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GENERAL CORRESPONDENCE

YEAR(S): 1992

MERIDIAN OIL

March 4, 1992

198 Mg - MA 10 15

Roger Anderson New Mexico Oil Conservation Division Environmental Bureau P.O. Box 2088 Santa Fe, New Mexico 87504

RE: Groundwater Analyses from the Johnston Federal #6A and Maddox Com #1A Well Sites - San Juan County, New Mexico

Dear Mr. Anderson:

This letter provides written confirmation of our March 2, 1992, phone conversation regarding analyses of groundwater samples taken at the Johnston Federal #6A and Maddox Com #1A well sites.

Meridian Oil acquired the U.S. onshore properties of Union Texas Petroleum on September 17, 1991. These properties total approximately 600,000 acres of oil and gas production and processing facilities in eight states, including New Mexico. In New Mexico, Meridian acquired producing properties in the San Juan Basin. Since the date of acquisition, Meridian has performed and managed a due diligence assessment of these properties and their associated facilities. The focus was on determining whether the facilities and properties were in regulatory compliance. Limited boring and sampling activities were performed in areas of concern by an environmental engineering firm contracted by Meridian Oil. Meridian has only recently been provided a report of the boring, sampling, and analytical results. We wanted to notify you of two areas of concern and provide you with results obtained to date regarding these sites.

Groundwater samples from the Johnston Federal #6A and Maddox Com #1A well sites were taken via piezometers immediately downgradient from production pits. Laboratory analyses of initial samples for regulated organic and inorganic contaminants indicated exceedances of New Mexico Water Quality Control Commission maximum contaminant levels for benzene and chromium at the Johnston Federal #6A, and for chromium at the Maddox Com #1A. Second samples were taken at each of these two sites and analyzed. These results indicate no MCL exceedances for chromium. However, the second sample and analysis for the Johnston Federal #6A did show a MCL exceedance for benzene. Sampling and analytical data are as follows:

Site Name	Location*	Sample	Meaium	Piezometer Depth	MCL Exceeded (mg/l)
Johnston Federal #6A	Sec 35 T 31N - R 9W	#1	Shallow groundwater	approx 36 ft	Benzene 0.044 Chromium 0.938
Johnston Federal #6A	Sec 35 T 31N - R 9W	#2	Shallow groundwater	approx 36 ft	Benzene 0.956 Chromium <0.005
Maddox Com #1A	Sec 17 T 30N - R 8W	#1	Shallow groundwater	approx 13 ft	Chromium 0.543
Maddox Com #1A	Sec 17 T 30N - R 8W	#2	Shallow groundwater	approx 13 ft	Chromium <0.005

* All locations within San Juan County, New Mexico

The Maddox Com #1A is within the originally established groundwater vulnerable area. The Johnston Federal #6A appears to be within the expanded vulnerable area as currently proposed by the NMOCD. Groundwater at the Johnston Federal #6A appears to be isolated as further borings at well locations downgradient could not produce groundwater.

As we discussed, this information is provided to confirm the aforementioned March 2, 1992 phone notification. Also, you indicated the NMOCD would provide recommendations for further action after review of our data. We recommend further evaluation and characterization on a risk assessment basis to determine what further action may be necessary.

Please contact me at the letterhead address or phone number if you have any questions or desire additional information. Your cooperation in this matter is appreciated and we look forward to your reply.

Sincerely,

M.J. McEneny / Regional Safety/Environmental Supervisor

MJM/vka:224