

1R - 270

REPORTS

DATE:

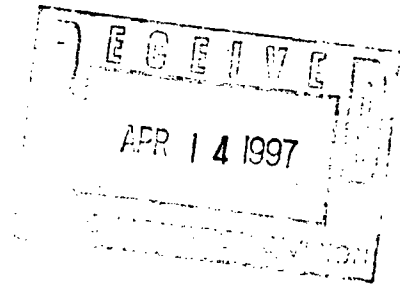
1997



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



cc: Rickey Pearce

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENTOIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

Attn: Donna Williams

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 383-8161NMOCD INTER-OFFICE CORRESPONDENCE

TO: Jerry Sexton-NMOCD District I Supervisor
From: Wayne Price-Environmental Engineer *Wayne Price*
Date: March 13, 1997
Reference: Field Trip Report on February 21, 1997.
Subject: Pearce Trust Ranch- Rickey Pearce operator/owner

Comments:

Mr. Pearce had requested assistance from the NMOCD District I office to sample ground water from some of the ranch water wells and to inspect some of the oil & gas operations in and near the area of his ranch operations.

As indicated to me, Mr. Pearce's primary concern is ground water contamination from oil & gas activities which will or have affected his ranch operations and future value of his property. He is requesting that the NMOCD ask the operators to clean up their leaks and spills to protect his ground water and to protect his stock and wildlife in the area.

Please find below my findings, conclusions, and recommendations for this area.

Pearce Ranch Water Wells:

1. se/4 nw/4 9-11-33; Sampled old well bore using PE bailer. Water is clear, no olfactory, TDS values were 1400-1700 umhos, Chlorides were 710 ppm. Depth to water is approximately 30-40 feet deep. Well was not purged and only the top was sampled. According to Mr. Pearce this well was contaminated a number of years ago and they had to quit using it as a stock tank.
2. Second well sampled was located west of the above well. Sampled with PE Bailer. Depth to water is approximately 30-33ft deep. This water was contaminated with black suspended solids with a strong sewage smell. There was also some hair found in this water, possibly from a dead animal. The TDS was measured and found to be around 600 umhos.

3. Third well sampled was a well and stock tank located nearby (400 yds.) southeast of the first well sampled. This water from the well is very clear and potable. Sample was taken from the end of pipe. The TDS was measured at 300 umhos.

Conclusions/recommendations:

The water well located in se/4 nw/4 of 9-11-33 appears to be contaminated. Therefore in keeping with our NMOCD procedure, I recommend that the NMOCD Environmental Bureau be notified and handle this ground water contamination case.

The second water well appears to have a bacteria contamination. I recommend that Mr. Pearce contact the NMED on how to properly clean this well for future use.

The third well requires no action, However this well appears to be down gradient of the first well that is contaminated and in close proximity (400 yds).

Tipperary Locations and Pits.

Several of the Tipperary locations were visited in the area. Most of these locations have unlined pits. Some of the pits have been covered with signs of oil seeping out of them. Some are still open. There were a few that was visited that showed signs of re-entry for closure and three of the sites that had recent bore hole cuttings.

One Tipperary tank battery (St. NBN No. 1 se/sw sec 16-Ts 11s-R33e) showed signs of a recent leak. The soil was visually contaminated and had a mild to strong hydrocarbon odor. Took pictures.

Conclusions/recommendations:

Tipperary has been in the process of closing several pits in this area. Tipperary submitted pit closure information in December of 1996 and on February 22, 1997 the NMOCD District office received a copy of Tipperary's notification that they had encountered ground water in several of the soil borings during their site assessment.

Therefore per NM WQCC regulations the NMOCD Environmental Bureau will handle this remediation plan.

As for the contaminated soil found at the Tipperary battery st. NBN No. 1 se/sw sec 16-Ts 11s-R33e it is my recommendation that the District office ask tipperary to clean-up the site per NMOCD guidelines or another alternate method approved by the District Supervisor. (Spill report attached)

Burro Pipeline Corp.

The Burro Pipeline Water Disposal System Satellite #1 located in NW/4 SW/4 sec 22-Ts 11s-R33e was visited. This system consist of pumps and a medium to large lined netted surface pit. The pit was approximately 20 % full of water. The net is in need of repair. Took picture.

Conclusions/recommendations:

I recommend this site be evaluated to determine if it should be permitted under NMOCD Rule 711.

Penroc Tank Battery Location: (Now Saga Petroleum LP Co.)

Mr. Pearce showed me the Cabot state C NO.1- well no.1 tank battery located in sw/4 nw/4 sec. 14-Ts11s-R33e. where there had been a spill. There was visual soil contamination inside of the dike area and outside. Took pictures.

Conclusions/recommendations:

The NMOCD District office has on record a spill report on 1/23/96 for this site. The spill report reflected that 329 bbls of crude oil was released with only 20 bbls recovered. It indicated "All fluids stayed inside Earthen Dike. Picked up 20 barrels of oil remaining soaked up in caliche." (Spill report attached)

It is my recommendation that the NMOCD District office ask the current owner to clean-up the site per NMOCD guidelines or another alternate method approved by the District Supervisor.

Old Abandon Site:

Mr. Pearce showed me an old abandon site which still has some debris on site such as concrete foundation, miscellaneous pipe, and an area which appears to be oily stained soil. Took pictures. Exact location was not identified at this time.

Conclusions/recommendations:

Mr. Pearce has had an ongoing discussion on this issue with Mr. Gary Wink NMOCD Field Supervisor. According to Mr. Pearce, Gary has obtained information that pre-dates Mr. Pearce's ownership of the ranch which reflects that the previous owner of the ranch had received compensation for this site.

I recommend that NMOCD copy Mr. Pearce on this correspondence, or provide him information as how we may obtain this information for his records.

ELK Oil Location:

Mr. Pearce showed me an active open unlined pit (un-netted) at the Elk Oil Co. RR St. #1 sec 7-Ts11s-R33e. This pit contained oil, BS&W, and solid debris, buckets, etc. Mr. Pearce indicated this is a relative new pit. The usage of this type of pit appears to violate NMOCD rule 18. Took Pictures.

On February 27, 1997 I received a call from Mr. Pearce indicating a contractor was covering the pit as is without removing any of the oily material.

On March 6, 1997 I inspected the covered pit. I took a sample three feet below the surface of the pit using an EPA type trier sample device and found free water/oil. Ran a BTEX headspace test using a PID (photoionization detector) and the results were 1225 ppm which is twelve times the limits set in the guidelines. As noted in the water well sampling the ground water in this area is quite shallow.

Conclusions/recommendations:

The NMOCD District I office has deferred this pit closure to the NMOCD Environmental Bureau. It is my understanding that Mr. Olson of the NMOCD Environmental Bureau is handling the closure of this pit. Mr. Olson can be contacted at 505-827-7154.

cc: Rickey Pearce-Ranch Owner
Gary Wink-NMOCD District I Field Rep. II
Roger Anderson-Environmental Bureau Chief
Bill Olson-NMOCD Hydrogeologist-Environmental Bureau
NMOCD Environmental files

attachments-2 spill reports.
copy of pictures.

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980
DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719
DISTRICT III
1000 Rio Brazos Rd, Aztec, NM 87410


State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

SUBMIT 2 COPIES TO
APPROPRIATE DISTRICT
OFFICE IN ACCORDANCE
WITH RULE 116 PRINTED
ON BACK SIDE OF FORM

NOTIFICATION OF FIRE, BREAKS, SPILLS, LEAKS, AND BLOWOUTS

OPERATOR Tipperary Oil & Gas Corp.					ADDRESS 800 N. Marienfeld, Midland, TX. 79701			(915) 683-5201 TELEPHONE #	
REPORT OF	FIRE	BREAK	SPILL	LEAK	X	BLOWOUT	OTHER*		
TYPE OF FACILITY	DRLG WELL	PROD WELL	TANK BTRY	PIPE LINE	GASO PLNT	OIL RFY	OTHER*		
FACILITY NAME: State NBN									
LOCATION OF FACILITY Unit N 660 FSL & 1982 FWL					SEC 16	TWP 11S	ROE 33E	COUNTY Lea	
DISTANCE AND DIRECTION FROM NEAREST TOWN OR PROMINENT LANDMARK Approximately 18 miles West of Tatum									
DATE AND HOUR OF OCCURRENCE Approx. 4:00AM 12/18/96					DATE AND HOUR OF DISCOVERY 12:00PM MST 12/18/96				
WAS IMMEDIATE NOTICE GIVEN?		YES X	NO	NOT REQUIRED		IF YES, TO WHOM Bonnie Prichard			
BY WHOM W. Jeffrey Sparks					DATE AND HOUR 1:45 MST 12/18/96				
TYPE OF FLUID LOST Crude Oil					QUANTITY OF LOSS 66 Bbls.		VOLUME RECOVERED None		
DID ANY FLUIDS REACH A WATERCOURSE?		YES	NO X	QUANTITY					
IF YES, DESCRIBE FULLY**									
DESCRIBE CAUSE OF PROBLEM AND REMEDIAL ACTION TAKEN**									
Hole came in tank about 9 inches from bottom. Hole about 1" in diameter. The tank was emptied of all fluids.									
DESCRIBE AREA AFFECTED AND CLEANUP ACTION TAKEN**									
The affected area was T-shaped. It was 100' x 20' along the top and 150' x 20' along the length of the T. The affected soil was removed and replaced with clean dirt.									
DESCRIPTION OF AREA	FARMING	GRAZING	X	URBAN	OTHER*				
SURFACE CONDITIONS	SANDY	SANDY LOAM	CLAY	ROCKY	X	WET	DRY	SNOW	
DESCRIBE GENERAL CONDITIONS PREVAILING (TEMPERATURE, PRECIPITATION, ETC.)**									
Overnight temperature about 5 degrees F. Daytime temperature about 20 degrees. No precipitation.									
I HEREBY CERTIFY THAT THE INFORMATION ABOVE IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE AND BELIEF									
SIGNED					PRINTED NAME AND TITLE - W. Jeffrey Sparks		DATE 12/20/96		

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

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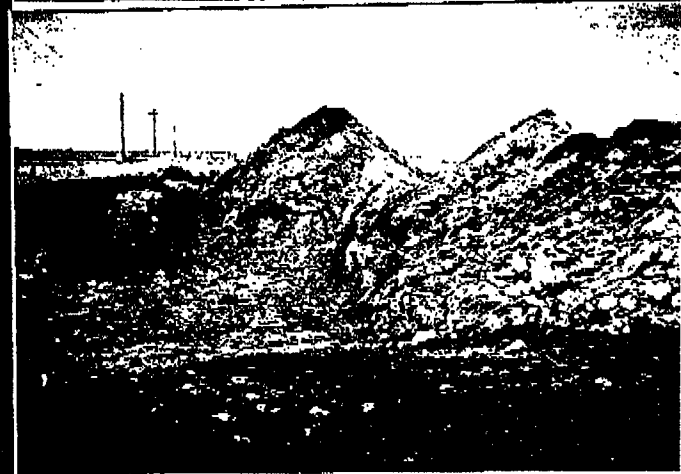
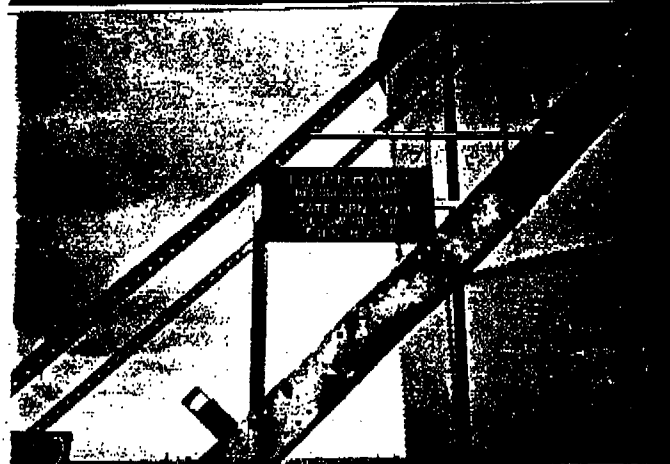
DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980
DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719
DISTRICT III
1000 Rio Bravo Rd. Aztec, NM 87410

NOTIFICATION OF FIRE, BREAKS, SPILLS, LEAKS, AND BLOWOUTS

OPERATOR PENROC OIL CORPORATION					ADDRESS P.O. Box 5970 HOBBS, NM 88241-5970		TELEPHONE 505-397-3596	
REPORT OF	FIRE	BREAK	SPILL X	LEAK	BLOWOUT	OTHER*		
TYPE OF FACILITY	DRUG WELL	PROD WELL	TANK ENTRY X	PIPE LINE	GASO PLNT	OIL RFY	OTHER*	
FACILITY NAME: CABOT "C"								
LOCATION OF FACILITY Qtr/Sec. or Footage S/2 NW/4					SEC 14	TWP 11S	RANGE 35E	COUNTY LEA
DISTANCE AND DIRECTION FROM NEAREST TOWN OR PROMINENT LANDMARK 20 MILES WEST OF TATUM, NM								
DATE AND HOUR OF OCCURRENCE 1/22/96 @ 2:00 PM					DATE AND HOUR OF DISCOVERY 1/22/96 @ 2:30 PM			
WAS IMMEDIATE NOTICE GIVEN?		YES	NO X	NOT RE- QUIRED		IF YES, TO WHOM		
BY WHOM					DATE AND HOUR			
TYPE OF FLUID LOST CRUDE OIL					QUANTITY OF LOSS 329		VOLUME RE- COVERED 20	
DID ANY FLUIDS REACH A WATERCOURSE?		YES	NO X	QUANTITY				
IF YES, DESCRIBE FULLY**								
DESCRIBE CAUSE OF PROBLEM AND REMEDIAL ACTION TAKEN** 4" x 2" SWAGE IN CIRCULATING LINE LEAKED. REPLACED SWAGE AND PICKED UP OIL AND CLEANED UP LOCATION. VERBAL NOTICE GIVEN TO PONNIE AT ODU @ 7:05 AM 1/23/96.								
DESCRIBE AREA AFFECTED AND CLEANUP ACTION TAKEN** ALL FLUIDS STAYED INSIDE EARTHEN DIKE. PICKED UP 20 BARRELS OF OIL REMAINING SOAKED UP IN CALICHE.								
DESCRIPTION OF AREA	FARMING	GRAZING	URBAN		OTHER*			
SURFACE CONDITIONS	SANDY	SANDY LOAM	CLAY X	ROCKY	WET		DRY	SNOW
DESCRIBE GENERAL CONDITIONS PREVAILING (TEMPERATURE, PRECIPITATION, ETC.)** TEMPERATURE 50 AND DRY								
I HEREBY CERTIFY THAT THE INFORMATION ABOVE IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE AND BELIEF								
SIGNED		PRINTED NAME AND TITLE M.Y. MERCHANT, PRESIDENT DATE 1/23/96						

*SPECIFY

**ATTACH ADDITIONAL SHEETS IF NECESSARY.



2/21/97 - PEARCE RANCH AREA LEG 041177

2/21/97

PEARCE RANCH

PAGE 08

TIPPERARY LOCATION

~ 1:45 PM

BY: W PRICE

~ 12:30 PM

"OLD PIT" LOOKING N.E. AREA

OF OLD WINDMILL - SAMPLED WATER

~ 35-40% CLEAR WATER - 1400 MARCH - 1700

TIPPERARY CORP. #1
SE/NE 20-11-33

BY: W PRICE

WILLIAM RICKY PEARCE

2/21/97 - PEARCE RANCH AREA LEG 041177

~ 2:00 PM

ST NBN #1

TIPPERARY CORP.

SE/SW SW 16-T115-R35F

LOOK ~ EAST

BY: W PRICE / R PEARCE

2/21/97 - "PEARCE RANCH AREA" LEG 041178

TIPPERARY LOCATION

N/A CORP #1

SE/NE 20-11-33

LOOKING EAST

BY: WAYNE PRICE
NMOCD

ADDRESS: R. PEARCE

2/21/97 - PEARCE RANCH LEG 041177

~ 2:00 PM

ST NBN #1

TIPPERARY CORP.

SE/SW 16-11-33

LOOKING ~ SW

"B502 PIT - FILL GROUND SHOWS FRESH
PILE CUTTINGS OF BORE HOLE"

BY: W PRICE / R PEARCE

2/21/97 - PEARCE RANCH AREA LEG 041178

~ 1:45 PM

"TIPPERARY LOCATION"

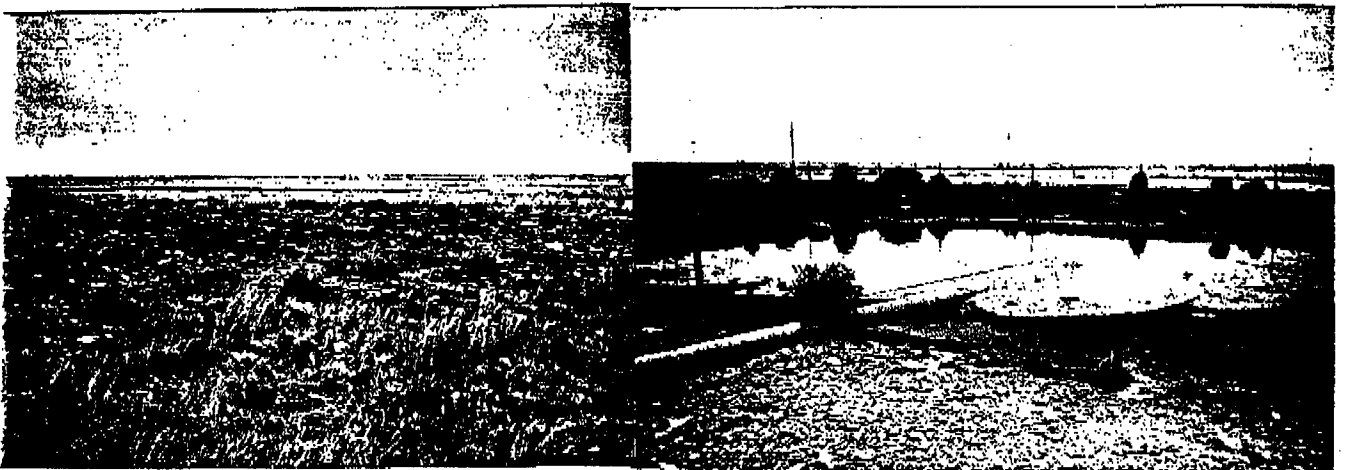
CLOSE TO HWY

BELL "A"1

B502 PIT

FOREGROUND SHOWS AREA WITH
RECENT BORE HOLE DRILLED
BY PEARCE WITHOUT DRILLING!

BY: W PRICE - NMOCD



2/21/97
~ 2:45 PM

PEARCE RANCH
OLD SITE

NEG 041177

2/21/97 PEARCE RANCH
~ 2:00 PM

ST NW 1
TIPPERARY CORP.
SE/SW 16-11-33
LOOK N SOUTH
"OIL STAIN SOIL"
BY 2 PRIZE / R PEARCE

2/21/97

~ 2:45 PM

PEARCE RANCH
"OLD SITE"

NEG 041177

2/21/97 -

~ 2:30 PM

BURRO PIPELINE CORP.
WASTE DISPOSAL SYS.
SITE #1
NW 1/4 SW 1/4 22-11-33
"NBL DOWN IN WATER"
"NO OIL"

NEG 041177

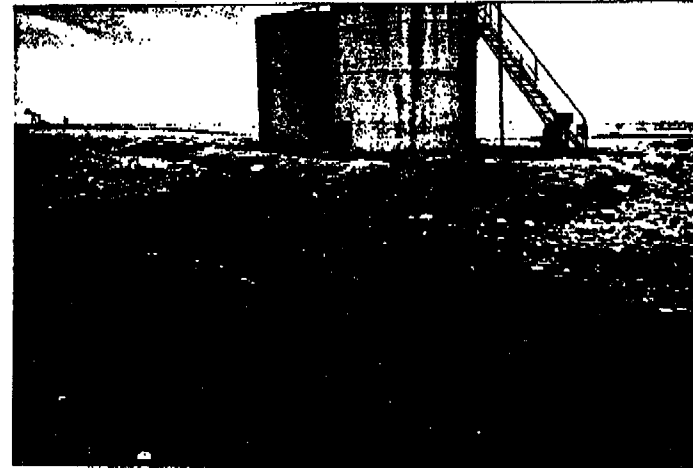
2/21/97

~ 2:30

BURRO PIPELINE
SITE #1

BY 2 PRIZE

NEG 041177



2/21/97 - PEARCE RANCH - NEG 041177

2/21/97 - PEARCE RANCH

~ 2:50 PM

~ 2:50 PM

PENROC CABOT ST C #1

PENROC BATTLEAY

LOOKING NORTH

LOOK ~ EAST

BY: W PRICE / R. PEARCE

BY: W PRICE / R. PEARCE

2/21/97 - "PEARCE RANCH" NEG 041177

~ 2:50 PM

PENROC CABOT ST C #1

SW 1/4 NW 1/4 14-11-33

LOOKING SW

BY: W PRICE / R. PEARCE

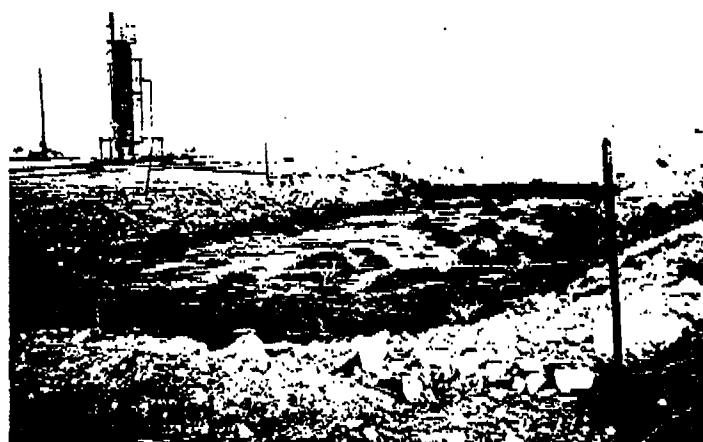
2/21/97 - "PEARCE RANCH" NEG 041177

~ 2:50 PM

PENROC CABOT ST C #1

LOOKING NORTH

BY: W PRICE / R. PEARCE



ELK OIL CO. RR 5001
DRY HOLE MOUNTAIN ROAD NEA 041178
RE-ENTERED
BY 2 PRICE / R. PENCE

ELK OIL CO. LOOK SW
BY 2 PRICE / R. PENCE
RE-ENTERED

2/21/77 - PENCE RANCH NEA 041178
ELK OIL CO. RR 5001
SEMI-DRY NEA PIZ LOOK S-SW
FLUIDS HAVE BEEN DIS-CHARGING FROM
WELL
BY 2 PRICE / R. PENCE

12/11/77 - PENCE RANCH NEA 041178
8502W PIZ - LOOKING SW
ELK OIL CO.
7-11-33
RR 5001
BY 2 PRICE / R. PENCE

2/21/77 - PENCE RANCH NEA 041178
ELK OIL CO. RR 5001
LOOK SW
BY 2 PRICE / R. PENCE

12/11/77 - PENCE RANCH NEA 041178
8502W PIZ - LOOKING SW
ELK OIL CO.
1874 RSL 766 FSL RR 5001
7-11-33
BY 2 PRICE / R. PENCE

Bill Olson / Roger Anderson
Respected pictures
Gave to Mark Laffley
March 5, 1997

NEA 041178