1997 Eric Nelson with the NM State Land Office-Hobbs called and notified me that he had a field trip with Ricky Pearce -Ranch and Mr. Pearce told him and showed him where Tipperary had drilled soil borings. Mr. Pearce witness these events.

On Feb 14, 1997 Mike Griffin called and ask what regulations would require them to notify Santa Fe. I sent him a copy of the WQCC reg's pg's 12-15. I told him he needs to notify our Santa Fe group of this. He indicated at this point in time he could not do this , however he assured me that his client wants to and will do the right thing.

Feb 21, 1997 Field Trip with Ricky Pearce ranch owner- Mr. Pearce pointed out where they drilled the bore holes at some of the locations, took pictures and made notes.

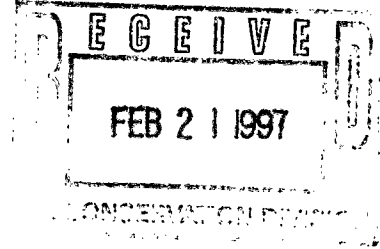
Feb 24, 1997 received copy of letter from Tipperary to Roger Anderson.

Conclusion: As of this date Tipperary has not submitted the amended plan for our approval nor did it notify me of the drilling activity.



Tipperary
CORPORATION

633 Seventeenth Street
Suite 1550
Denver, Colorado 80202



February 18, 1997

Mr. Rodger C. Anderson
Bureau Chief - Environmental Bureau
New Mexico Energy and Natural Resources Dept.,
Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87505

RE: Tatum, New Mexico area pit closure project.

Dear Mr. Anderson:

Your Hobbs office is aware that on December 16, 1996, in accordance with our approved pit closure plan, Tipperary started to close nine production emergency upset pits in the North Bagley Oil Field near Tatum, New Mexico. Due to mechanical limitations of the excavation equipment, we were unable to define the vertical extent of required remediation, so a substitute assessment plan utilizing core sampling was initiated. This letter is to inform your department that Tipperary is continuing to work on remediation of these pits.

The vertical extent of necessary remediation was established by core sampling. Coring investigation was commenced on the pits January 6, 1996, and the top of the ground water table was encountered at seven of the nine pits, including the: Vera #1, State NBN #1, State NBF #1, Mabel COM #1, Iva Com #1, Bell State "A", and the G. S. State #1.

Tipperary is presently in the process of formulating a new closure plan based upon the coring investigation results. Our new remediation plan along with lab analysis results on the core samples will be submitted to the department shortly.

Sincerely,

Robert H. Fehlmann
Environmental Coordinator

CC: Mr. Wayne Price, Hobbs Office OCD



FAX # 1-800-854-4358

DATE: 2/14/77

To MIKE GRIFIN
21016 BARTH ENVR

From

WAYNE PRICE - ENVIRONMENTAL ENGR. - NMOC DISTRICT I

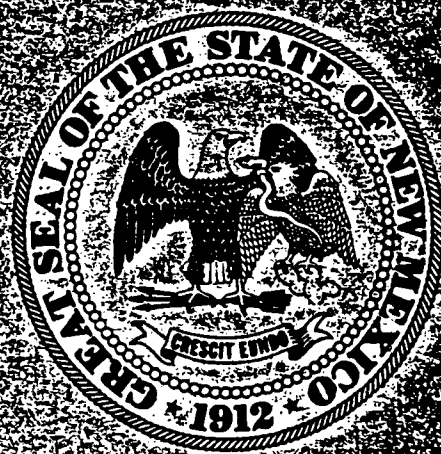
Energy & Minerals Department

Telephone Number 505-393-6161 Fax # 505-393-0720

- | | |
|---|---|
| <input type="checkbox"/> For Your Files | <input type="checkbox"/> Prepare a Reply for My Signature |
| <input type="checkbox"/> For Your Review and Return | <input type="checkbox"/> For Your Information |
| <input type="checkbox"/> For Your Handling | <input type="checkbox"/> For Your Approval |
| <input checked="" type="checkbox"/> As Per Your Request | <input type="checkbox"/> For Your Signature |
| <input type="checkbox"/> Please Advise | <input type="checkbox"/> For Your Attention |

WQCC 1203

STATE OF NEW MEXICO
Water Quality Control Commission



Regulations

Rules, Regulations & Statutes

- Subpart I
definitions.
List of Toxic Water contaminants.
Notification procedures for discharges.
Enforcement info.
- Subpart II
Surface water.
- Subpart III
Permitting and Ground Water Standards.
Fees.
- Subpart IV
Water Pollution Abatement.
- Subpart V
Underground Injection Control (UIC)

RECEIVED

DEC 17 1995

U.S. HOUSE
OFFICE

1995 OCT 27 PM 1: 25

B. Plans, specifications and reports required by this Section, if related to facilities for the production, refinement and pipeline transmission of oil and gas, or products thereof, shall be filed instead with the Oil Conservation Division. [1-4-68, 12-1-95]

C. Plans and specifications required to be filed under this Section must be filed prior to the commencement of construction. [9-3-72]

1203. NOTIFICATION OF DISCHARGE--REMOVAL.

A. With respect to any discharge from any facility of oil or other water contaminant, in such quantity as may with reasonable probability injure or be detrimental to human health, animal or plant life, or property, or unreasonably interfere with the public welfare or the use of property, the following notifications and corrective actions are required: [2-17-74, 12-24-87]

1. As soon as possible after learning of such a discharge, but in no event more than twenty-four (24) hours thereafter, any person in charge of the facility shall orally notify the Chief of the Ground Water Protection and Remediation Bureau of the department, or his counterpart in any constituent agency delegated responsibility for enforcement of these rules as to any facility subject to such delegation. To the best of that person's knowledge, the following items of information shall be provided:

a. the name, address, and telephone number of the person or persons in charge of the facility, as well as of the owner and/or operator of the facility;

b. the name and address of the facility;

c. the date, time, location, and duration of the discharge;

d. the source and cause of discharge;

e. a description of the discharge, including its chemical composition;

f. the estimated volume of the discharge; and

g. any actions taken to mitigate immediate damage from the discharge.

[2-17-74, 2-20-81, 12-24-87, 12-1-95]

2. When in doubt as to which agency to notify, the

1995 OCT 27 PM 1:25

person in charge of the facility shall notify the Chief of the Ground Water Protection and Remediation Bureau of the department. If that department does not have authority pursuant to commission delegation, the department shall notify the appropriate constituent agency. [12-24-87, 12-1-95]

3. Within one week after the discharger has learned of the discharge, the facility owner and/or operator shall send written notification to the same department official, verifying the prior oral notification as to each of the foregoing items and providing any appropriate additions or corrections to the information contained in the prior oral notification. [12-24-87]

4. The oral and written notification and reporting requirements contained in this Subsection A are not intended to be duplicative of discharge notification and reporting requirements promulgated by the Oil Conservation Commission (OCC) or by the Oil Conservation Division (OCD); therefore, any facility which is subject to OCC or OCD discharge notification and reporting requirements need not additionally comply with the notification and reporting requirements herein. [2-17-74, 12-24-87]

5. As soon as possible after learning of such a discharge, the owner/operator of the facility shall take such corrective actions as are necessary or appropriate to contain and remove or mitigate the damage caused by the discharge. [2-17-74, 12-24-87]

6. If it is possible to do so without unduly delaying needed corrective actions, the facility owner/operator shall endeavor to contact and consult with the Chief of the Ground Water Protection and Remediation Bureau of the department or appropriate counterpart in a delegated agency, in an effort to determine the department's views as to what further corrective actions may be necessary or appropriate to the discharge in question. In any event, no later than fifteen (15) days after the discharger learns of the discharge, the facility owner/operator shall send to said Bureau Chief a written report describing any corrective actions taken and/or to be taken relative to the discharge. Upon a written request and for good cause shown, the Bureau Chief may extend the time limit beyond fifteen (15) days. [12-24-87, 12-1-95]

7. The Bureau Chief shall approve or disapprove in writing the foregoing corrective action report within thirty (30) days of its receipt by the department. In the event that the report is not satisfactory to the department, the Bureau Chief shall specify in writing to the facility owner/operator any shortcomings in the report or in the corrective actions already taken or proposed to be taken relative to the discharge, and shall give the facility owner/operator a reasonable and clearly specified

1995 OCT 27 PM 1:2

time within which to submit a modified corrective action report. The Bureau Chief shall approve or disapprove in writing the modified corrective action report within fifteen (15) days of its receipt by the department. [12-24-87]

8. In the event that the modified corrective action report also is unsatisfactory to the department, the facility owner/operator has five (5) days from the notification by the Bureau Chief that it is unsatisfactory to appeal to the department secretary. The department secretary shall approve or disapprove the modified corrective action report within five (5) days of receipt of the appeal from the Bureau Chief's decision. In the absence of either corrective action consistent with the approved corrective action report or with the decision of the secretary concerning the shortcomings of the modified corrective action report, the department may take whatever enforcement or legal action it deems necessary or appropriate. [12-24-87, 12-1-95]

9. If the secretary determines that the discharge causes or may with reasonable probability cause water pollution in excess of the standards and requirements of Section 4103 of this Part, and the water pollution will not be abated within one hundred and eighty (180) days after notice is required to be given pursuant to Section 1203.A.1 of this Part, the secretary may notify the facility owner/operator that he is a responsible person and that an abatement plan may be required pursuant to Sections 4104 and 4106.A of this Part. [12-1-95]

B. Exempt from the requirements of this Section are continuous or periodic discharges which are made: [2-17-74]

1. in conformance with regulations of the commission and rules, regulations or orders of other state or federal agencies; or [2-17-74]

2. in violation of regulations of the commission, but pursuant to an assurance of discontinuance or schedule of compliance approved by the commission or one of its duly authorized constituent agencies. [2-17-74]

C. As used in this Section and in Sections 4100 through 4115, but not in other Sections of this Part: [2-17-74, 12-1-95]

1. "discharge" means spilling, leaking, pumping, pouring, emitting, emptying, or dumping into water or in a location and manner where there is a reasonable probability that the discharged substance will reach surface or subsurface water; [2-17-74]

2. "facility" means any structure, installation, operation, storage tank, transmission line, motor vehicle, rolling

1995 OCT 27 PM 1:25

stock, or activity of any kind, whether stationary or mobile;
[2-17-74]

3. "oil" means oil of any kind or in any form including petroleum, fuel oil, sludge, oil refuse and oil mixed with wastes; [2-17-74]

4. "operator" means the person or persons responsible for the overall operations of a facility; and
[12-24-87]

5. "owner" means the person or persons who own a facility, or part of a facility. [12-24-87]

D. Notification of discharge received pursuant to this Part or information obtained by the exploitation of such notification shall not be used against any such person in any criminal case, except for perjury or for giving a false statement.
[2-17-74]

E. Any person who has any information relating to any discharge from any facility of oil or other water contaminant, in such quantity as may with reasonable probability injure or be detrimental to human health, animal or plant life, or property, or unreasonably interfere with the public welfare or the use of property, is urged to notify the Chief of the Ground Water Protection and Remediation Bureau of the department. Upon such notification, the secretary may require an owner/operator or a responsible person to perform corrective actions pursuant to Sections 1203.A.5 or 1203.A.9 of this Part. [12-1-95]

[1204-1209] Reserved

1210. VARIANCE PETITIONS.

A. Any person seeking a variance pursuant to Section 74-6-4 (G) NMSA 1978, shall do so by filing a written petition with the commission. The petitioner may submit with his petition any relevant documents or material which the petitioner believes would support his petition. Petitions shall: [7-19-68, 11-27-70, 9-3-72]

1. state the petitioner's name and address;
[7-19-68, 11-27-70]

2. state the date of the petition; [7-19-68]

3. describe the facility or activity for which the variance is sought; [7-19-68, 11-27-70]

4. state the address or description of the property upon which the facility is located; [11-27-70]

P. 01

FEB-14-97 FR! 3:40 PM

FOR: OCD HOBBS

15053930720

DATE	START	RECEIVER
------	-------	----------

TX TIME PAGES TYPE

NOTE

FEB-14 3:39 PM 18008544358

1' 05" 1 SEND

OK



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

December 19, 1996

Mr. Bob Fehlmann
Tipperary Corp.
633 17th Street
Suite 1550
Denver, Colo. 80202
303-293-9379

RE: Pit Closures

Dear Bob,

Per your request, I am enclosing a set of our NMOCD pit closure guidelines and closure form. If you have any questions or require additional information please do not hesitate to call or write.

If you have specific vadose zone hydrology questions I recommend that you contact Mr. Bill Olson in our Santa Fe office (505-827-7154).

I understand that Mike Griffin your consultant will be submitting an addendum to the original plan submitted for the nine pits located in the Bagley area. As soon as we receive it we will review and approve as is or with conditions.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Wayne Price".

Wayne Price-Environmental Engineer

cc: Jerry Sexton-District I Supervisor

attachments-1

MIKE GRITFIN
WHOLE EARTH
RE FEHLINGER

STATE OF
NEW MEXICO
OIL
CONSERVATION
DIVISION



MEMORANDUM OF MEETING OR CONVERSATION



Telephone



Personal

Time

3:30 PM

Date

12/13/76

Originating Party

Other Parties

WAYNE PRICE - NMOCN

MIKE GRITFIN - WHOLE EARTH

Subject

TIPPERARY PIT CLOSURE PROJECT BATTLE AREA

TA 115 - R 35E

Discussion

INFORMED MIKE GRITFIN THAT ALL SITES LISTED IN
PFA TO BATTLE AREA ARE < 100 FEET, SOME ARE LESS < 50'
EXTREME CASE THE CLEAN-UP STANDARDS WILL
HAVE TO BE PER NMOCN GUIDELINES!

DEBRIS EXTENT WILL HAVE TO BE CHASED
UNTIL < 100 PPM TPH

BOTTOM HOLE SAMPLES SHOULD INCLUDE TPH, BTEX
+ CHLORIDES

Conclusions or Agreements

PERMISSION TO START WORK SHALL BE NOTIFIED
TO WILNESS BOTTOM HOLE SAMPLES!

NMOCN WILL SEND CONDITIONS OF AGREEMENT FOR REVIEW

Distribution

CC: JERRY SEXTON - NMOCN
PFA CLOSURE SITE

Signed

MIKE GRITFIN



First Interstate Tower North
633 Seventeenth Street
Suite 1550
Denver, Colorado 80202

Phone: 303/293-9379
(Main) Fax: 303/291-0398

DATE: 12/12/96

OLD HUBB
OFFICE

DEC 13

TELECOPY MESSAGE

RECEIVED

FOR: Wayne Price
COMPANY: NM-OCD-Hobbs
FAX#: 505-393-0720
FROM: Bob Fehlmann - Tipperary Corp., Denver
NUMBER OF PAGES TO FOLLOW: 1

MESSAGE:

Wayne:
Here's the list of pits with the
footages. I'll mail you a cover letter
with a hard copy tomorrow. Thanks!

Bob J.

We are transmitting on a NEC NEFAX 480. If for some reason you do not receive any of the pages being sent, please call 303/293-9379 and ask for: Judy McIntosh.

The pages comprising this facsimile transmission contain confidential information from Tipperary Corporation. This information is intended solely for use by the individual or entity named as the recipient hereof. If you are not the intended recipient, be aware that any disclosure, copying, distribution or use of the contents of this transmission is prohibited. If you have received this transmission in error, please notify us by telephone immediately so we may arrange to retrieve this transmission at no cost to you.

Date: 12/13/96

From the desk of: Sylvia Dickey

Wayne:

Bob Fillman with
 Tipperary.
 re: spot for Satellite
 #4 in NE + SE Sect 12

303-293-9379,

SAD.



LIST
 NEW MEXICO
 COUNTY

(Oil & Gas #E2654)

Gas #1402)

Gas #5846)

OLD HOBBS
 OFFICE
 DEC 13 1996
 RECEIVED

7. Bell State "A" — Fee Lease - Unit "C"
 T11S-R33E-Sec. 21
 720' FNL - 1980' FWL
8. G.S. State #1 — State Lease - Unit "G"
 T11S-R33E-Sec. 8
 2086 FNL - 1874' FEL
9. Iva COM #1 - Fee Lease - Unit "H"
 T11S-R33E-Sec. 20
 2130' FNL - 660' FEL

PIT LIST
TATUM AREA, NEW MEXICO
(LEA COUNTY)

1. Sohio State "A" --- State Lease K2371 - Unit "P"
T11S-R33E-Sec. 4
660' FSL - 1980' FEL
2. Satellite #4 --- Fee Lease
T11S-R33E-Sec. 12
NE/4
3. Vera #1 --- State Lease K3985 - Unit "E"
T11S-R33E-Sec. 32
1980' FNL - 810' FWL
4. State NBN #1 --- State Lease K2654 - Unit "N", (Oil & Gas #E2654)
T11S-R33E-Sec. 16
660' FSL - 1982.5' FWL
5. State NBF #1 --- State Lease - Unit "N", (Oil & Gas #1402)
T11S-R33E-Sec. 22
1980' FNL - 1980' FWL
6. Mable COM #1 --- State Lease - K3905, (Oil & Gas #5846)
T11S-R33E-Sec. 29
660' FNL - 660' FEL
7. Bell State "A" --- Fee Lease - Unit "C"
T11S-R33E-Sec. 21
720' FNL - 1980' FWL
8. G.S. State #1 --- State Lease - Unit "G"
T11S-R33E-Sec. 8
2086 FNL - 1874' FEL
9. Iva COM #1 - Fee Lease - Unit "H"
T11S-R33E-Sec. 20
2130' FNL - 660' FEL

OLD HUBBS
OFFICE

DEC 13 1996

RECEIVED

12/13/96

Ans Ser

Wayne

Bob Fielman

Tipperary Corp

Faxing copy of
pts

Mail original

2/12/96



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

Mr. Bob Fehlmann
Tipperary Corp.
633 17th Street
Suite 1550
Denver, Colo. 80202
303-293-9379

RE: Pit Closures

Dear Bob,

Per your telephone call I understand that Tipperary Corp. is in the preliminary stages of closing several pits. Please note the NMOCD approval procedure for this project can be the same that you used for your Lane lake project.

Per your request, I am enclosing a set of our NMOCD pit closure guidelines and a C-103 form to submit your plans. Please note you may submit one C-103 and attach a master work plan for the complete project including all of the pits or you may submit individual ones, this will be your choice.

The NMOCD normally reviews the work plans and approve as is or with conditions and/or recommendations.

If you have any questions or require additional information please do not hesitate to call or write.

If you have specific vadose zone hydrology questions I recommend that you contact Mr. Bill Olson in our Santa Fe office (505-827-7154).

Sincerely yours,

Wayne Price-Environmental Engineer

cc: Jerry Sexton-District I Supervisor
Bill Olson-Hydrogeologist NMOCD Santa Fe

attachments-2

