

AP - 020

**GENERAL  
CORRESPONDENCE**

**YEAR(S):**

2003-1999

September 15, 2003

NMOCD Environmental  
ATTN: William Olson  
Box 6429  
1220 S. Saint Francis Drive  
Santa Fe, NM 87504

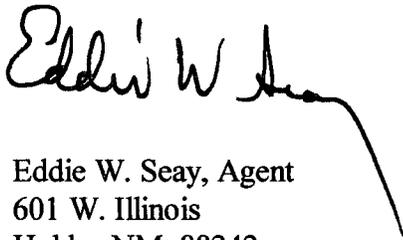
RE: MNA Site  
Osborn Ranch

Mr. Olson:

As we discussed concerning additional contamination North of the MNA SWD line. Find copies of photos and analytical of same. This is an area that is very near EOTT Pipeline, and Mr. Osborn had some concerns about. A composite sample was run and tested for TPH and chloride.

If you have any questions, please call.

Sincerely,

A handwritten signature in black ink that reads "Eddie W. Seay". The signature is written in a cursive style with a long, sweeping tail that extends downwards and to the right.

Eddie W. Seay, Agent  
601 W. Illinois  
Hobbs, NM 88242  
(505)392-2236



**ARDINAL  
LABORATORIES**

PHONE (325) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603

PHONE (505) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR  
EDDIE SEAY CONSULTING  
ATTN: EDDIE SEAY  
601 W. ILLINOIS  
HOBBS, NM 88242  
FAX TO:

Receiving Date: 08/26/03  
Reporting Date: 08/27/03  
Project Owner: D. ALEXANDER  
Project Name: HANAGAN SWD LEAK SITE  
Project Location: JAL, NM

Sampling Date: 08/26/03  
Sample Type: SOIL  
Sample Condition: COOL & INTACT  
Sample Received By: AH  
Analyzed By: BC/AH

LAB NUMBER SAMPLE ID	GRO	DRO	CI*
	(C <sub>6</sub> -C <sub>10</sub> ) (mg/Kg)	(>C <sub>10</sub> -C <sub>28</sub> ) (mg/Kg)	(mg/Kg)

ANALYSIS DATE	08/26/03	08/26/03	08/27/03
H7951-1 NORTH #1	<10.0	287	352
Quality Control	767	825	1070
True Value QC	800	800	1000
% Recovery	95.8	103	107
Relative Percent Difference	6.5	6.7	1.9

METHODS: TPH GRO & DRO: EPA SW-846 8015 M; CI: Std. Methods 4500-CI'B

\*Analysis performed on a 1:4 w:v aqueous extract.

  
Chemist

8/27/03  
Date

H7951.XLS

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise.















May 12, 2003

RECEIVED

MAY 19 2003

ENVIRONMENTAL BUREAU  
OIL CONSERVATION DIVISION

Clay Osborn  
P.O. Box 1285  
Jal, NM 88252

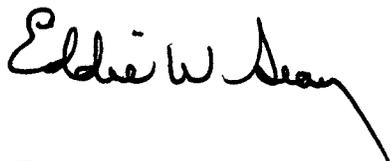
R: MNA - Hanagan  
Water Well or Soil Borings

Mr. Osborn:

Find within a copy of the MNA Hanagan report. Also, find information on the soil borings we did for you. Sorry we did not find any water. Both holes were advanced to redbed, logs attached. An analytical was run for chlorides at top of redbed.

If you have any questions, please call.

Thanks,

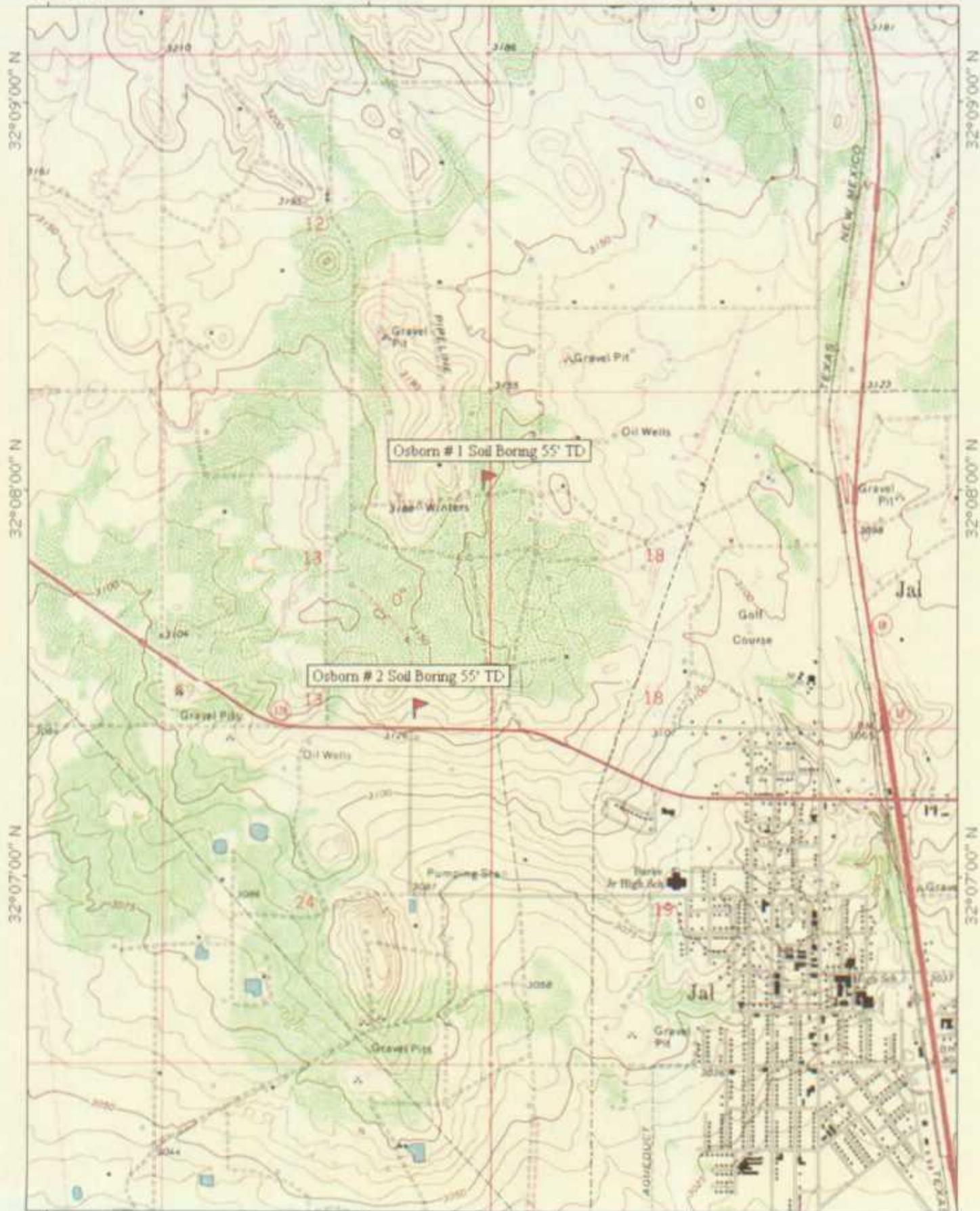


Eddie W. Seay, Agent for MNA  
601 W. Illinois  
Hobbs, NM 88242  
(505)392-2236

103°14'00" W

103°13'00" W

WGS84 103°12'00" W



103°14'00" W

103°13'00" W

WGS84 103°12'00" W

TH  
MN  
8W





**ARDINAL  
LABORATORIES**

PHONE (915) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603

PHONE (505) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR  
EDDIE SEAY CONSULTING  
ATTN: EDDIE SEAY  
601 W. ILLINOIS  
HOBBS, NM 88242  
FAX TO: (505) 392-6949

Receiving Date: 04/25/03  
Reporting Date: 04/28/03  
Project Owner: D. ALEXANDER  
Project Name: MNA-HANAGAN  
Project Location: OSBORN RANCH-JAL, NM

Analysis Date: 04/28/03  
Sampling Date: 04/24-04/25/03  
Sample Type: SOIL  
Sample Condition: COOL & INTACT  
Sample Received By: AH  
Analyzed By: AH

LAB NUMBER	SAMPLE ID	Cl <sup>-</sup> (mg/Kg)
H7619-14*	OSBORN #1	400
H7619-15	OSBORN #2	96
Quality Control		1030
True Value QC		1000
% Recovery		103
Relative Percent Difference		2.0

METHOD: Standard Methods	4500-Cl <sup>-</sup> B
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Note: Analyses performed on 1:4 w:v aqueous extracts.

\*Matrix interference (color) observed.

Amy Hill  
Chemist

4/28/03  
Date



Company Drilled for:

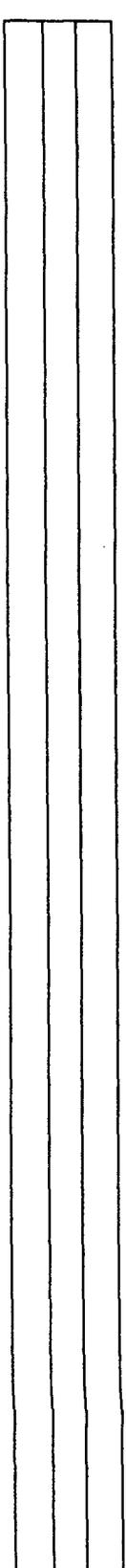
MVA / OSBORN

# Drilling Log

Location: UNIT 0 SEC 13, T25S, R36E  
 GPS 32° 07' 26" N  
 103° 12' 51" W

Well/Bore Number: OSBORN SB 2  
 Date Drilled: 4-25-03  
 Driller: A. Hodge  
 Logged By: A. Hodge

Drilling Method: AIR ROTARY	Depth of Boring: 55'	Depth of Well: NA	Length of Casing: NA	Length of Screen: NA
Bore Diameter: 4 3/4"	Casing Diameter: NA	Screen Diameter: NA	Slot Size: NA	Well Material: NA

Depth	Lithology	Sample Type	DVA (PPM)	Remarks	Well Design	Depth
0	RED BROWN TOP SOIL			THE PURPOSE OF THIS BORING WAS TO CHECK FOR GROUND WATER NONE WAS FOUND		0
5	WHITE CALICHE					5
10	RED SAND					10
15						15
20						20
25	RED SAND + SILT WITH ABOUT 50% SMALL GRAVEL					25
30						30
35						35
40						40
45	RED BROWN SHALE RED BED	42'-44' SAMPLE		SOIL BORING WAS PLUGGED BACK WITH BENTONITE		45
50	NO WATER				50	
55	TD @ 55'				55	
60						60
65						65
70						70
75						75
80						80
85						85
90						90
95						95
100						100
105						105

Company Drilled for:

MNA / Osborn

# Drilling Log

Location: Unit H Sec 13, T25S, R36E

GPS 32° 08' 02" N  
103° 12' 37" W

Well/Bore Number: Osborn SB #1

Date Drilled: 4-24-03

Driller: A. Hodge

Logged By: A. Hodge

Drilling Method: Air Rotary

Depth of Boring: 55'

Depth of Well: NA

Length of Casing: NA

Length of Screen: NA

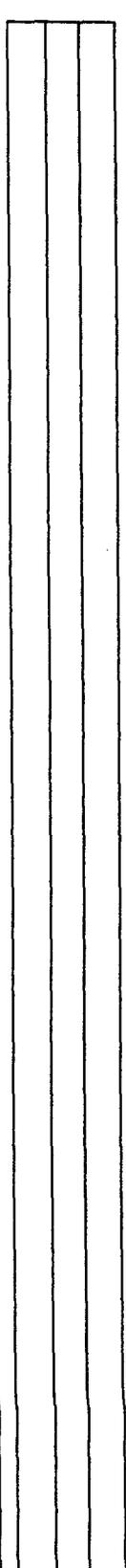
Bore Diameter: 4 3/4"

Casing Diameter: NA

Screen Diameter: NA

Slot Size: NA

Well Material: NA

Depth	Uthology	Sample Type	DVA (PPM)	Remarks	Well Design	Depth
0	Red Brown TOP SOIL			THE PURPOSE OF THIS BORING WAS TO CHECK FOR GROUND WATER. NONE WAS FOUND		0
5	White Caliche					5
10	Yellow Clay with About 50% Sand					10
20	Yellow Clay					20
35	Brown Clay					35
40					40	
45	Red Shale / Red Bed	-40'-42' SAMPLE			45	
50	NO WATER				50	
55	TDC @ 55'			SOIL BORING WAS PLUGGED BACK WITH Bentonite	55	
60					60	
65					65	
70					70	
75					75	
80					80	
85					85	
90					90	
95					95	
100					100	
105					105	



Osborn #1

480 MGA

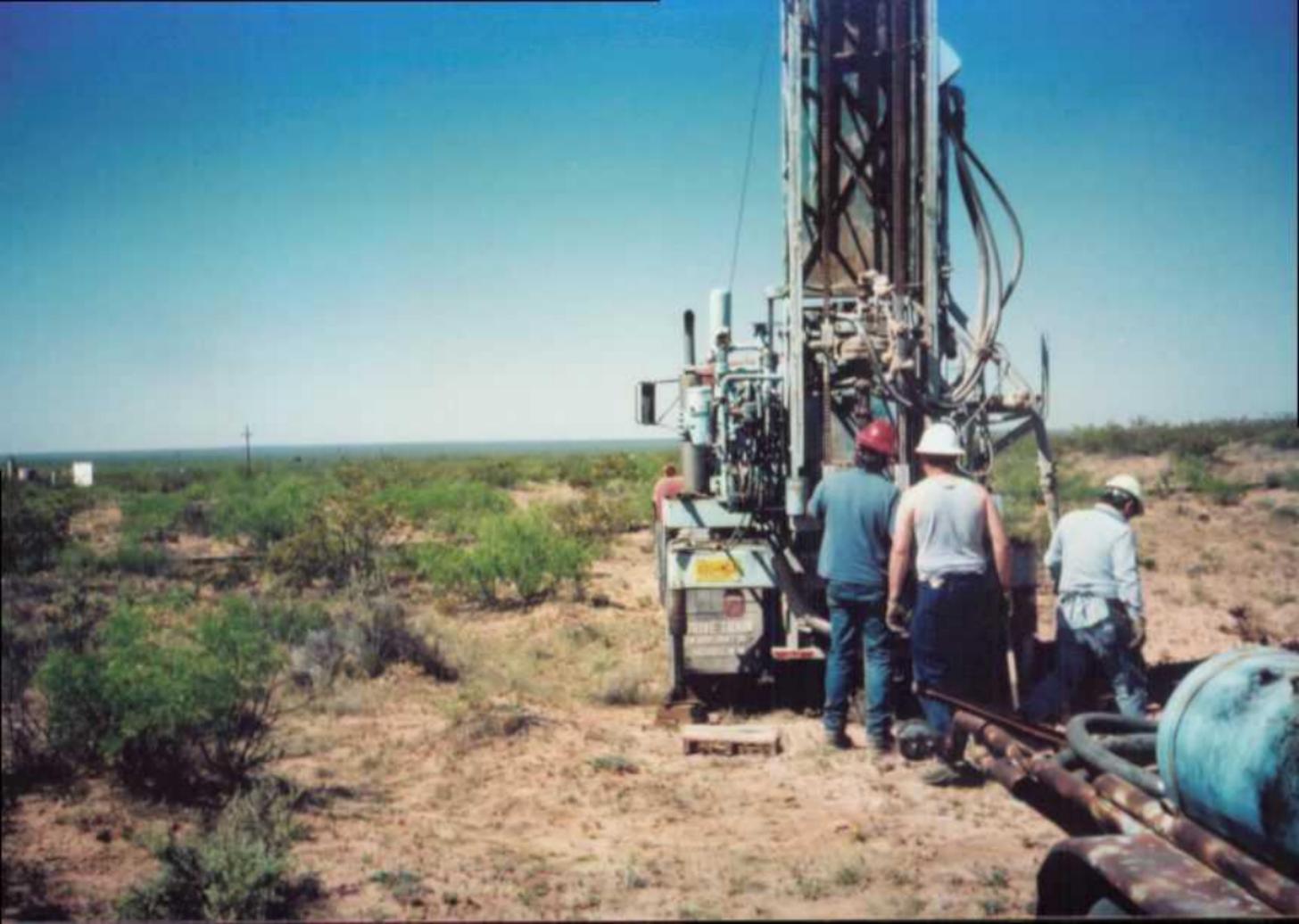
DRIVE TO WIN  
THE CRAFT SHI  
HDBS. N. M.



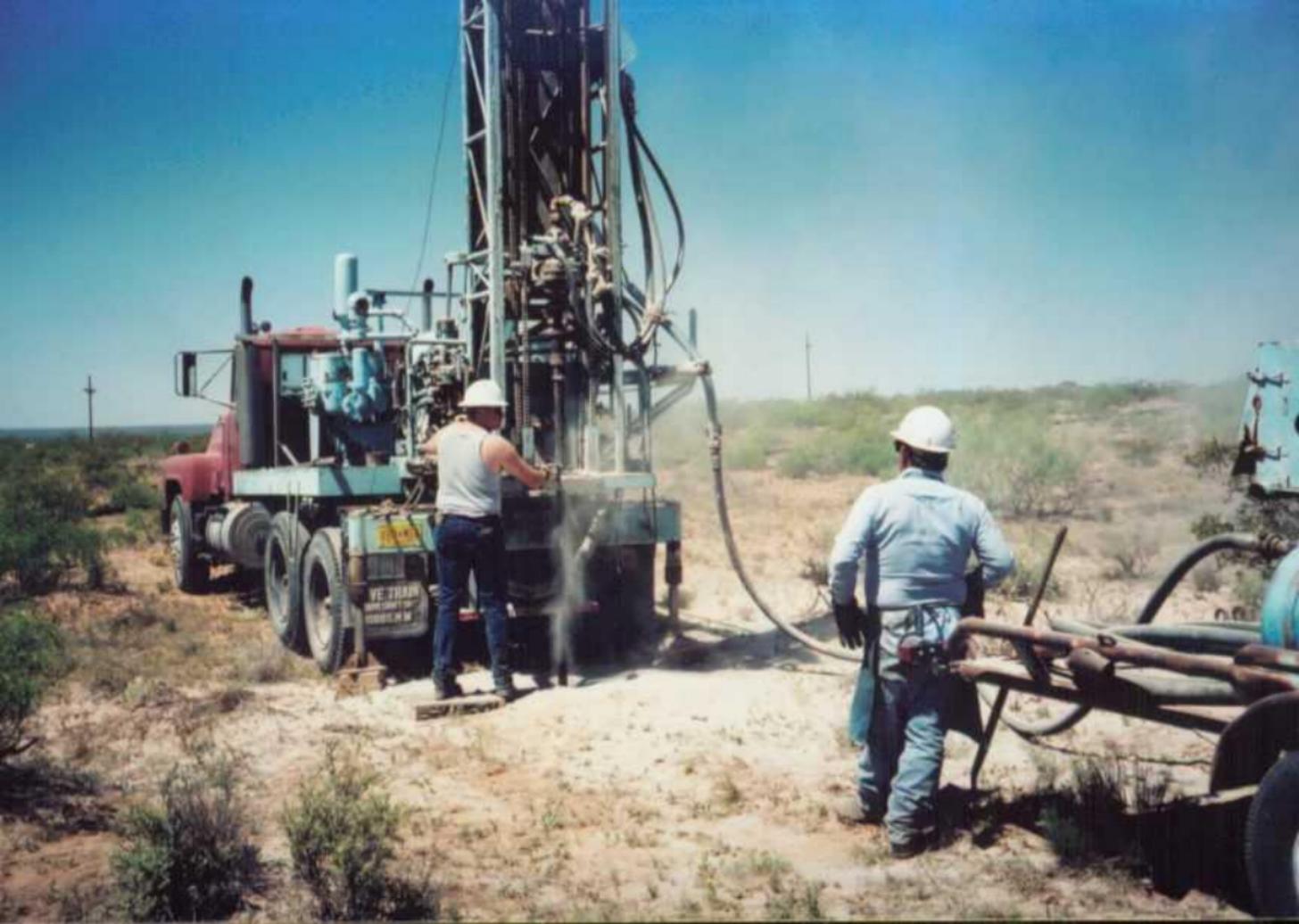
Osborn # 1



Shorn # 1



① shown # Z



Osborn #2



Osborn #2

**Olson, William**

---

**From:** Eddie Seay [seay04@leaco.net]  
**Sent:** Tuesday, April 29, 2003 7:03 AM  
**To:** Bill Olson  
**Subject:** MNA

April 29, 2003

Bill Olson  
NMOCD Environmental  
Box 6429  
1220 S. Saint Francis Drive  
Santa Fe, NM 87504

RE: MNA Hanagan  
Abatement Plan  
Osborn Ranch

Bill:

As we discussed on Friday, MNA has completed drilling the test boring on Osborn property. It will take a week to ten days to get analytical back. Once we receive all data, a full report will be sent. We will miss the deadline a few days, but will get information as soon as possible.

Thanks for your help.

Sincerely,

Eddie W. Seay, Agent  
601 W. Illinois  
Hobbs, NM 88242  
(505)392-2236

4/29/2003

**Olson, William**

---

**From:** Eddie Seay [seay04@leaco.net]  
**Sent:** Friday, April 18, 2003 10:51 AM  
**To:** Bill Olson  
**Subject:** MNA Abatement

DATE: April 17, 2003

TO: William Olson  
NMOCD Environmental  
Box 6429  
1220 S. Saint Francis Drive  
Santa Fe, NM 87504

FROM: Eddie Seay Consulting  
Eddie W. Seay

RE: MNA Abatement  
Hanagan Site  
Osborn Ranch  
Jal, NM

Mr. Olson:

Just to inform you that MNA and Osborn have reached an agreement concerning work to be performed on Osborn Ranch. We anticipate starting drilling sometime the week of April 21. We will notify Hobbs OCD before we begin. Also, we have a deadline of May 3 for completion and report. I do not think this time frame can be met, but I will try. If you have any questions, please call.

Thanks,

Eddie W. Seay



NEW MEXICO ENERGY, MINERALS and  
NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**  
Governor  
Joanna Prukop  
Cabinet Secretary

Lori Wrotenbery  
Director  
Oil Conservation Division

April 1, 2003

**CERTIFIED MAIL**  
**RETURN RECEIPT NO: 7001-1940-0004-7923-0735**

Mr. Daniel Alexander  
MNA Enterprises Ltd.  
106 W. Alabama  
Hobbs, New Mexico 88242

**RE: NOTICE OF VIOLATION  
STAGE 1 ABATEMENT PLAN (AP-20)  
W.F. HANAGAN SWD LINE LEAK**

Dear Mr. Alexander:

On August 27, 2002, the New Mexico Oil Conservation Division (OCD) granted MNA Enterprises Ltd. (MNA) an extension of the deadline for submission of a Stage 1 investigation report of the extent of contamination related to MNA's W.F. Hanagan SWD Line Leak site located in the SE/4 SW/4 of Section 12, Township 25 South, Range 36 East, NMPM, Lea County, New Mexico. The report was to be submitted to the OCD by October 31, 2002. No such report has been submitted by MNA. MNA is in violation of OCD rules for the failure to conduct the actions required by NMAC 19.15.1.19. Pursuant to NMAC 19.15.1.19.C(2), the OCD requires that MNA submit the required Stage 1 investigation report by May 2, 2003. The report shall be submitted to the OCD Santa Fe Office with a copy provided to the OCD Hobbs District Office. If MNA fails to submit this document, the OCD will set a show cause hearing requiring MNA to appear and show cause why they should not be ordered to comply, a penalty should not be assessed, a civil action should not be commenced in district court or any other appropriate action should not be taken by the Division. If you have any questions, please contact Bill Olson of my staff at (505) 476-3491.

Sincerely,

  
Roger C. Anderson  
Environmental Bureau Chief

RCA/wco

cc: Chris Williams, OCD Hobbs District Office  
Eddie Seay

**Olson, William**

---

**From:** Olson, William  
**Sent:** Tuesday, August 27, 2002 10:50 AM  
**To:** 'Eddie Seay'  
**Subject:** MNA Abatement Plan

Eddie,

The below referenced extension request is approved. MNA shall submit the Stage 1 investigation report to the OCD by October 31, 2002.

If you have any questions, please contact me.

Sincerely,

William C. Olson  
New Mexico Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505  
(505) 476-3491

=====

-----Original Message-----

**From:** Eddie Seay [mailto:seay04@leaco.net]  
**Sent:** Thursday, August 08, 2002 2:04 PM  
**To:** Bill Olson  
**Subject:** MNA Abatement

August 8, 2002

Mr. William Olson  
NMOCD Environmental  
1220 S. Saint Francis Drive  
Santa Fe, NM 87504

RE: MNA Abatement

Mr. Olson:

As we discussed a few days ago, I am working for MNA, and have plans of doing the field activities on Mr. Osborn's Ranch, Jal, NM. The two parties, MNA and Osborn, have not completed an agreement on the damages.

I would like to have a 60 day extension in completing these activities. Hopefully things will be agreed upon soon. Our original deadline is for August 11, 2002.

Thanks for your consideration.

8/27/2002

Sincerely,

Eddie W. Seay, Agent  
601 W. Illinois  
Hobbs, NM 88242  
(505)392-2236

8/27/2002



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**GARY E. JOHNSON**  
Governor  
**Betty Rivera**  
Acting Cabinet Secretary

**Lori Wrotenbery**  
Director  
Oil Conservation Division

February 18, 2002

Mr. Scotty Holloman  
Holloman & Maddox, P.C.  
P.O. Box 2508  
Hobbs, New Mexico 88241-2508

**RE: ABATEMENT PLAN AP-20  
W.F. HANAGAN SWD LINE LEAK**

Dear Mr. Holloman:

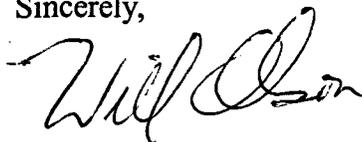
The New Mexico Oil Conservation Division (OCD) has reviewed your November 29, 2001 correspondence regarding the OCD's requirement for submission of an abatement plan for ground water contamination at MNA Enterprises, Ltd.'s (MNA) Hanagan SWD Line Leak site located in the SE/4 SW/4 of Section 12, Township 25 South, Range 36 East, Lea County, New Mexico. In this correspondence you request information about why MNA was required to submit an abatement plan and copies of OCD documents in the matter.

The New Mexico Oil Conservation Division (OCD) reviewed information submitted by EOTT Energy Pipeline Limited Partnership (EOTT) and Mr. Clay Osborn regarding an EOTT investigation of contamination from a crude oil pipeline spill at a site that EOTT has designated as the Hanagan West Site. Since the file is small, enclosed you will find a copy of the documents that the OCD has on file regarding this case. During EOTT's investigation of the extent of contamination they discovered that shallow ground water was present at a depth of 21 feet and that the ground water was contaminated with chloride and total dissolved solids (TDS) in excess of the New Mexico Water Quality Control Commission (WQCC) standards. This contamination was not related to EOTT's crude oil spill and appears to be related to a spill of produced water from MNA's W.F. Hanagan SWD Line that runs parallel to EOTT's crude oil pipeline. Therefore, MNA was required to submit an Stage 1 abatement plan investigation proposal for the site pursuant to OCD Rule 19.E.1. and OCD Rule 19.E.3. The purpose of the Stage 1 abatement plan is to investigate the extent of contamination related to MNA's activities and determine the need for submission of a Stage 2 abatement plan for remediation of the site to state standards.

For your information, on November 19, 2001, MNA submitted a Stage 1 abatement plan as required and, on February 18, 2002, the OCD required that MNA issue public notice of the Stage 1 abatement plan. Based upon the public comments and a technical review of the proposal, the OCD will either notify MNA of deficiencies in the plan or conditionally approve the proposal.

If you have any questions, please contact me at (505) 476-3491.

Sincerely,

A handwritten signature in black ink, appearing to read "William C. Olson". The signature is fluid and cursive, with the first name "William" and last name "Olson" clearly distinguishable.

William C. Olson  
Hydrologist  
Environmental Bureau

Enclosures

xc: Chris Williams, OCD Hobbs District Office  
Clay Osborn



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**GARY E. JOHNSON**  
Governor  
**Betty Rivera**  
Acting Cabinet Secretary

**Lori Wrotenbery**  
Director  
Oil Conservation Division

February 18, 2002

**CERTIFIED MAIL**

**RETURN RECEIPT NO: 7001-1940-0004-3929-7167**

Mr. Daniel Alexander  
MNA Enterprises Ltd.  
106 W. Alabama  
Hobbs, New Mexico 88242

**RE: ABATEMENT PLAN AP-20  
W.F. HANAGAN SWD LINE LEAK**

Dear Mr. Alexander:

The New Mexico Oil Conservation Division (OCD) has reviewed MNA Enterprises, Ltd.'s (MNA) November 19, 2001 correspondence titled "MNA ENTERPRISE LTD., ABATEMENT PLAN AP-20, W.F. HANAGAN SWD LINE" which was submitted on behalf of MNA by their agent Eddie W. Seay. This document contains MNA's proposed Stage 1 abatement plan for investigation of the extent of contamination related to MNA's W.F. Hanagan SWD Line which is located in the SE/4 SW/4 of Section 12, Township 25 South, Range 36 East, NMPM, Lea County, New Mexico.

The OCD has determined that the above referenced Stage 1 Abatement Plan Proposal is administratively complete. Before the OCD can complete a review of the Stage 1 proposal, the OCD requires that:

1. MNA issue by March 6, 2002 the enclosed Stage 1 notice of publication in the Albuquerque Journal, Lovington Daily Leader and Hobbs News Sun pursuant to OCD Rule 19.G.(2).
2. Prior to issuing public notice, MNA shall issue written notice of the Stage 1 proposal pursuant to OCD Rule 19.G.(1). A listing of "those persons, as identified by the Director, who have requested notification" pursuant to OCD Rule 19.G(1)(d) can be found at [www.emnrd.state.nm.us/ocd/Bureaus/envirom.htm](http://www.emnrd.state.nm.us/ocd/Bureaus/envirom.htm). The listing also contains the contact for the New Mexico Trustee for Natural Resources which must be notified according to OCD Rule 19.G(1)(e).

3. MNA provide the OCD with proof of publication and proof of written notice by March 21, 2002. Proof of notice shall include a map of the surface owners of record within one (1) mile of the perimeter of the site and shall identify compliance with each of the provisions of OCD Rule 19.G.

If you have any questions, please contact Bill Olson of my staff at (505) 476-3491.

Sincerely,

A handwritten signature in black ink, appearing to read "Roger C. Anderson", with a long horizontal flourish extending to the right.

Roger C. Anderson  
Environmental Bureau Chief

RCA/wco

Enclosures

cc: Chris Williams, OCD Hobbs District Office  
Eddie Seay

## **NOTICE OF PUBLICATION**

### **STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION**

Notice is hereby given that pursuant to New Mexico Oil Conservation Division Regulations, the following Stage 1 Abatement Plan Proposal has been submitted to the Director of the Oil Conservation Division, 1220 St. Francis Dr., Santa Fe, New Mexico 87505, Telephone (505) 476-3440:

MNA Enterprises, Ltd., Daniel Alexander, Environmental Coordinator, Telephone (505) 392-2702, 106 W. Alabama, Hobbs, New Mexico, 88242, has submitted a Stage 1 Abatement Plan Proposal (AP-20) for the W.F. Hanagan SWD Line Leak Site, located in Unit N of Section 12, Township 25 South, Range 36 East, Lea County, New Mexico. An underground produced water flow line released produced water at the site. Chloride contamination in excess of New Mexico Water Quality Control Commission standards has been observed in the ground water. The Stage 1 Abatement Plan Proposal presents the following activities: determine site geology and hydrogeology; conduct a registered water well search within a 1 mile radius of the site; install monitoring wells; collect soil samples for field screening and/or laboratory analysis from each boring; collect ground water samples for laboratory analysis from each monitoring well; obtain depth to ground water measurements and calculate the ground water gradient and direction; survey all well locations by a professional land surveyor registered in the State of New Mexico; and preparation of a report of all investigation activities.

Any interested person may obtain further information from the Oil Conservation Division and may submit written comments to the Director of the Oil Conservation Division, at the address given above. The Stage 1 Abatement Plan Proposals may be viewed at the above address or at the Oil Conservation Division Hobbs District Office, 1625 N. French Dr., Hobbs, New Mexico 88240, Telephone (505) 393-6161 between 8:00 a.m. and 4:00 p.m., Monday through Friday. Prior to ruling on the proposed Stage 1 Abatement Plan Proposal, the Director of the Oil Conservation Division shall allow at least thirty (30) days after the date of publication of this notice during which written comments may be submitted.

**MADDOX & HOLLOWMAN, P.C.**

ATTORNEYS AND COUNSELORS AT LAW

JAMES M. MADDOX  
SCOTTY HOLLOWMANPOST OFFICE BOX 2508  
HOBBS, NEW MEXICO 88241-2508  
(505) 393-0505MAIL: PO BOX 2508  
OFFICE: 220 W. BROADWAY  
SUITE 200  
HOBBS, NEW MEXICO 88240  
FAX: (505) 397-2646CASEY A. BARTHEL  
LEE A. KIRKSEY

Writer's E-MAIL: SAHOLLOW@leacu.net

**FAX TRANSMITTAL COVERSHEET**Number of Pages *3* (Including Cover Sheet)

Message to: William C. Olson - New Mexico Oil Conservation Division

FAX Number: (505) 476-3462

Message From: Scotty Holloman, Esq.

Telephone Number: (505) 393-0505 / Fax Number (505) 397-2646

Comments: regarding Notice of Deficiency - Abatement Plan AP-20 - W. F. Hanagan  
SWD Line Leak

If transmission problems, contact Nona L. at (505) 393-0505.

The information contained in this facsimile message is attorney privileged and confidential information intended only for the use of the individual or entity named above. If the receiver of this message is not the intended recipient, or the employee or agent responsible to deliver it to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please immediately notify us by telephone, and return the original message to use the above address via the U. S. Postal Service. Thank you.

**MADDOX & HOLLOMAN, P.C.**

ATTORNEYS AND COUNSELORS AT LAW

JAMES M. MADDOX  
SCOTTY HOLLOMANPOST OFFICE BOX 2508  
HOBBS, NEW MEXICO 88241-2508  
(505) 393-0505MAIL: PO BOX 2508  
OFFICE: 220 W. BROADWAY  
SUITE 200  
HOBBS, NEW MEXICO 88240  
FAX: (505) 397-2646  
Writer's E-MAIL: sahollom@leaco.netCASEY A. BARTHEL  
LEE A. KIRKSEY

November 29, 2001

William C. Olson  
Hydrologist, Environmental Bureau  
Oil Conservation Division  
1220 South  
St. Francis Drive  
Santa Fe, New Mexico 87505

VIA FAX: (505) 476-3462

RE: Notice of Deficiency  
Abatement Plan AP-20  
W. F. Hanagan SWD Line Leak

Dear Mr. Olson:

This firm represents MNA Enterprises Ltd. Co. In your letter dated November 2, 2001, you request an abatement plan for an alleged line leak which supposedly contaminated the ground water. I want to emphasize that MNA has no information concerning the alleged contamination other than your letters. In your letter of November 2, 2001, you indicate that "subsequent information related to the discovery that shallow ground water at this time is present at 21 feet and the ground water was contaminated with chloride and total dissolved solids...." MNA has not been furnished this "subsequent information". In trying to develop an abatement plan it would be very helpful to determine exactly what information was provided the Oil Conservation Division and the exact location this alleged contamination of ground water.

It is our client's understanding that naturally occurring ground water is not located at a depth of 21 feet in this area. Also it is our client's understanding that there is a "clay layer" that exists at approximately the 20' depth in this land that would prevent any leaks or spills from the surface migrating to the ground water.

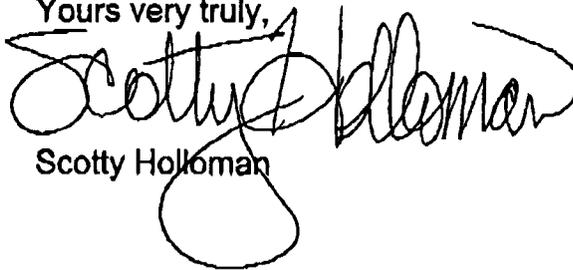
Letter to New Mexico Energy  
Minerals and Natural Resources Dept.  
November 29, 2001  
Page 2

Our client also knows of open pits (now closed) which Conoco used for several years that could be the source of the alleged contamination.

I want to emphasize again that MNA did not participate in any sampling that caused the "subsequent information" to be developed. Also MNA did not get the results of any tests that were conducted to determine that this contamination existed on this property.

I believe the Hobbs office of the Oil Conservation Division will verify that MNA has always tried to respond in a timely manner to any request from the OCD. MNA does not see how an abatement plan is necessary of this alleged contamination. However, MNA will do the abatement plan, while not admitting any liability, but it would be extremely helpful in knowing exactly what it is that MNA is looking for and trying to abate. We again would, therefore, request that you send us whatever "subsequent information" was received that shows this alleged contamination so that a logical abatement plan may be prepared.

Yours very truly,



Scotty Holloman

SH/nlm  
xc: MNA



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**GARY E. JOHNSON**  
Governor  
**Jennifer A. Salisbury**  
Cabinet Secretary

**Lori Wrotenbery**  
Director  
Oil Conservation Division

November 2, 2001

**CERTIFIED MAIL**  
**RETURN RECEIPT NO. 5357-8017**

Mr. Daniel Alexander  
MNA Enterprises Ltd.  
106 W. Alabama  
Hobbs, New Mexico 88242

**RE: NOTICE OF DEFICIENCY  
ABATEMENT PLAN AP-20  
W.F. HANAGAN SWD LINE LEAK**

Dear Mr. Alexander:

The New Mexico Oil Conservation Division (OCD) has reviewed MNA Enterprises Ltd. Co.'s (MNA) March 30, 2001 correspondence regarding the OCD's February 9, 2001 requirement for submission of an abatement plan for ground water contamination at MNA's Hanagan SWD Line Leak site located in the SE/4 SW/4 of Section 12, Township 25 South, Range 36 East, NMPM, Lea County, New Mexico. In this correspondence you maintain that you received approval of the spill remediation actions from the OCD Hobbs District Office, that you cannot get permission from Mr. Osborn, the surface landowner, to perform work at the site, and that you have not seen any information that indicates that MNA caused contamination at the site.

MNA's March 30, 2001 correspondence is deficient because it does not contain a Stage 1 abatement plan investigation proposal as required by the OCD. The OCD Hobbs District Office's November 23, 1999 approval of the soil remediation actions at the site did not relieve MNA of responsibility if the spill resulted in contamination of ground water. Subsequent information related to the discovery that shallow ground water at the site is present at a depth of 21 feet and that the ground water was contaminated with chloride and total dissolved solids (TDS) in excess of the New Mexico Water Quality Control Commission (WQCC) standards is publicly available information on file at either the OCD Santa Fe Office or Hobbs District Office. In addition, the fact that MNA has private issues with the surface landowner does not relieve MNA of responsibility for submission of a Stage 1 abatement plan investigation proposal as required by the OCD.

In order to correct this deficiency, the OCD requires that MNA submit, by December 7, 2001, a Stage 1 abatement plan investigation proposal for the site pursuant to OCD Rule 19.E.1. and OCD Rule 19.E.3.

If you have any questions, please contact me at (505) 476-3491.

Sincerely,

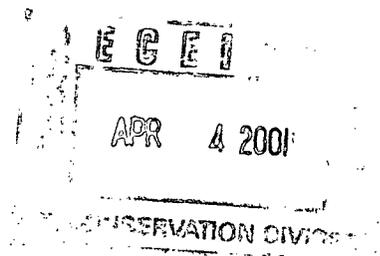
A handwritten signature in cursive script that reads "Will Olson". The signature is written in black ink and is positioned above the typed name.

William C. Olson  
Hydrologist  
Environmental Bureau

xc: Chris Williams, OCD Hobbs District Office  
Clay Osborn

**MNA Enterprises Ltd. Co.**

106 W. Alabama  
Hobbs, NM 88242  
(505) 392-2702



March 30, 2001

Certified Mail Return Receipt # 7000 0520 0025 2623 7111

Mr. Bill Olson  
State of New Mexico  
Energy, Minerals and Natural Resources Department  
2040 South Pacheco  
P.O. Box 6429  
Santa Fe, New Mexico 87505-5472

Dear Mr. Olson:

In response to your letter dated 2/09/01, we were not aware of any problem associated with the Hanagan SWD Line leak. We have been working with Ms. Donna Williams, formerly of Hobbs OCD, environmentalist for several years in trying to resolve the subject spill problem. Ms. Williams has examined the site before and after our clean-up, and has issued a closure report.

Since we took over operations of this lease, we have been trying to work with Mr. Osborn and have made several attempts to replace and relocate the SWD line. We cannot get permission from Mr. Osborn to perform the needed work. The OCD, Hobbs office is aware of these efforts and can verify our attempts.

As far as the testing performed by EOTT and Mr. Osborn on our spill site, we were not notified of any testing to be done and were not given a chance to either split samples or monitor work performed. Also, we have never seen any of the test results in which EOTT and Mr. Osborn claim that we caused the contamination. At your earliest convenience please have EOTT send us a copy of the analytical report so we can review this information. After we have had a chance to review the information and any other available material, it will help in finding a source for this contamination problem, and will aid us in filing the abatement information you requested.

Incidentally, the subject Hanagan spill area is located approximately 1-1/2 miles west of Mr. Osborn's house water wells and there is also an intervening water-flood project and other producing wells in the area.

We look forward to hearing from you. Thanks for your help in this matter.

Sincerely,

*Daniel M. Alexander*  
Daniel M. Alexander  
MNA Enterprises Ltd Co.

cc: Chris Williams, OCD Hobbs District



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**GARY E. JOHNSON**  
Governor  
**Jennifer A. Salisbury**  
Cabinet Secretary

**Lori Wrotenbery**  
Director  
**Oil Conservation Division**

February 9, 2001

**CERTIFIED MAIL**  
**RETURN RECEIPT NO. 5051-4126**

Mr. Daniel Alexander  
MNA Enterprises Ltd.  
106 W. Alabama  
Hobbs, New Mexico 88242

**RE: ABATEMENT PLAN AP-20**  
**W.F. HANAGAN SWD LINE LEAK**

Dear Mr. Alexander:

The New Mexico Oil Conservation Division (OCD) has reviewed information submitted by EOTT Energy Pipeline Limited Partnership (EOTT) and Mr. Clay Osborn regarding an EOTT investigation of contamination from a crude oil pipeline spill at a site that EOTT has designated as the Hanagan West Site. During EOTT's investigation of the extent of contamination they discovered that shallow ground water was present at a depth of 21 feet and that the ground water was contaminated with chloride and total dissolved solids (TDS) in excess of the New Mexico Water Quality Control Commission (WQCC) standards. This contamination is not related to EOTT's crude oil spill and appears to be related to a spill of produced water from MNA Enterprises, Ltd.'s (MNA) W.F. Hanagan SWD Line that runs parallel to EOTT's crude oil pipeline which is located in the SE/4 SW/4 of Section 12, Township 25 South, Range 36 East, NMPM, Lea County, New Mexico..

Pursuant to 19 NMAC 15.A.19.C.1, the OCD requires an abatement plan for the MNA W.F. Hanagan SWD Line spill site to abate ground water pollution. To initiate the abatement plan process, the OCD requires that MNA submit to the OCD by April 9, 2001 a Stage 1 abatement plan investigation proposal pursuant to OCD Rule 19.E.1. and OCD Rule 19.E.3. If you have any questions, please contact Bill Olson at (505) 827-7154.

Sincerely,

Roger C. Anderson  
Environmental Bureau Chief

xc: Chris Williams, OCD Hobbs District Office  
Clay Osborn

CLAY OSBORN  
P.O. BOX 1285  
JAL, NM 88252



November 13, 2000

RE: MNA WEST HANAGAN LEAK

Dear Bill,

As you know I stopped the closure of the MNA West Hanagan Site and requested more investigation of the site to be done. E.O.T.T. Energy Pipeline cored to the top of the water at this site. I have enclosed a letter from Environmental Plus Inc. and a copy of the analytical. I've also enclosed pictures from this and another leak site from a polyline 30 ft. west of sampling point. I do not know if this is enough investigation of this area for your purpose, but I feel that this is not an E.O.T.T. Energy Pipeline site and feel at this time that this site should be cleaned up by MNA. Enterprises Ltd. Co. This site has been open for more than a year now and I feel that the time has come to cleanup and the closure of this site.

As you know I am also at odds with MNA Enterprises about the volume of the release. They claimed 60 BBLs produced water and 1 1/2 BBLs oil as the volume of release. When you look at the pictures of the scale buildup on the stem of grass and weeds, this leak took place over several months. I feel that the amount of produced water released would be between 1000 and 2000 BBLs. The letter from Environmental Plus Inc. and the analytical from the core hole and freestanding water that was encountered at 21' 7" deep also backs up my claim.

Bill, I feel that MNA in their operations failed to adequately investigate the contamination and it does pose a threat to groundwater, surface water, human health and the environment. I would hope that the OCD will again become involved in this matter and we can have a site closure by the end of the year.

If I can help you in anyway please do not hesitate to call. I hope you can find time to come to Jal and meet with me and for you to see this and other sites and all ongoing investigations.

Yours truly,

Clay Osborn

32°08'23"N

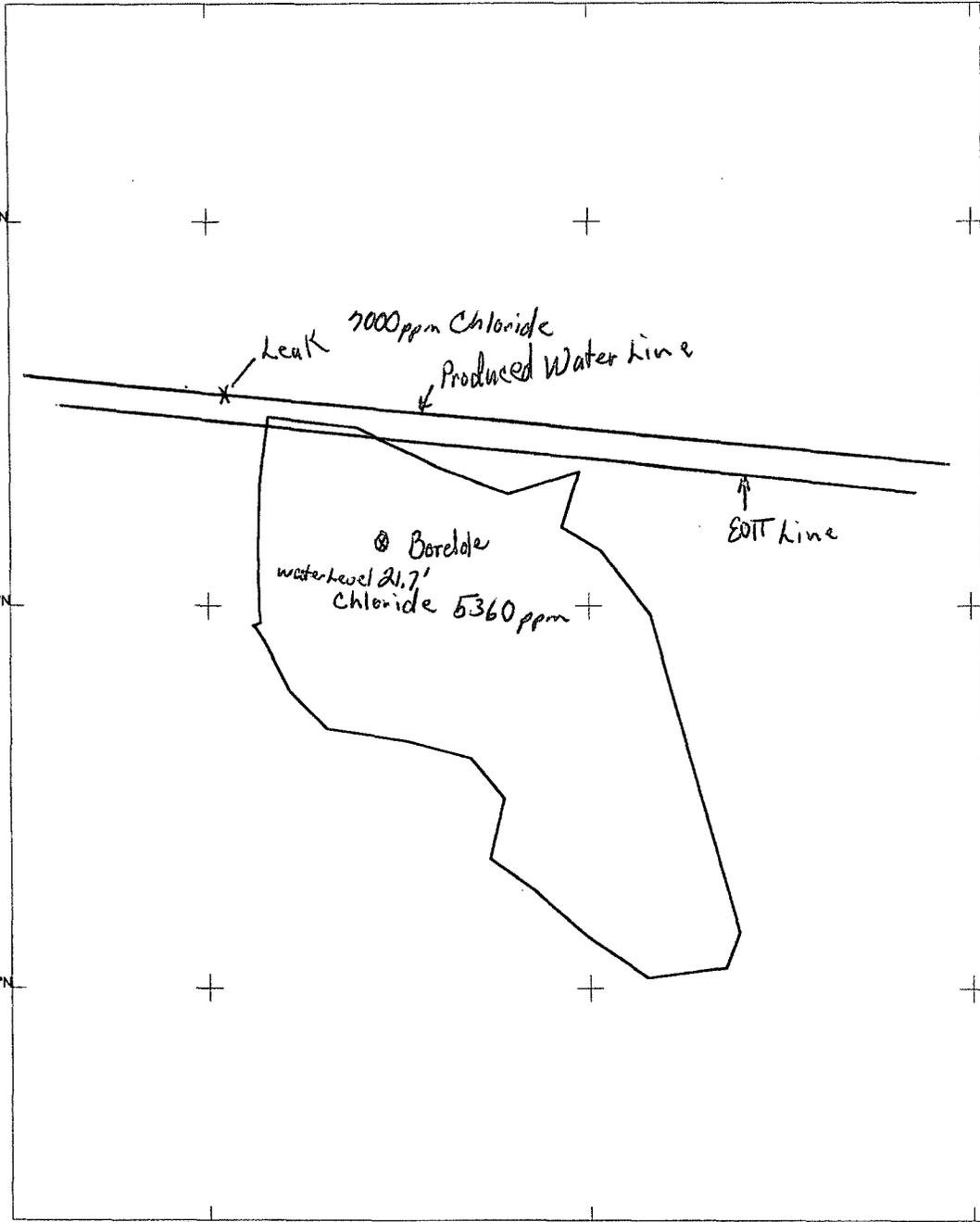
32°08'22"N

32°08'21"N

103°13'20"W

103°13'19"W

103°13'18"W



### E.O.T.T. ENERGY PIPELINE HANAGAN WEST SITE

LAT/LONG  
WGS 1984



SCALE 1 IN : 40 FT



MILES

COMBINED22.SSF

09/09/2000

PATHFINDER OFFICE





ENVIRONMENTAL PLUS, INC.  
STATE APPROVED LAND FARM AND ENVIRONMENTAL SERVICES

*Micro-Blaze*

*Micro-Blaze O<sub>2</sub>*

September 9, 2000

Clay Osborn

Subject: Ground Water Chloride levels in Sec 12 T25S R36E

Dear Mr. Osborn,

During the investigation at the E.O.T.T. Energy Pipeline Hanagan West Site, a zone of saturation was encountered at 21.7' below ground surface. A temporary sampling well was developed with the open-ended hollow stem auger down hole. Samples were taken for General Chemistry, PAH, and VOC. A field Chloride analyses of the ground water and the water leaking from the 2" polyline 30' west of the sampling bore revealed concentrations of 5360 and 7000 ppm chloride, respectively. Background chloride concentration in the uppermost aquifer in this area, according to USGS Report #6, Nicholson and Clebsch, range from 51 to 610 ppm. The E.O.T.T. source term was restricted to crude oil and is therefore not responsible for the apparent chloride contamination and preliminary soil surveys indicate that the hydrocarbon contamination has not migrated into the saturated zone.

It is also noted that the uppermost zone of saturation in this area generally occurs between 45 and 65' below ground surface, suggesting that the zone of saturation encountered during the E.O.T.T. investigation may be anomalous and anthropogenic (originated through human activity).

If there are any questions, please call me at the office or @ 505.390.7864.

Sincerely,

Pat McCasland

cc: Wayne Brunette - E.O.T.T.  
Sherry Miller - EPI President

ENVIRONMENTAL PLUS, INC.



**ENVIRONMENTAL PLUS, INC.**  
STATE APPROVED LAND FARM AND ENVIRONMENTAL SERVICES

*Micro-Bleed*

*Micro-Bleed Out™*

October 17, 2000

Mr. Clay Osborn  
Jal, New Mexico 88260

Subject: Clay Osborn ground water metrics

Dear Mr. Osborn,

Mr. Wayne Brunette of E.O.T.T. Energy Corporation has requested that I send you information concerning the Shell North, Jal Mat #2, and Hanagan West remediation sites at which ground water was encountered during our drilling and sampling activities. Copies of the analytical reports are attached. Field chloride at the Jal Mat #2 site was measured to be 1494 mg/Kg  $\pm$ 10.0%. Below is ground water level information for these sites in addition to the monitor well previously installed by Tex New-Mex located 100' southeast of the dirt tank in the southeast corner of section 12. This well has not been sampled during the recent investigations. The relatively shallow occurrence of ground water at the Hanagan West site is probably due to produced water leaks that have occurred at the same site and may not be representative of the natural ground water level.

Site Name	Latitude	Longitude	Sec/Tnshp/Rnge	Ground Water Level Feet below ground surface
Shell North	32°08'35"	103°12'57"	N½ S12, T25S, R36E	43.6
Jal Mat #2	32°08'28"	103°12'33"	N½ S12, T25S, R36E	52.3
Hanagan West	32°08'22"	103°13'20"	S12, T25S, R36E	21.7 (probably anthropogenic)
Tex New-Mex	32°07'50"	103°12'28"	S12, T25S, R36E	60.8

If you have any questions please call me at the office or at 505.390.7864.

Sincerely,

Pat McCasland  
EPI Technical Services Manager

Cc: Ben Miller, EPI Vice President and General Manager  
Sherry Miller, EPI President

ENVIRONMENTAL PLUS, INC.

# LAB OF , INC.

"Don't Treat Your Soil Like Dirt!"

EOTT ENERGY  
 ATTN: MR. WAYNE BRUNETTE  
 P.O. BOX 1660  
 MIDLAND, TEXAS 79703  
 FAX: 915-684-3456  
 FAX: 505-394-2601 (Pat McCasland)

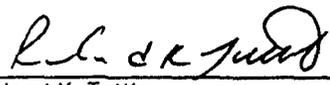
Sample Type: Water  
 Sample Condition: Intact/ Iced/ HCl/ 2 deg. C  
 Project #: 2000-10622  
 Project Name: Clay Osborn Hanagan West  
 Project Location: Sec 12 T25S R36E

Sampling Date: 09/08/00  
 Receiving Date: 09/13/00  
 Analysis Date: 09/14/00

ELT#	FIELD CODE	BENZENE mg/L	TOLUENE mg/L	ETHYLBENZENE mg/L	m,p-XYLENE mg/L	o-XYLENE mg/L
30937	ECOHWGP9-GW	0.001	<0.001	<0.001	<0.001	<0.001

% IA	98	96	97	98	93
% EA	97	96	98	100	94
BLANK	<0.001	<0.001	<0.001	<0.001	<0.001

METHODS: SW 846-8021B,5030

  
 Raland K. Tuttle

9-28-00  
 Date

# LAB OF , INC.

"Don't Treat Your Soil Like Dirt!"

EOTT ENERGY  
ATTN: MR. WAYNE BRUNETTE  
P.O. BOX 1660  
MIDLAND, TEXAS 79703  
FAX: 915-684-3456  
FAX: 505-394-2601 (Pat McCasland)

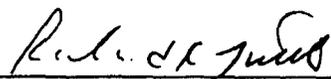
SampleType: Water  
Sample Condition: Intact/ Iced/ HCl / 2 deg. C  
Project #: 2000-10622  
Project Name: Clay Osborn Hanagan West  
Project Location: S12 T25S R36E

Sampling Date: 09/08/00  
Receiving Date: 09/13/00  
Analysis Date: 09/22/00

ELT#	FIELD CODE	GRO C6-C10 mg/L	DRO >C10-C28 mg/L
30939	EOHWGP9-GW	<0.50	<0.50

% IA	74	89
% EA	79	82
BLANK	<0.50	<0.50

METHODS: SW 846-8015M GRO/DRO

  
Randal K. Tuttle

9-28-00  
Date

# LAB OF , INC.

"Don't Treat Your Soil Like Dirt!"

EOTT ENERGY  
 ATTN: MR. WAYNE BRUNETTE  
 P.O. BOX 1660  
 MIDLAND, TEXAS 79703  
 FAX: 915-684-3456  
 FAX: 505-394-2601 (Pat McCasland)

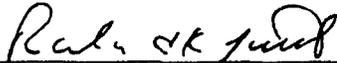
Sample Type: Water  
 Sample Condition: Intact/ Iced/ 2 deg. C  
 Project #: 2000-10622  
 Project Name: Clay Osborn Hanagan West  
 Project Location: Sec28 T20S R37E

Sampling Date: 09/08/00  
 Receiving Date: 09/13/00  
 Analysis Date: 09/19 & 09/20/00

ELT#	FIELD CODE	Na mg/L	Ca mg/L	Mg mg/L	K mg/L
30938	ECOHWGP9-GW	1815	1399	490	24.5

% IA	104	103	96	95
% EA	108	100	94	112
BLANK	<0.10	<0.10	<0.01	<0.01

METHODS: SW 846-7770, 7140, 7450, 7610

  
 Raland K. Tuttle

9-28-00  
 Date

# ENVIRONMENTAL LAB OF , INC.

"Don't Treat Your Soil Like Dirt!"

EOTT ENERGY  
ATTN: MR. WAYNE BRUNETTE  
P.O. BOX 1660  
MIDLAND, TEXAS 79703  
FAX: 915-684-3456  
FAX: 505-394-2601 (Pat McCasland)

Sample Type: Water  
Sample Condition: Intact/ Iced/ 2 deg. C  
Project #: 2000-10622  
Project Name: Clay Osborn Hanagan West  
Project Location: S12 T25S R36E

Sampling Date: 09/08/00  
Receiving Date: 09/13/00  
Analysis Date: 09/18/00  
Field Code: ECOHWGP9-GW

EPA SW846 8270 (mg/L)	REPORT LIMIT	ELT# 30940	RPD	%EA	%DEV
Naphthalene	0.005	ND			5.7
Acenaphthylene	0.005	ND			-22.5#
Acenaphthene	0.005	ND	5	117	-21.0#
Fluorene	0.005	ND			-7.0
Phenanthrene	0.005	ND			-3.8
Anthracene	0.005	ND			-2.6
Fluoranthene	0.005	ND			12.3
Pyrene	0.005	ND	6	104	2.2
Benzo[a]anthracene	0.005	ND			0.7
Chrysene	0.005	ND			2.4
Benzo[b]fluoranthene	0.005	ND			-19.8
Benzo[k]fluoranthene	0.005	ND			-6.6
Benzo [a]pyrene	0.005	ND			-10.4
Indeno[1,2,3-cd]pyrene	0.005	ND			1.4
Dibenzo[a,h]anthracene	0.005	ND			-2.6
Benzo[g,h,i]perylene	0.005	ND			10.0

**% RECOVERY**

Nitrobenzene-d5 SURR	58
2-Fluorobiphenyl SURR	73
p-Terphenyl-d14 SURR	100

ND= not detected at report limit.  
Method: EPA SW 846 8270C , 3510

Raiald K. Tuttle  
Raiald K. Tuttle

9-28-00  
Date

# ENVIRONMENTAL LAB OF , INC.

"Don't Treat Your Soil Like Dirt!"

EOTT ENERGY  
ATTN: MR. WAYNE BRUNETTE  
P.O. BOX 1660  
MIDLAND, TEXAS 79703  
FAX: 915-684-3456  
FAX: 505-394-2601 (Pat McCasland)

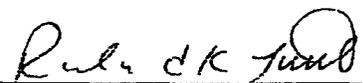
Sample Type: Water  
Sample Condition: Intact/ Iced/ 2 deg. C  
Project #: 2000-10622  
Project Name: Clay Osborne Hanagan West  
Project Location: Sec12 T2SS R36E

Sampling Date: 09/08/00  
Receiving Date: 09/13/00  
Analysis Date: See Below

ELT#	FIELD CODE	Chloride mg/L	Sulfate mg/L	Carbonate mg/L	Bicarbonate mg/L	pH s.u.	TDS mg/L
30938	ECOHWGP9-GW	6027	1463	<1	204	6.84	16625

QUALITY CONTROL	4910	43.1	*	*	7.01	*
TRUE VALUE	5000	50.0	*	*	7.00	*
% PRECISION	98	86	*	*	102	*
BLANK	*	<1.0	<1	<1	*	5
ANALYSIS DATE	09/15/00	09/21/00	09/21/00	09/21/00	09/15/00	09/15/00

METHODS: EPA 325.3, 375.4, 310, 150.1, 160.1

  
Raland K. Tuttle

9-22-00  
Date



MNA  
WEST HANAGAN SITE

CLAY OSBORN RANCH



99/08/07

MNA  
WEST HANAGAN SITE

CLAY OSBORN RANCH



99/08/07

CLAY OSBORN RANCH



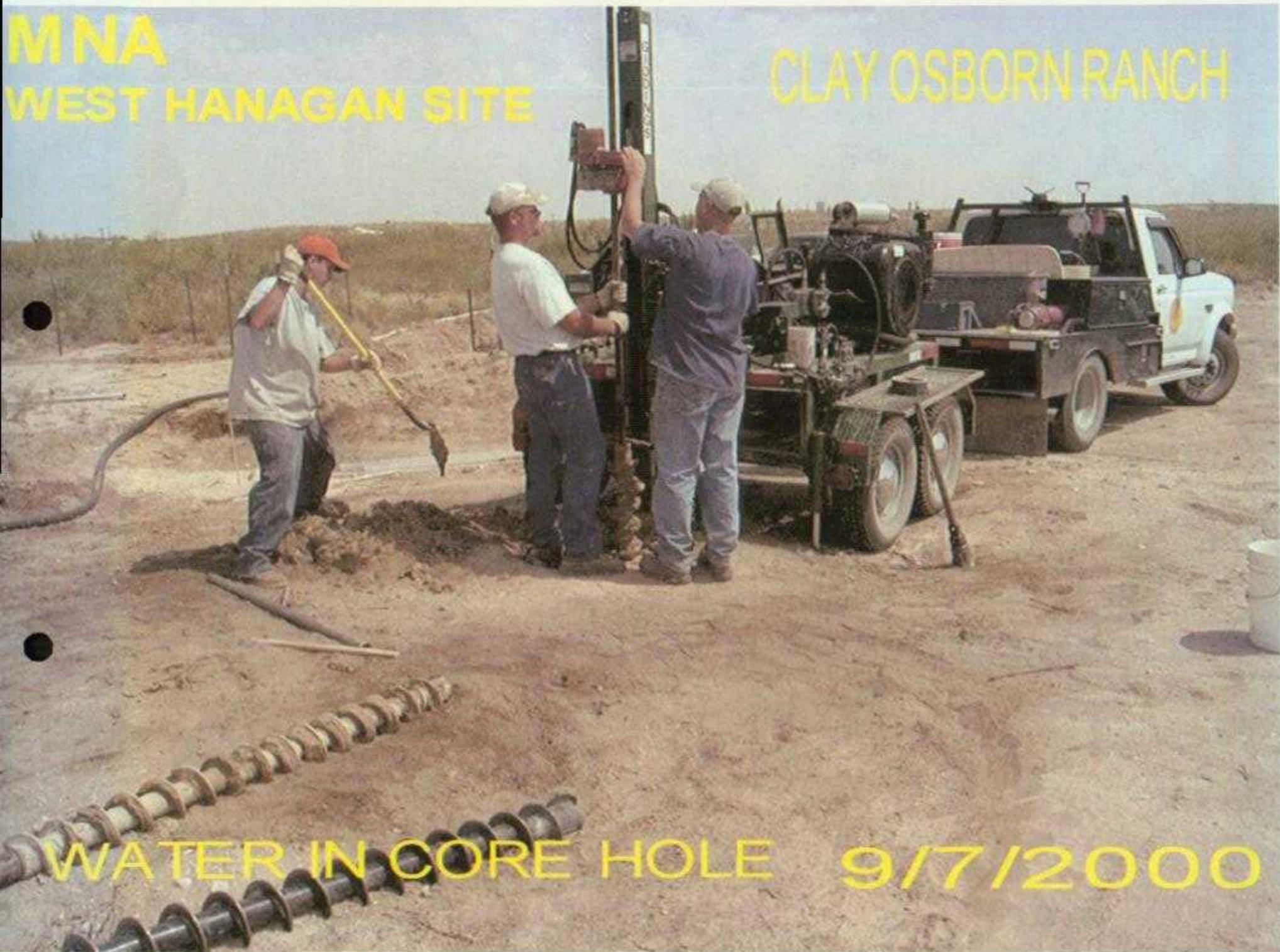
MNA WEST HANAGAN SITE

SCALE ON GRASS & WEEDS

99/08/07

MNA  
WEST HANAGAN SITE

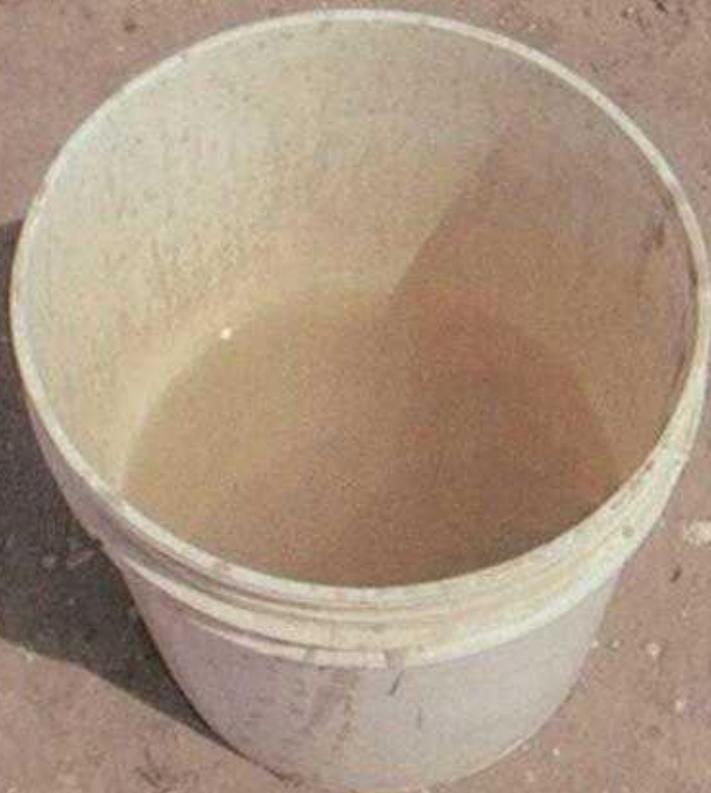
CLAY OSBORN RANCH



WATER IN CORE HOLE 9/7/2000

MNA  
WEST HANAGAN SITE

CLAY OSBORN RANCH



WATER FROM CORE HOLE

9/7/2000

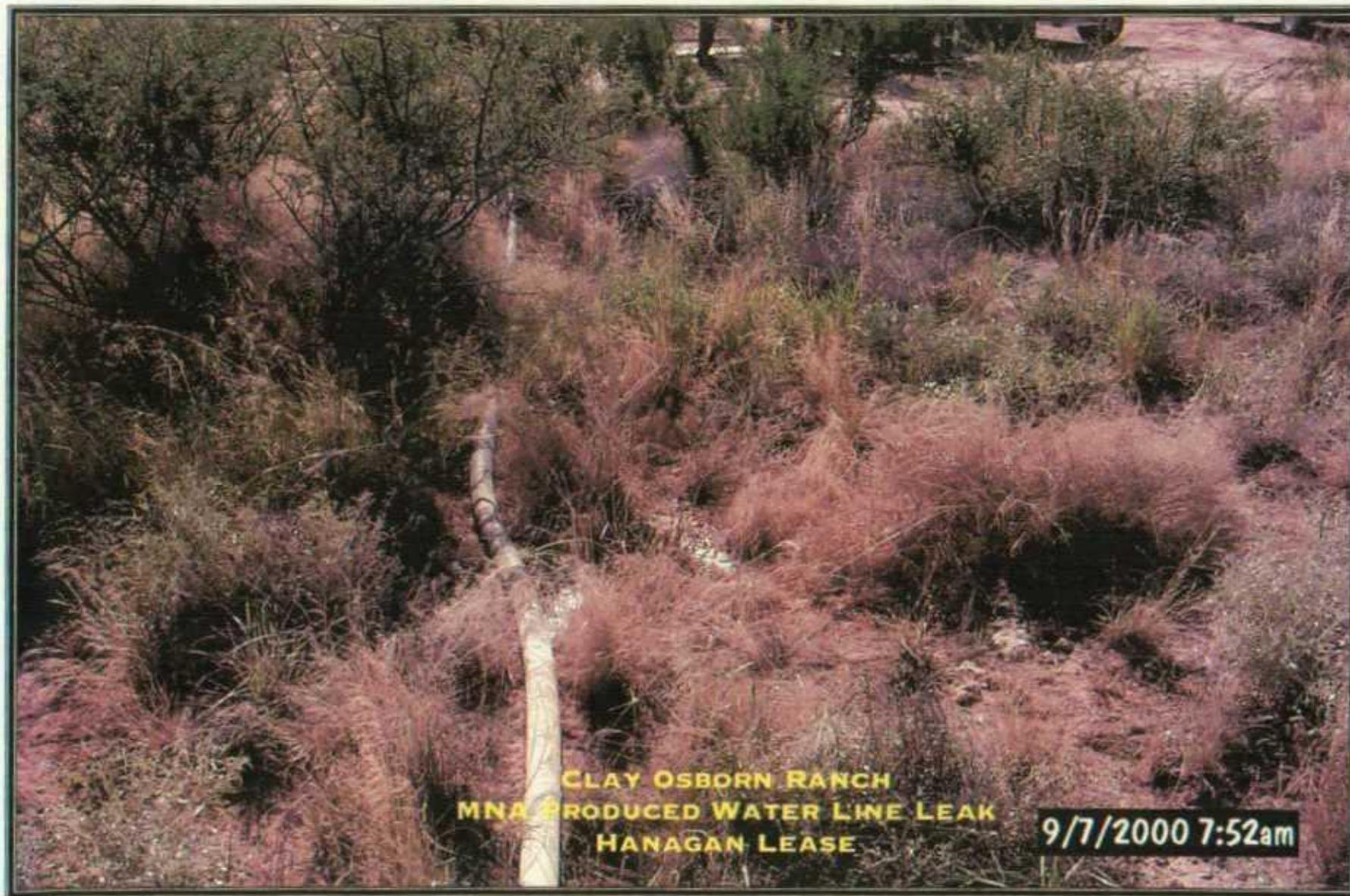
MNA  
WEST HANAGAN SITE

CLAY OSBORN RANCH

LEAK IN PROD WATER LINE

9/7/2000



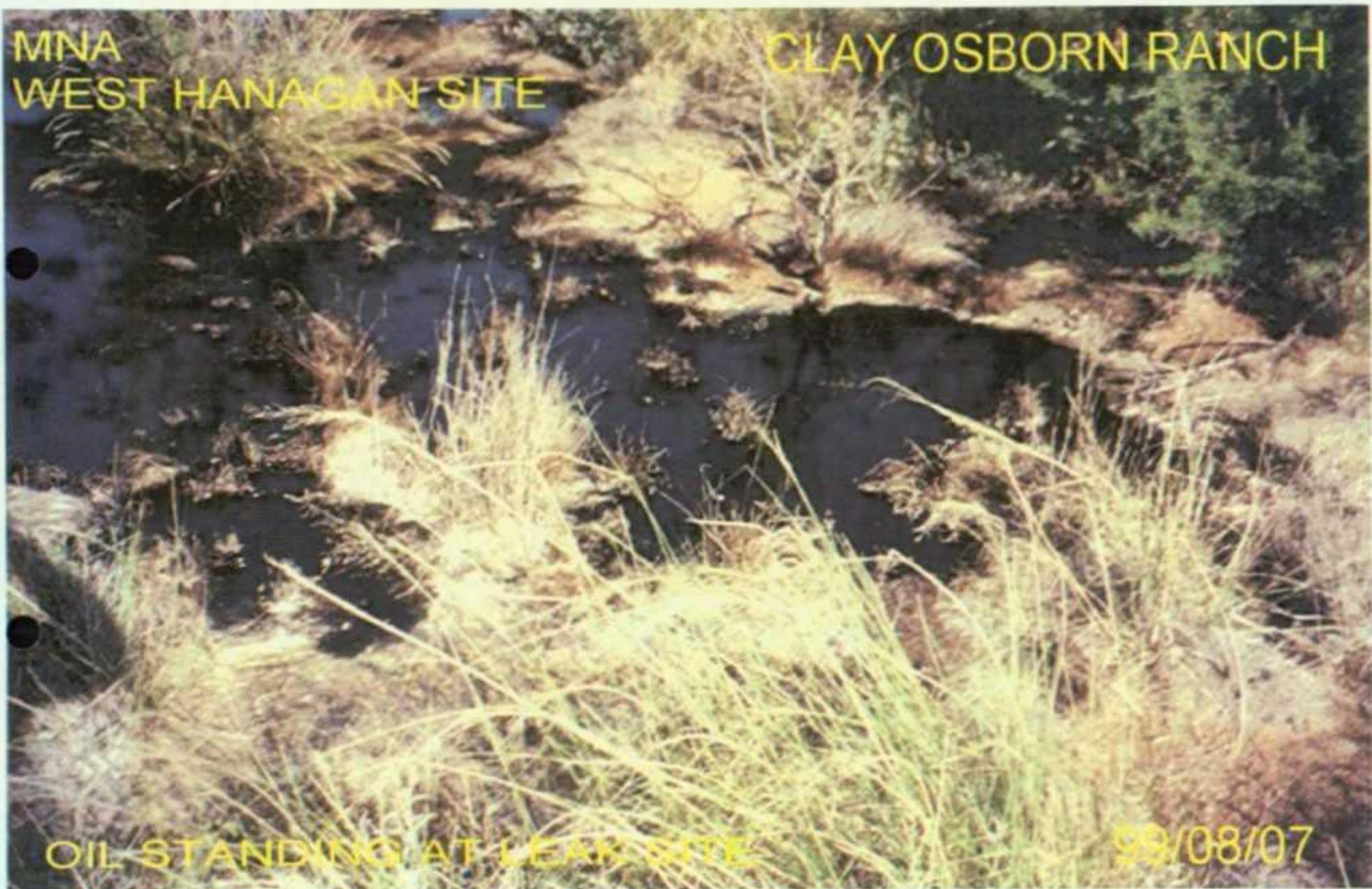


CLAY OSBORN RANCH  
MNA PRODUCED WATER LINE LEAK  
HANAGAN LEASE

9/7/2000 7:52am

MNA  
WEST HANAGAN SITE

CLAY OSBORN RANCH



OIL STANDING AT LEAK SITE

99/08/07



**NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT**

OIL CONSERVATION DIVISION  
DISTRICT 1 HOBBS  
PO BOX 1980, Hobbs, NM 88241  
(505) 393-6161  
FAX (505) 393-0720

Jennifer A. Salisbury  
CABINET SECRETARY

November 4, 1999

EOTT Energy Pipeline  
Attn: Lennah Frost  
P.O. Box 1660  
Midland, Texas 79702

Re: UL N-Sec 12-Ts25S-R36E  
W. F. Hanagan

Dear Mrs. Frost:

The New Mexico Oil Conservation Division (NMOCD) has been in contact with EOTT for some time now concerning the above reference location. EOTT expressed their concerns about the TNMPL in question was not a part of the contract recently obtained by EOTT. After involving and an extensive research on Equilon's behalf it seems that EOTT does own the pipeline in question. **The NMOCD hereby request the following:**

1. EOTT perform vertical and horizontal extent on the above referenced location for BTEX and TPH.
2. **EOTT shall submit an investigation and/or a remediation plan, in writing, to the District office by November 20<sup>th</sup>, 1999.**

EOTT's attention on this matter is greatly appreciated. If you have any further questions, or need any assistance please do not hesitate to write or call me at (505-393-6161 ext...113).

Sincerely,

Donna Williams  
Environmental Engineer Specialist  
Cc: Wayne Price; Chris Williams;

RECEIVED  
OCT 25 2000  
OBSERVATION

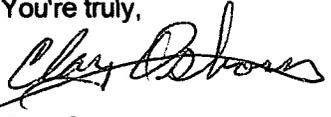
October 22, 2000

Dear Bill,

I am sending you a copy of pictures, maps, letters and an analytical book prepared by Environmental Plus Inc.. I have highlighted on one of the maps the location of the monitor wells and where groundwater was encountered. I hope that this information will be of use to you. This information covers the shallow groundwater and the MNA Enterprises Hanagan West leak site and another leak site about 30 feet west of the Hanagan West site.

Pat McCasland with Environmental Plus Inc. told me to pass on to you that if you needed to discuss any the analyticals or anything else in the book please feel free to call him at his office 505-394-3481 or at 505-390-7860.

You're truly,

  
Clay Osborn



ENVIRONMENTAL PLUS, INC.  
STATE APPROVED LAND FARM AND ENVIRONMENTAL SERVICES

Micro-Blaze

Micro-Blaze O-1™

September 9, 2000

Clay Osborn

Subject: Ground Water Chloride levels in Sec 12 T25S R36E

Dear Mr. Osborn,

During the investigation at the E.O.T.T. Energy Pipeline Hanagan West Site, a zone of saturation was encountered at 21.7' below ground surface. A temporary sampling well was developed with the open-ended hollow stem auger down hole. Samples were taken for General Chemistry, PAH, and VOC. A field Chloride analyses of the ground water and the water leaking from the 2" polyline 30' west of the sampling bore revealed concentrations of 5360 and 7000 ppm chloride, respectively. Background chloride concentration in the uppermost aquifer in this area, according to USGS Report #6, Nicholson and Clebsch, range from 51 to 610 ppm. The E.O.T.T. source term was restricted to crude oil and is therefore not responsible for the apparent chloride contamination and preliminary soil surveys indicate that the hydrocarbon contamination has not migrated into the saturated zone.

It is also noted that the uppermost zone of saturation in this area generally occurs between 45 and 65' below ground surface, suggesting that the zone of saturation encountered during the E.O.T.T. investigation may be anomalous and anthropogenic (originated through human activity).

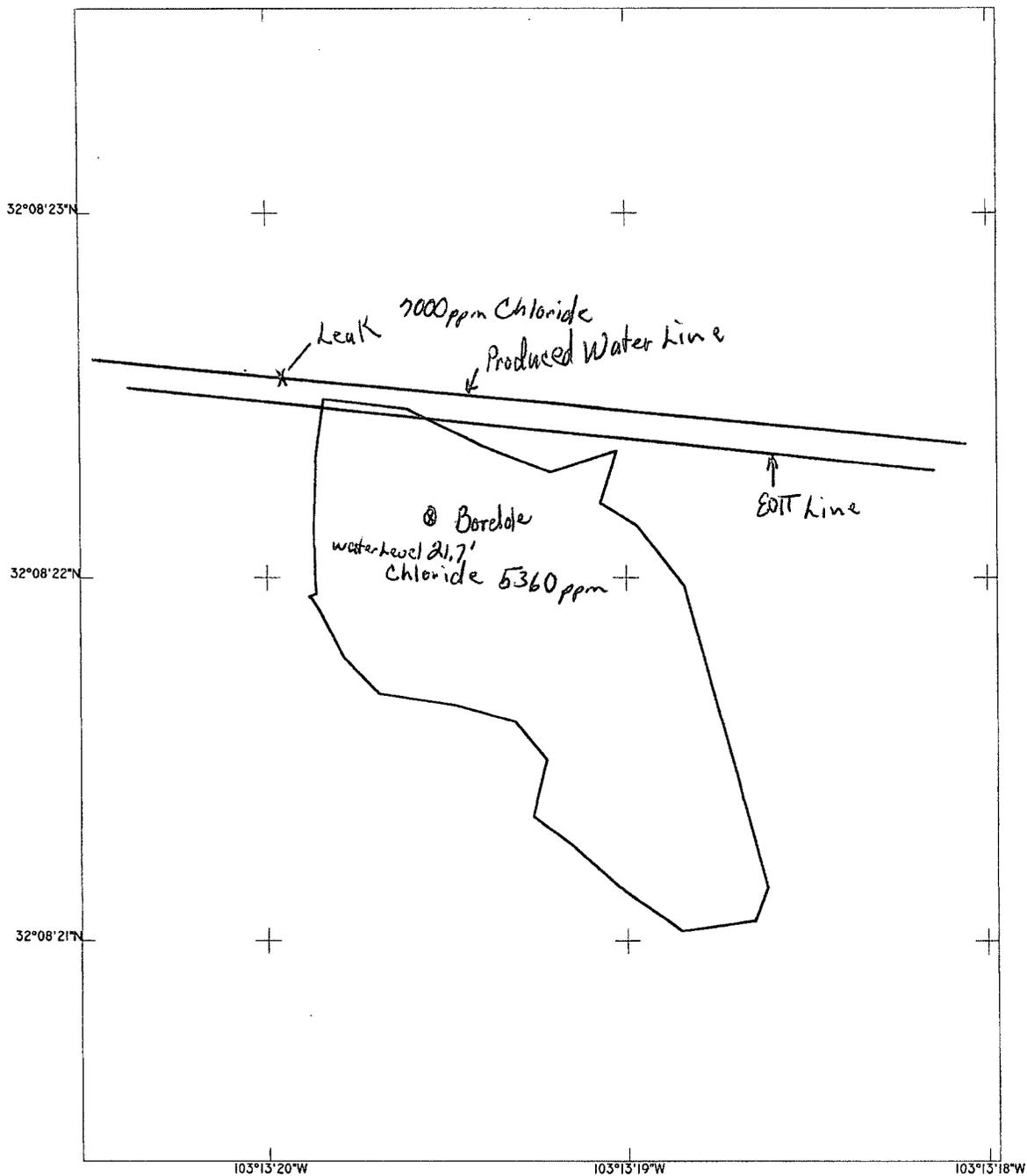
If there are any questions, please call me at the office or @ 505.390.7864.

Sincerely,

Pat McCasland

cc: Wayne Brunette - E.O.T.T.  
Sherry Miller - EPI President

ENVIRONMENTAL PLUS, INC.



E.O.T.T. ENERGY PIPELINE HANAGAN WEST SITE

LAT/LONG  
WGS 1984



SCALE 1 IN : 40 FT



MILES

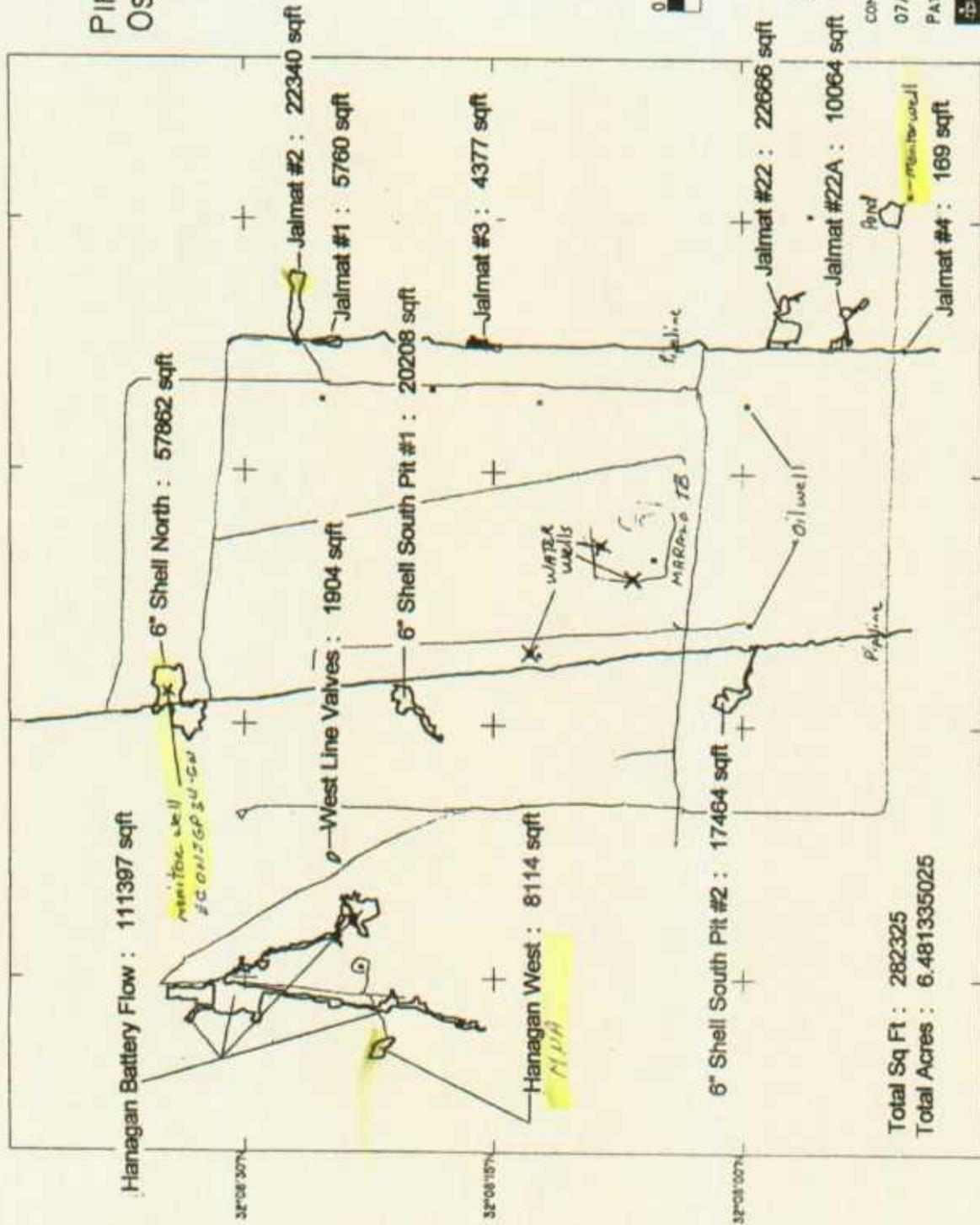
COMBINED22.SSF

09/09/2000

PATHFINDER OFFICE



E.O.T.T.  
 ENERGY  
 PIPELINE: CLAY  
 OSBORN RANCH  
 SITES



Total Sq Ft : 282325  
 Total Acres : 6.481335025



SCALE 1:10000

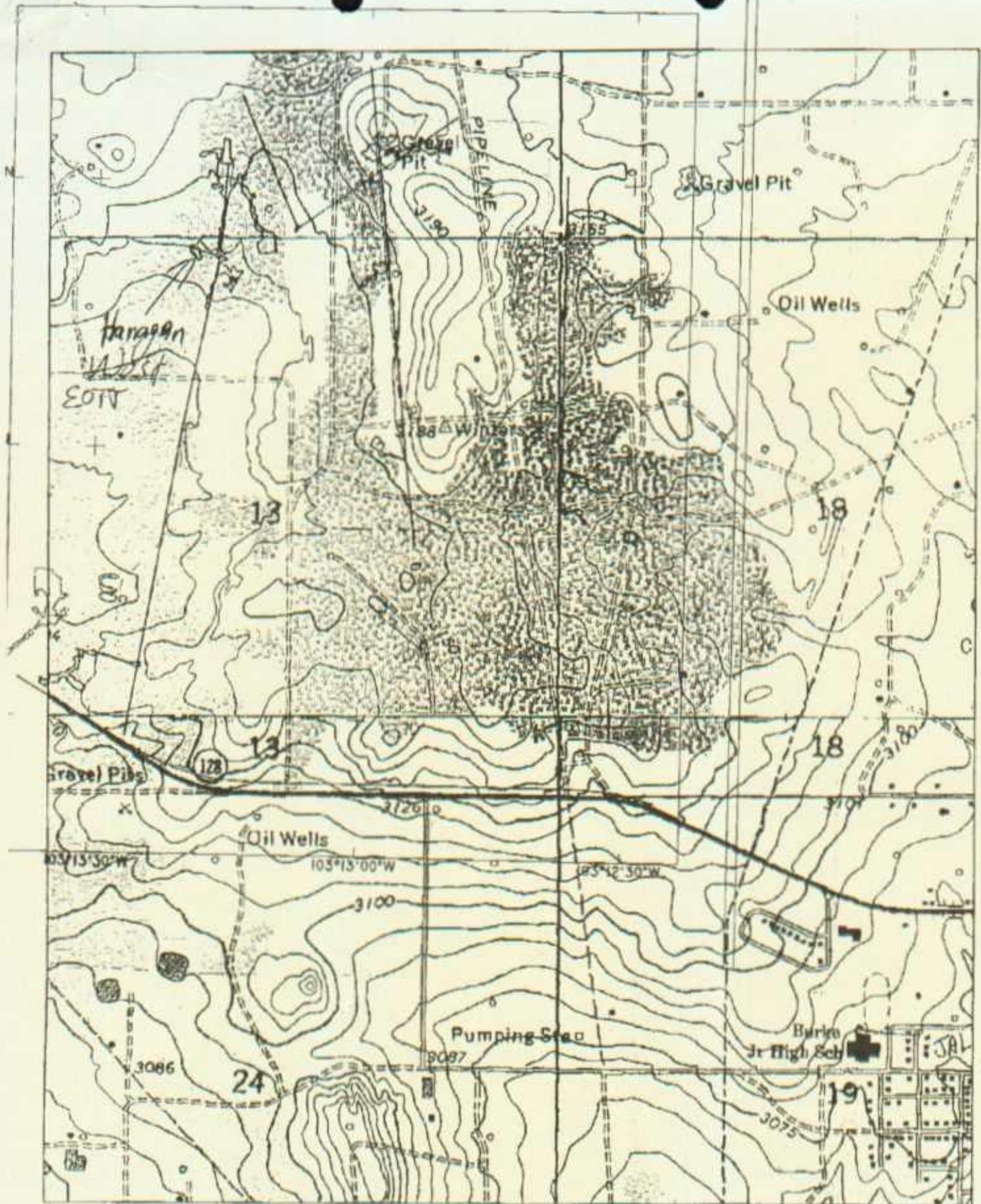


LAT/LONG  
 WGS 1984

COMBINED SSP  
 07/29/2000

PATHFINDER OFFICE





MNA ENTERPRISES LTD  
HANAGAN WEST LEAK

CLAY OSBORN RANCH



CLAY AND JERI OSBORN  
ONE N. COUNTRY CLUB RD.  
P.O. BOX 1285  
JAL, NM 88252



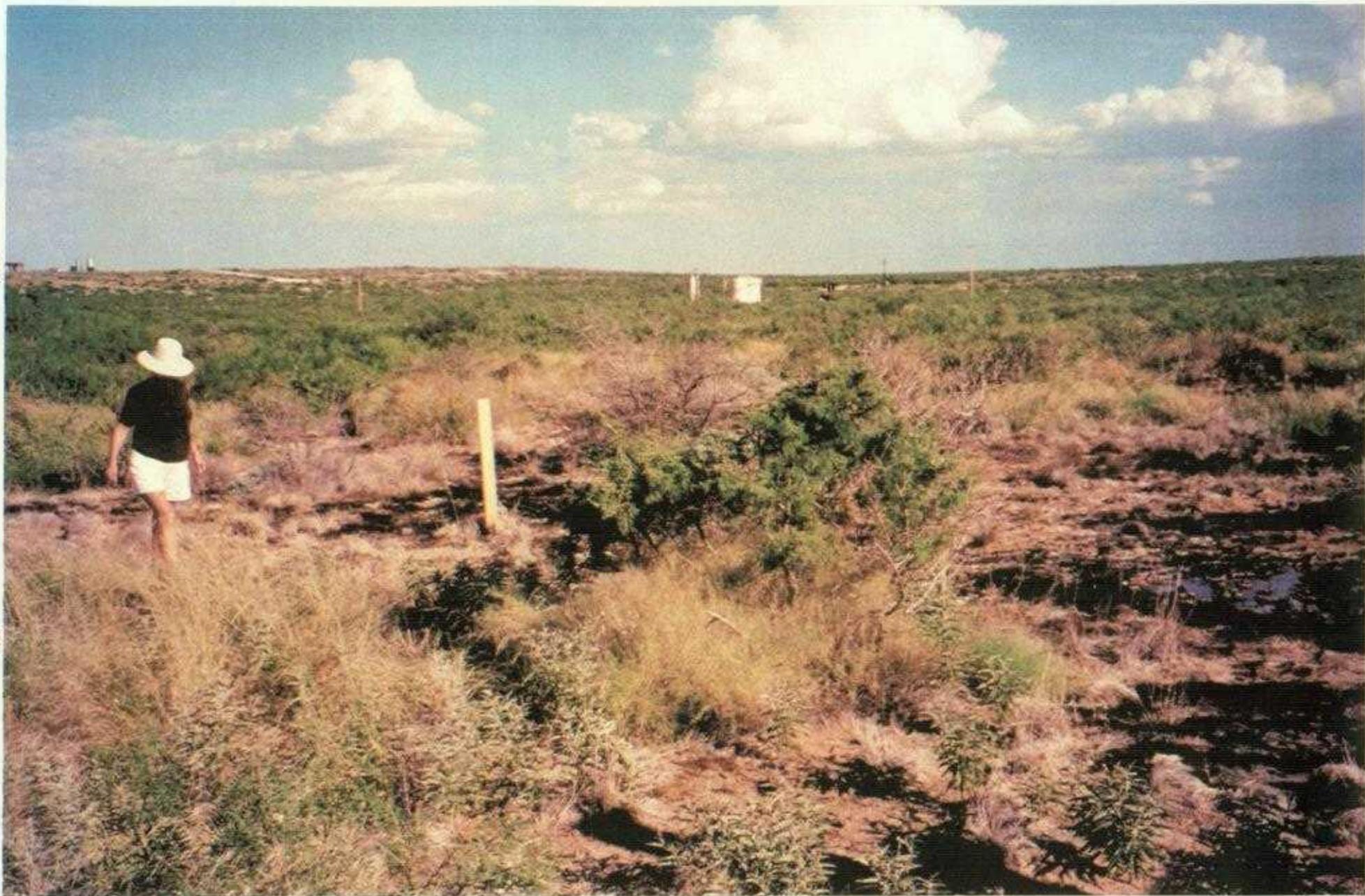
CLAY AND JERI OSBORN  
ONE N. COUNTRY DR. RD.  
P.O. BOX 1125  
JAL. NM. 88252



CLAY AND JERI OSBORN  
ONE N. COUNTRY CLUB RD.  
P.O. BOX 1205  
JAL, NM 88252



CLAY AND JERI OSBORN  
ONE N. COUNTRY CLUB RD.  
P.O. BOX 1253  
JAL, NM 88252



CLAY AND JERI OSSORN  
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JAL, NM 88252



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P.O. BOX 1203  
JAL, NM 88252

MNA ENTERPRISES LTD  
FROM LEAK SITE 08/07/99

CLAY OSBORN RANCH



WATER FROM CORE HOLE

09/07/2000

MNA

CLAY OSBORN RANCH



09/07/2000

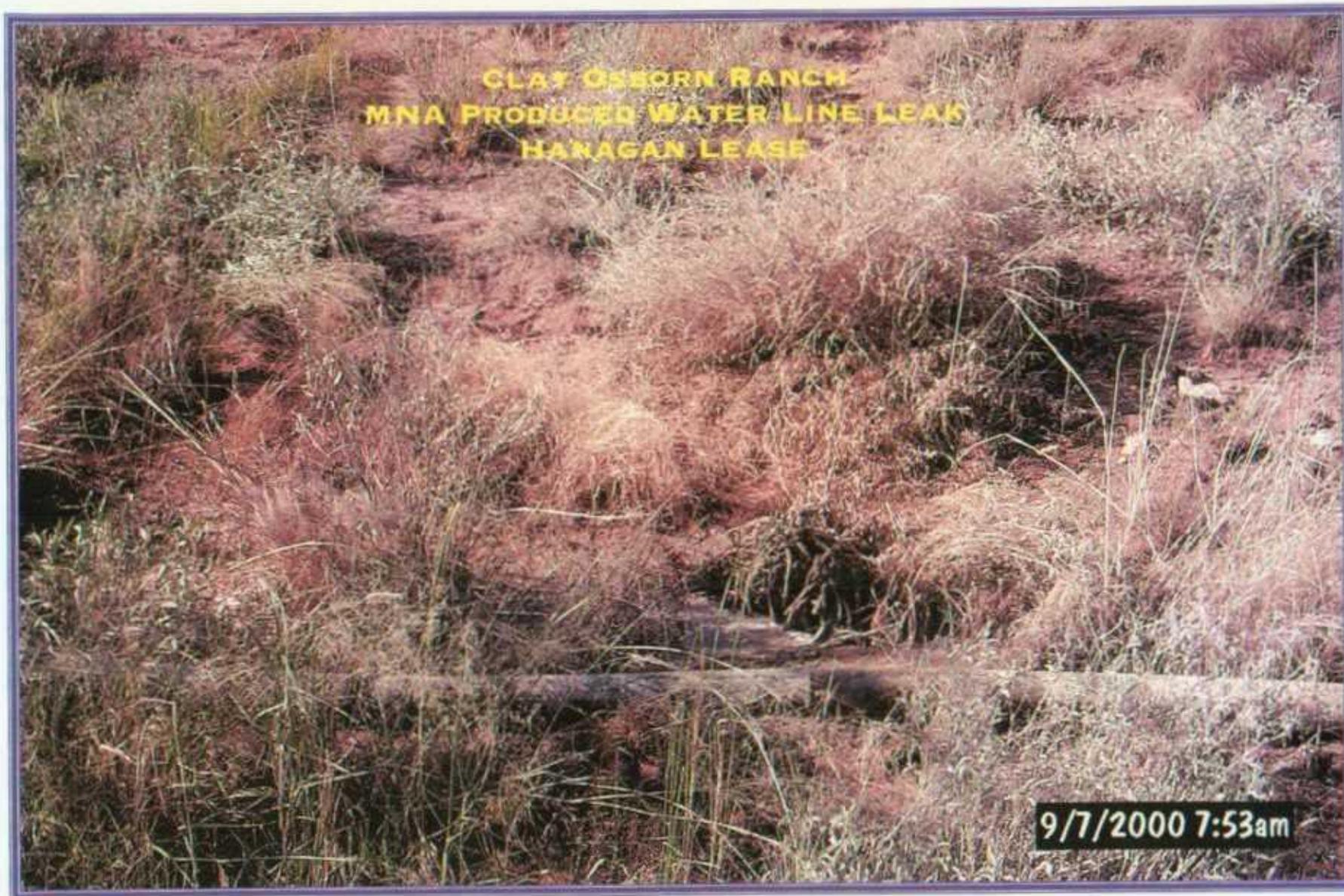


CLAY OSBORN RANCH  
MNA PRODUCED WATER LINE LEAK  
HANAGAN LEASE

9/7/2000 7:52am

LEAK WEST OF HANAGAN WEST SITE





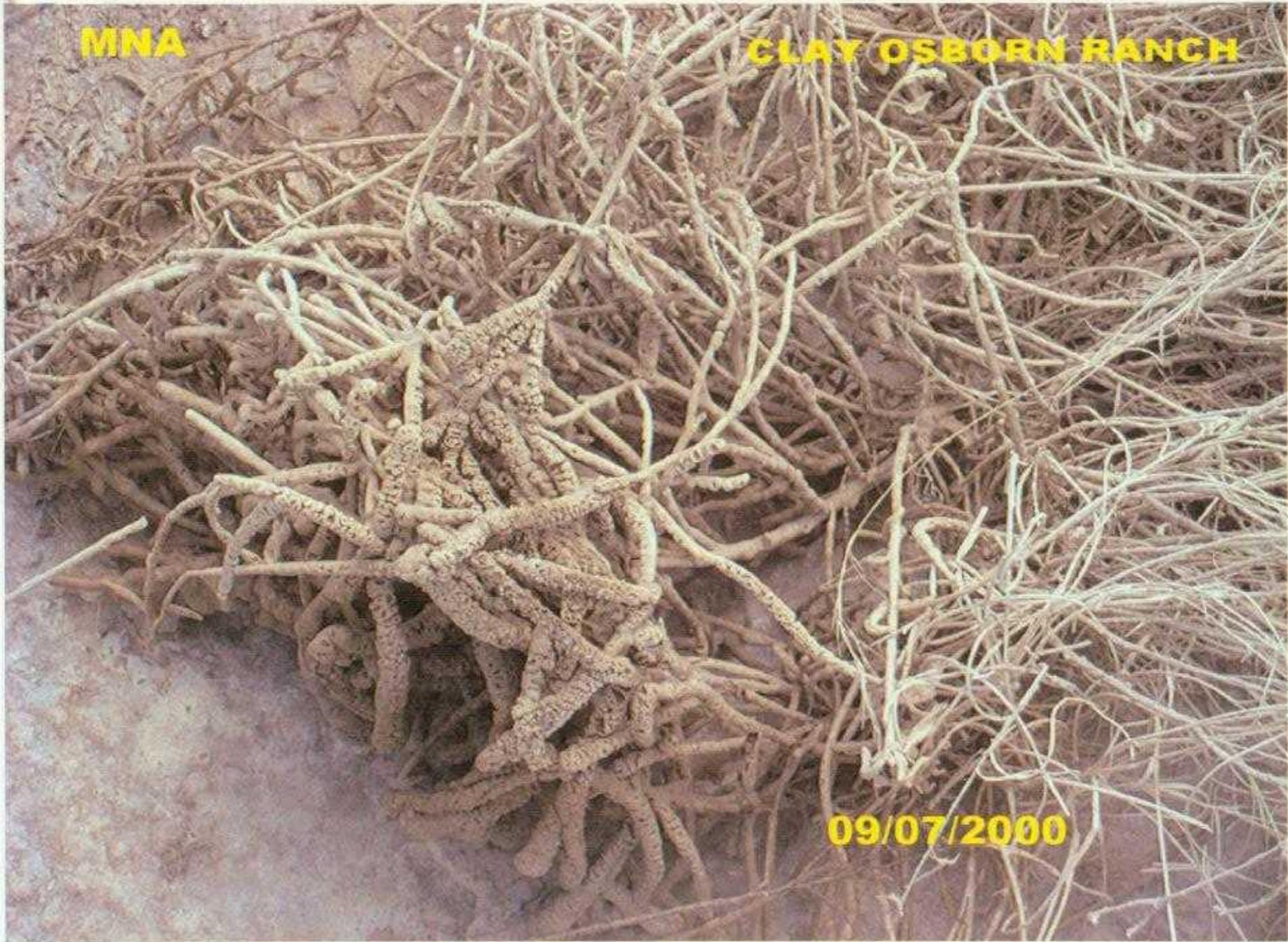
CLAY OSBORN RANCH  
MNA PRODUCED WATER LINE LEAK  
HARAGAN LEASE

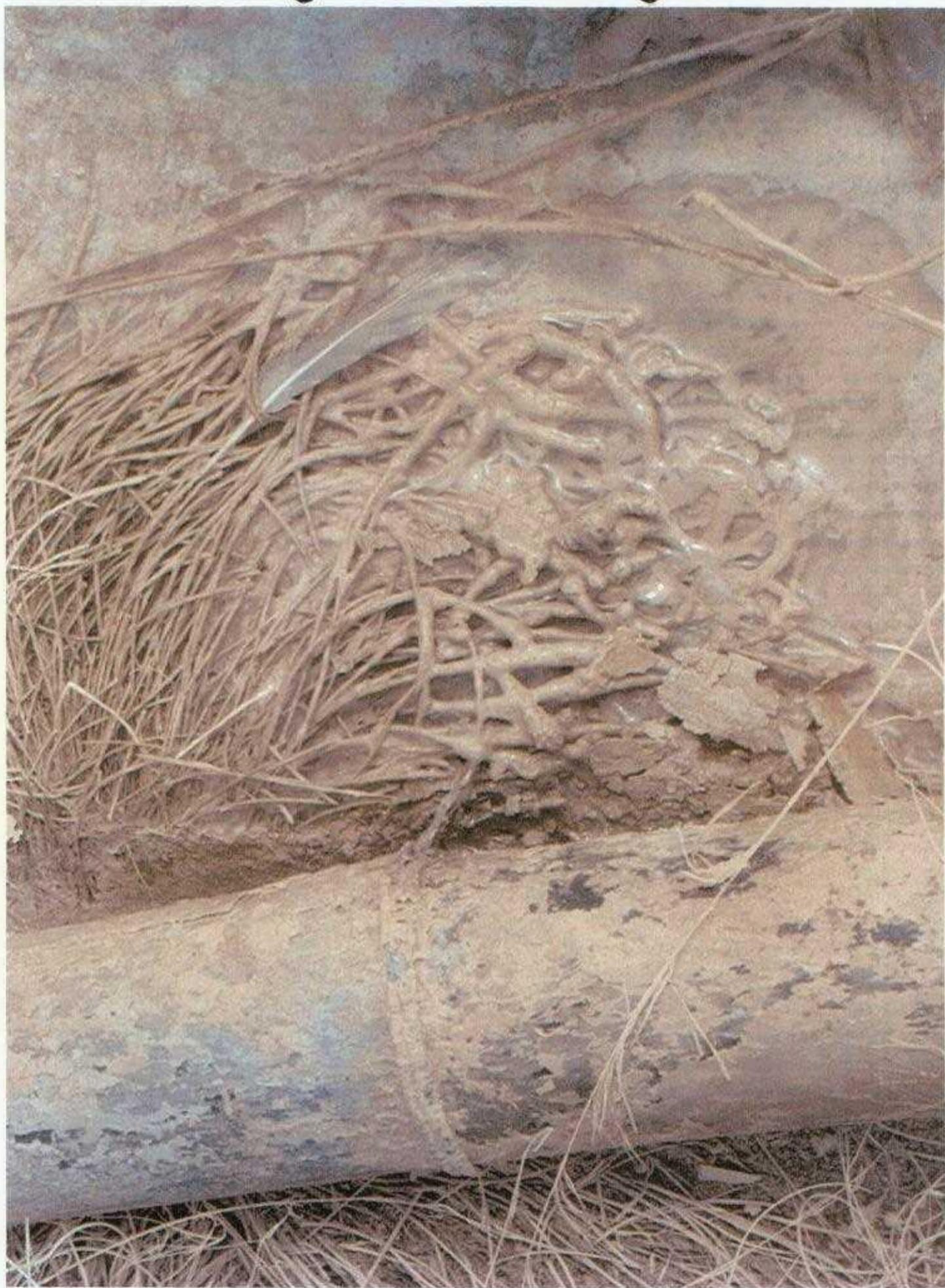
9/7/2000 7:53am

**MNA**

**CLAY OSBORN RANCH**

**09/07/2000**





MNA SALT WATER LINE TO MARALO 9/7/2000



**NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT**

OIL CONSERVATION DIVISION  
DISTRICT 1 HOBBS  
PO BOX 1980, Hobbs, NM 88241  
(505) 393-6161  
FAX (505) 393-0720

Jennifer A. Salisbury  
CABINET SECRETARY

November 4, 1999

EOTT Energy Pipeline  
Attn: Lennah Frost  
P.O. Box 1660  
Midland, Texas 79702

Re: UL N-Sec 12-Ts25S-R36E  
W. F. Hanagan

Dear Mrs. Frost:

The New Mexico Oil Conservation Division (NMOCD) has been in contact with EOTT for some time now concerning the above reference location. EOTT expressed their concerns about the TNMPL in question was not a part of the contract recently obtained by EOTT. After involving and an extensive research on Equilon's behalf it seems that EOTT does own the pipeline in question. The NMOCD hereby request the following:

1. EOTT perform vertical and horizontal extent on the above referenced location for BTEX and TPH.
2. EOTT shall submit an investigation and/or a remediation plan, in writing, to the District office by November 20<sup>th</sup>, 1999.

EOTT's attention on this matter is greatly appreciated. If you have any further questions, or need any assistance please do not hesitate to write or call me at (505-393-6161 ext...113).

Sincerely,

Donna Williams  
Environmental Engineer Specialist  
Cc: Wayne Price; Chris Williams;

DISTRICT II - (505) 748-1283  
 811 South First  
 Artesia, NM 88210  
 DISTRICT III - (505) 334-6178  
 1000 Rio Brazos Road  
 Aztec, NM 87410  
 DISTRICT IV - (505) 827-7131

Oil Conservation and Natural Resources Department

**Oil Conservation Division**  
 2040 South Pacheco Street  
 Santa Fe, New Mexico 87505  
 (505) 827-7131

Originated 2  
 Submit 2 copies  
 Appropriate District  
 Office in accordance  
 with Rule 1  
 back side of

Release Notification and Corrective Action

OPERATOR

Initial Report     Final Report

Name MNA Enterprises Ltd. Co.	Contact Daniel Alexander
Address 106 W. Alabama, Hobbs, NM 88242	Telephone No. 397-5923 392-2702
Facility Name W.F. Hanagan SWD Line	Facility Type SWD Line

Surface Owner Clay Osburn	Mineral Owner FEE	Lease No.
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LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
N	12	25	36					Lea

NATURE OF RELEASE

Type of Release 60 Bbls produced water, 1½ Bbls oil	Volume of Release 60 Bbls water, 1½ oil	Volume Recovered none
Source of Release SWD line to Marlo WF (rupture in seam)	Date and Hour of Occurrence 8-7-99 @ 4:00p	Date and Hour of Discovery 8-7-99 @ 4:00p
Was immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Chris Williams	
By Whom? Clay Osburn	Date and Hour 8-7-99 @ 4:00p.m.	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully (Attach Additional Sheets If Necessary)

Describe Cause of Problem and Remedial Action Taken. (Attach Additional Sheets If Necessary)

Water line ruptured in weld seam. Replaced bad section in 2" polyline. Hauled off and replaced soil. Took soil samples to be checked by Cardinal Labs. Cleaned up per OCD recommendation.

Describe Area Affected and Cleanup Action Taken. (Attach Additional Sheets If Necessary)

130' X 90' sandy soil - Dug out soil, hauled off and replaced.

*Plan to P. Williams  
8-26-99*

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

Signature: <i>Daniel M. Alexander</i>	<b>OIL CONSERVATION DIVISION</b>		
Printed Name: <i>Daniel M. Alexander</i>	Approved by District Supervisor:	Approval Date:	Expiration Date:
Title: <i>Manager</i>	Conditions of Approval:		Attached <input type="checkbox"/>
Date: <i>9-26-99</i>	Phone: <i>505-392-2702</i>		