

3R - 388

**GENERAL
CORRESPONDENCE**

YEAR(S):

2002



OFFICE: (505) 325-5667

FAX: (505) 327-1496

July 31, 2002

Mr. William C. Olson
Environmental Bureau, NMOCD
1220 South St. Francis Drive
Santa Fe, NM 87505

RECEIVED

AUG 05 2002

ENVIRONMENTAL BUREAU
OIL CONSERVATION DIVISION

RE: Case #3R388, Mañana Gas, Inc.
Cook #1E and Jan Redding #1 Well Sites

Dear Mr. Olson:

This correspondence is submitted in confirmation of our telephone discussion on July 2, 2002 regarding your letter dated June 13, 2002 to Mr. Ed Hartman of Mañana Gas Co. concerning ground water contamination in the general vicinity of the Cook #1E and the Jan Redding #1 well sites. The supportive documentation you requested is attached: detailed site sketches of the shared location; Bradenhead testing results; a hand sketch with footages to fence lines, and a site map and ground water gradient map copied from the Giant Industries July, 2001 *Monitoring Well Installation, Ground Water Sampling and Bioventing Pilot Test, Bloomfield Crude Station, Bloomfield, New Mexico*, report prepared by Golden Environmental Management (GEM) to illustrate the interrelationship of the two wells to Giant's documented petroleum release site.

As we discussed earlier this month, after review of the GEM report and the histories of the Cook #1E and the Jan Redding #1, it seems evident that the source of ground water contamination in the area is the former Giant Crude Station and Tank 967-D, not the two Mañana Gas wells for the following reasons:

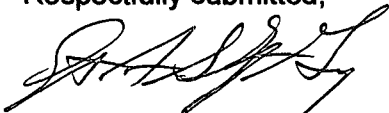
- In the GEM report, phase-separated hydrocarbon was noted in MW#2, significantly up gradient of the Cook #1E and the Jan Redding #1 locations according to the GEM ground water gradient map;
- Both Mañana Gas wells were drilled as gas wells in 1986-87, with no history of discharge to unlined earthen pits, no reports of undesirable events or spills, and no recorded loss of product in their history, giving no reason to suspect those wells as a source;
- The only liquids produced by the two Mañana Gas wells are small amounts of light distillate and water, both of which pass through separators with the distillate going to an above-ground product storage tank and the water temporarily accumulated in a steel tank pit, periodically pumped and transported for disposal;
- Given the history of the adjacent Giant site, it is much more likely that the Mañana Gas locations have been impacted by Giant's massive release from their transfer tank, or its associated pipeline (not noted on any of the GEM figures);

- Several other potential sources are in the immediate vicinity of both the Giant site and the Mañana wells, i.e. at least four very old abandoned well bores with limited to no documentation available as to the plugging process (the Bishop #1, Bishop, #3, Hare #1, and Kittell #1.

For those reasons, it does not seem appropriate to require Mr. Hartman's company to suffer the significant expense of creating, submitting, and implementing a plan for investigation only to prove that none of the ground water impact is attributable to their locations when a responsible party seems to have already been identified.

Therefore, on behalf of Mañana Gas Company and Mr. Ed Hartman, we respectfully request that the requirement for an investigation plan by Mañana Gas Company be rescinded. Mañana Gas Company will be pleased to provide whatever operational records you might request in further support of the efforts of NMOCD with respect to the Bloomfield Tank Station. The documentation previously referred to is attached. Please do not hesitate to call if we can be of further assistance.

Respectfully submitted,



Cynthia A. Sluyter-Gray, CHMM
Manager, Environmental Services, Four Corners
On Site Technologies/Souder Miller & Associates

Encl. Site Diagrams – Jan Redding #1 and Cook #1E
Bradenhead Test Results - Jan Redding #1 and Cook #1E
Hand Sketch by Ed Bond, Switcher for Mañana Gas Company
Site Map copied from the Giant Industries July, 2001 *Monitoring Well Installation, Ground Water Sampling and Bioventing Pilot Test, Bloomfield Crude Station, Bloomfield, New Mexico*
Ground Water Gradient Map copied from the Giant Industries July, 2001 *Monitoring Well Installation, Ground Water Sampling and Bioventing Pilot Test, Bloomfield Crude Station, Bloomfield, New Mexico*

cc: Mr. Ed Hartman, President, Mañana Gas Company
Mr. Denny Foust, NMOCD Aztec District Office

CSG/csg

File: 5113689

Farmington, New Mexico

ONSHORE FEDERAL AND INDIAN SITE FACILITY DIAGRAM

Lease Name & Well Number JAN Redding #1

Lease Number # 30-045-26772

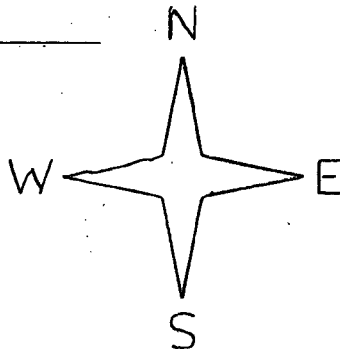
Communitization Number _____

Location UNIT D Sec 22 Twnshp 29N Rng 11W

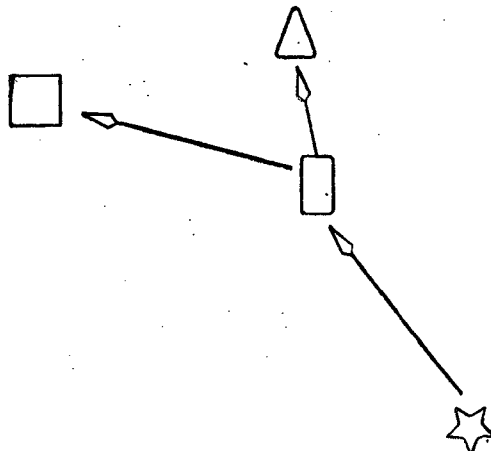
This diagram subject to site security plan for New Mexico

Sealed valves are normally closed during production phase. Drain line valve to pit open to draw off water and load line valve open to sell condensate.

Date 7-2-02



(Shared with
the Cook #1E)



- ☆ Compressor
- ✕ Wellhead
- Production Unit
- Storage Tank
- Dehydrator
- △ Meter Run
- Pit [Steel Tank]
- ✕ Sealed Valves
- ☀ Automation

Farmington, New Mexico

ONSHORE FEDERAL AND INDIAN SITE FACILITY DIAGRAM

Lease Name & Well Number COOK 1E DK

Lease Number # 30-045-26771

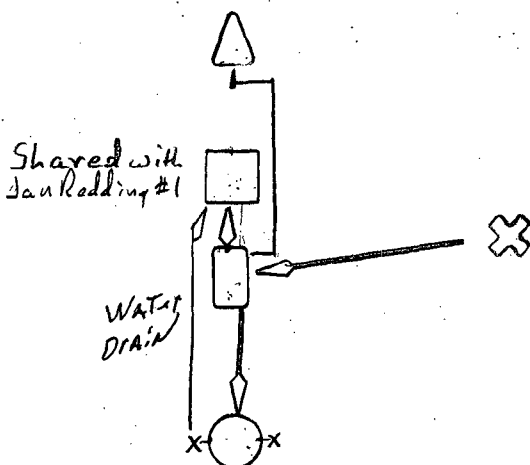
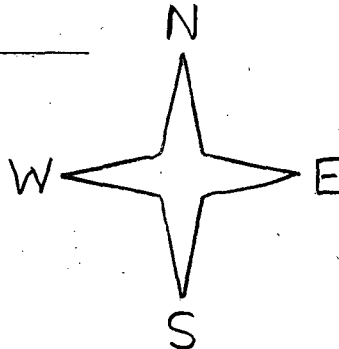
Communitization Number _____

Location Unit D Sec 22 Twnshp 29N Rng 11W

This diagram subject to site security plan for New Mexico

Sealed valves are normally closed during production phase. Drain line valve to pit open to draw off water and load line valve open to sell condensate.

Date 7-2-02



- ☆ Compressor
- ✕ Wellhead
- Production Unit
- Storage Tank
- ◊ Dehydrator
- △ Meter Run
- Pit (Steel Tank)
- ✕ Sealed Valves
- ☀ Automation



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE
1000 RIO BRAZOS ROAD
AZTEC NM 87410
(505) 334-6178 FAX: (505) 334-6170
[http://emnr.state.nm.us/ocd/District III/3district.htm](http://emnr.state.nm.us/ocd/District%20III/3district.htm)

BRADENHEAD TEST REPORT

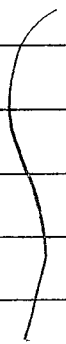


(submit 2 copies to above address)

Date of Test 5-15-02 Operator MANAWA GAS INC API #30-0 45-26772

Property Name Jaw Reddick Well No. 1 Location: Unit D Section 22 Township 29N Range 11W

Well Status (Shut-In or Producing) Tubing 169 Intermediate N/A Casing 259 Bradenhead 0

OPEN BRADENHEAD AND INTERMEDIATE TO ATMOSPHERE INDIVIDUALLY FOR 15 MINUTES EACH

TIME	PRESSURES:		BRADENHEAD FLOWED	INTERMEDIATE FLOWED
	INTERMEDIATE	CASING		
5 minutes		<u>300</u>	Steady Flow	
10 minutes		<u>306</u>	Surges	
15 minutes		<u>310</u>	Down to Nothing	
20 minutes		<u>310</u>	Nothing 	
25 minutes		<u>310</u>	Gas	
30 minutes		<u>310</u>	Gas & Water	
			Water	

If bradenhead flowed water, check all of the descriptions that apply below:

CLEAR _____ FRESH _____ SALTY _____ SULFUR _____ BLACK _____

5 MINUTE SHUT-IN BRADENHEAD 0 INTERMEDIATE _____

REMARKS:

By Edu. Br. A.

Witness _____

5/15/02
(Position)

OIL CONSERVATION DIVISION

P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

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OPERATOR	

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5a. Indicate Type of Lease
State ☐ Fee ☒
5. State Oil & Gas Lease No.

1a. TYPE OF WELL
OIL WELL ☐ GAS WELL ☒ DRY ☐
b. TYPE OF COMPLETION
NEW WELL ☒ WORK OVER ☐ DEEPEN ☐ PLUG BACK ☐ DIFF. RESVR. ☐ OTHER ☐

7. Unit Agreement Name

8. Form or Lease Name

Jan Redding

9. Well No.

1

10. Field and Pool, or Wildcat

Otero-Chacra

2. Name of Operator

Manana Gas, Inc.

3. Address of Operator

P.O. Box 36990, Albuquerque, N.M. 87176

4. Location of Well

UNIT LETTER D LOCATED 315 FEET FROM THE North LINE AND 387 FEET FROM

THE West LINE OF SEC. 22 TWP. 29N RGE. 11W NMPM

12. County

San Juan

15. Date Spudded 4/15/87	16. Date T.D. Reached 4/18/87	17. Date Compl. (Ready to Prod.) 6-3-87	18. Elevations (DF, RKB, RT, GK, etc.) 5503 KB	19. Elev. Casinghead 5489
-----------------------------	----------------------------------	--	---	------------------------------

20. Total Depth 2968	21. Plug Back T.D. 2918	22. If Multiple Compl., How Many N/A	23. Intervals Drilled By Rotary Tools Entirely	Cable Tools -
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24. Producing Interval(s), of this completion - Top, Bottom, Name
Chacra - 2716 - 2826

25. Was Directional Survey Made
yes

26. Type Electric and Other Logs Run
Induction - Density - Neutron

27. Was Well Cored
No

28. CASING RECORD (Report all strings set in well)					
CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8.625	24.0#	272	12.250	173 sx (204 Cuft.)	
4.500	10.5#	2954	7.875	600 sx (894 Cuft.)	

29. LINER RECORD				30. TUBING RECORD		
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET
none					1.50	2814

31. Perforation Record (Interval, size and number) 2716-26; 2816-26	32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.	
	DEPTH INTERVAL 2716-2826	AMOUNT AND KIND MATERIAL USED Foam fraced with 70% quality with 51,438# sand.

33. PRODUCTION

Date First Production	Production Method (Flowing, gas lift, pumping - Size and type pump)	Well Status (Prod. or Shut-in)
Date of Test 6/3/87	Hours Tested 1	Choke Size 0.75"
Prod'n. For Test Period	Oil - Bbl.	Gas - MCF 1489
Flow Tubing Presn. 112	Casing Pressure 514	Calculated 24-Hour Rate
	Oil - Bbl.	Gas - MCF 1902 AOF
	Water - Bbl.	Oil Gravity - API (Corr.)

34. Disposition of Gas (Sold, used for fuel, vented, etc.)

Waiting on El Paso pipeline connection

Test Witnessed By

35. List of Attachments

36. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief.

SIGNED Ed Hartman TITLE President DATE 6/8/87



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE
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[http://emnrd.state.nm.us/ocd/District III/3district.htm](http://emnrd.state.nm.us/ocd/District%20III/3district.htm)

BRADENHEAD TEST REPORT

(submit 2 copies to above address)

Date of Test 5-15-02 Operator PARIA GAS INC API #30-0 45-26771

Property Name Cook Well No. 1E Location: Unit D Section 22 Township 29N Range 11W

Well Status(Shut-In or Producing) Producing Tubing 2 1/2 Intermediate N/A Casing 22.9 Bradenhead 22

OPEN BRADENHEAD AND INTERMEDIATE TO ATMOSPHERE INDIVIDUALLY FOR 15 MINUTES EACH

TIME	PRESSURES:		BRADENHEAD FLOWED	INTERMEDIATE FLOWED
	INTERMEDIATE	CASING		
5 minutes		<u>230</u>	Steady Flow	
10 minutes		<u>232</u>	Surges	
15 minutes		<u>232</u>	Down to Nothing	
20 minutes		<u>232</u>	Nothing	
25 minutes		<u>232</u>	Gas	
30 minutes		<u>232</u>	Gas & Water	
			Water	

If bradenhead flowed water, check all of the descriptions that apply below:

CLEAR ☐ FRESH ☐ SALTY ☐ SULFUR ☐ BLACK ☐

5 MINUTE SHUT-IN BRADENHEAD 0 INTERMEDIATE

REMARKS:

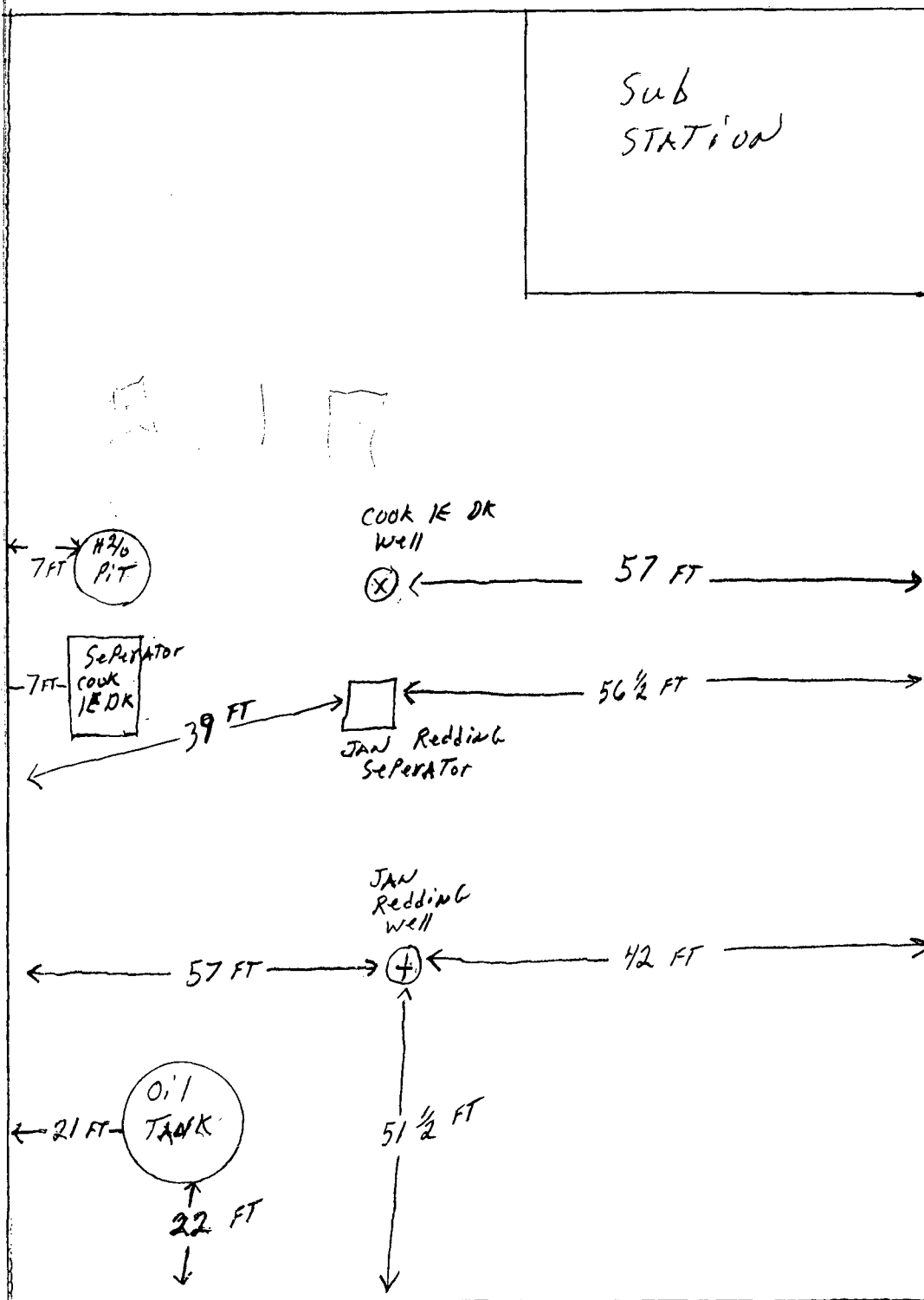
By

Witness

(Position)

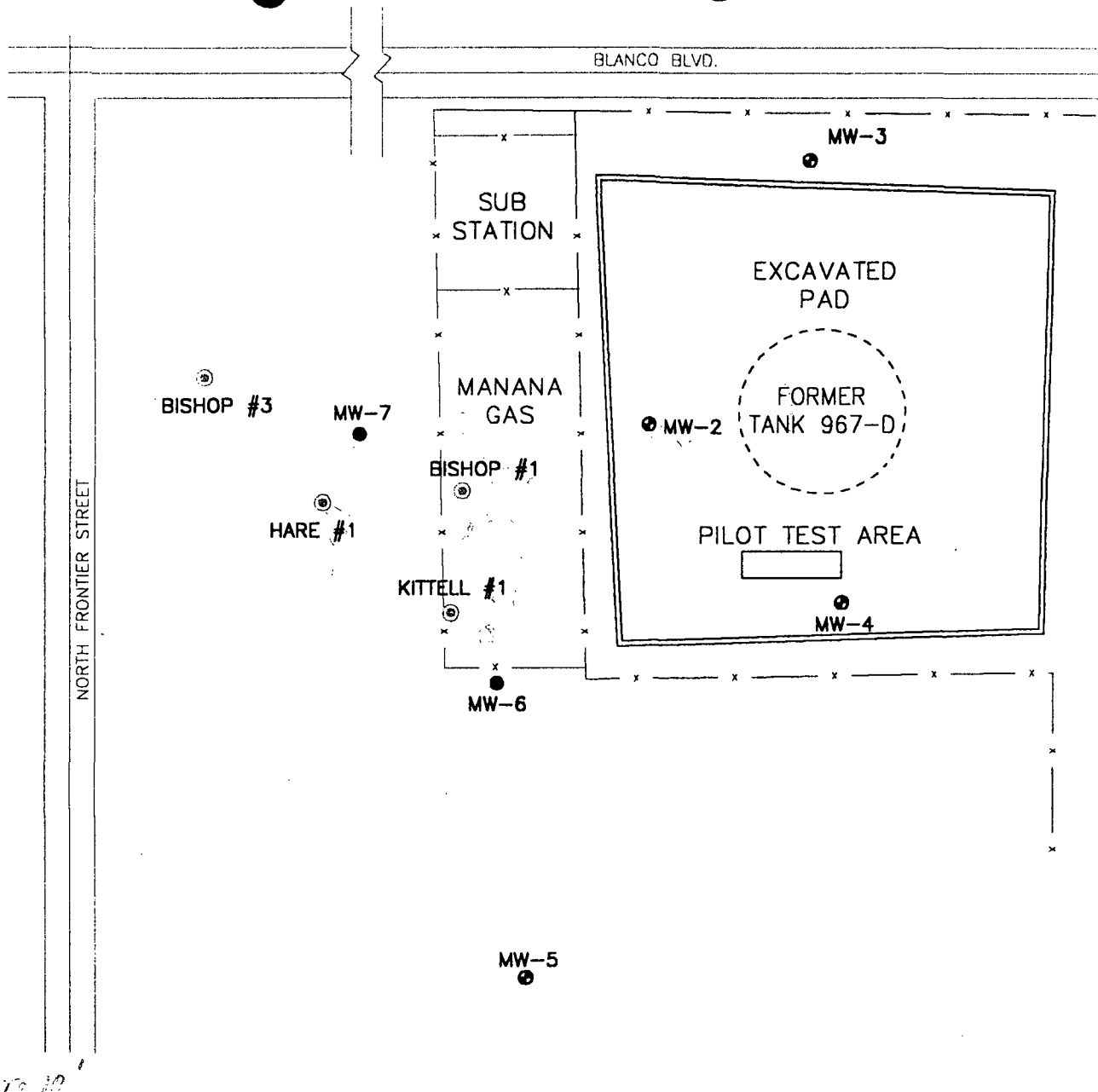
N
W + E
S

West Fence



East Fence

South Fence



LEGEND

- x—x— FENCE LINE
- ⊙ MW-1 APPROXIMATE LOCATION OF MONITOR WELL & NUMBER
- NEW GROUND WATER MONITOR WELLS INSTALLED
- ⊙ APPROXIMATE LOCATION OF HISTORICAL OIL & GAS WELLS
- ==== EARTHEN BERM

0 100
FEET



D:\DRAW GOLDEN\6171B

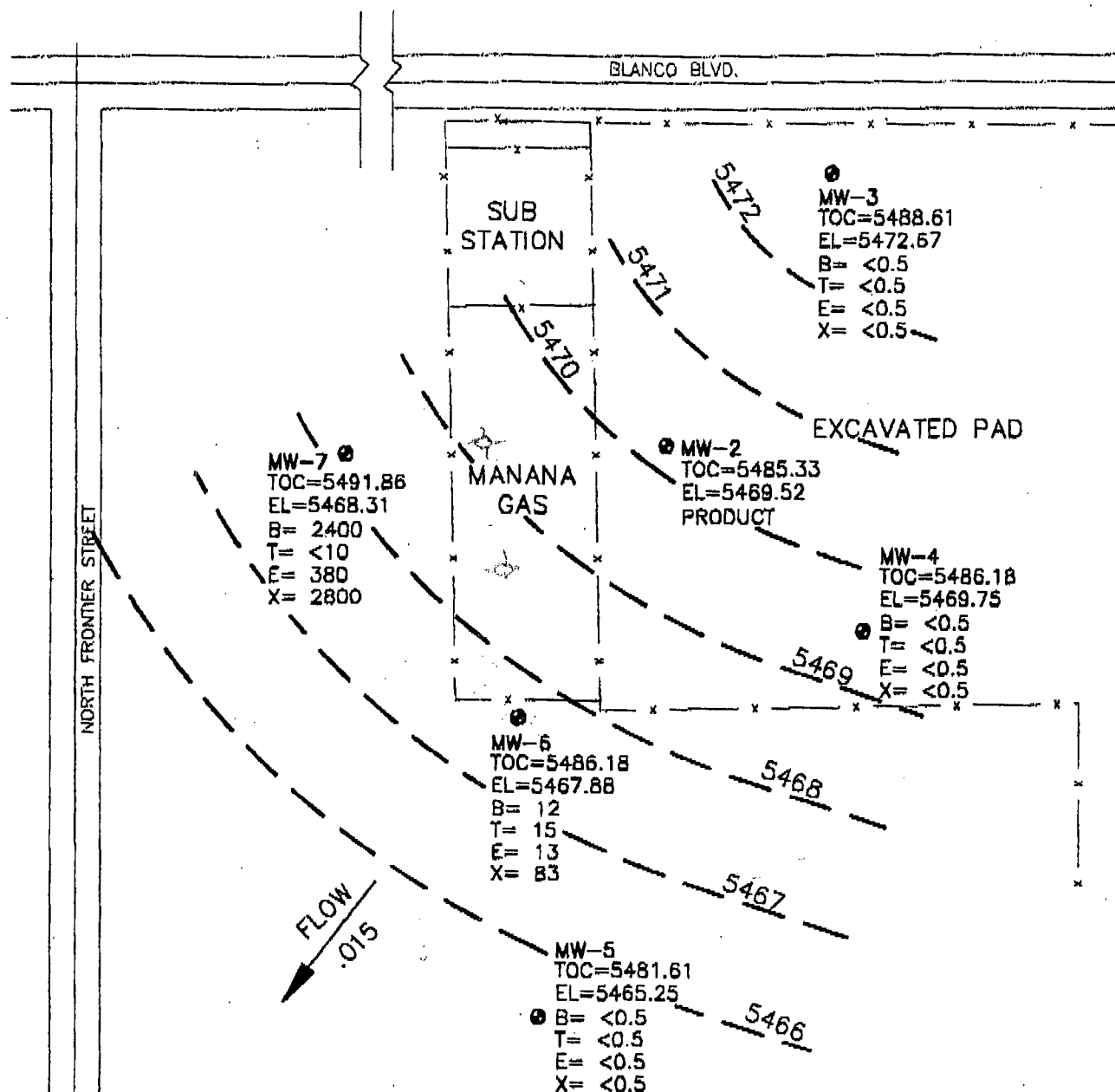


TITLE:
GIANT INDUSTRIES ARIZONA, INC.
BLOOMFIELD, NEW MEXICO
SITE MAP

DWN: CJG	DES.:
CHKD:	APPD:
DATE: 07/11/01	REV.: 1

PROJECT NO.: 6171
GIANT INDUSTRIES
BLOOMFIELD, NM

FIGURE 2



LEGEND



FENCE LINE

● MW-2
5467.98

APPROXIMATE LOCATION OF MONITOR WELL AND NUMBER



APPROXIMATE GROUND WATER GRADIENT



POTENTIOMETRIC SURFACE OF GROUND WATER

TOC
EL
B
T
E
X

TOP OF CASING ELEVATION
GROUND WATER ELEVATION
BENZENE IN ug/L
TOLUENE IN ug/L
ETHYLBENZENE IN ug/L
TOTAL XYLENES IN ug/L

0 100
FEET



DRAW: GOLDEN 6171C



TITLE:

GROUND WATER GRADIENT

DWN:

CJG

DES.:

CHKD:

APPD:

PROJECT NO.:

6171

GIANT INDUSTRIES
BLOOMFIELD, NM



TRANSMITTAL COVER SHEET

OIL CONSERVATION DIVISION
1220 S. ST. FRANCIS DRIVE
SANTA FE, NM 87505
(505) 476-3440
(505)476-3462 (Fax)

PLEASE DELIVER THIS FAX:

TO: Ed Hartman - Manana Gas

FROM: Bill Olson

DATE: 6/17/02

PAGES: 30 including cover

SUBJECT: Cook #1E Well site

IF YOU HAVE TROUBLE RECEIVING THIS FAX, PLEASE CALL THE OFFICE
NUMBER ABOVE.



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor
Betty Rivera
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

June 13, 2002

CERTIFIED MAIL

RETURN RECEIPT NO. 7001-1940-0004-3929-7280

Mr. Ed Hartman
Manana Gas, Inc.
2520 Tramway Terrace Court NE
Albuquerque, New Mexico 87122


**RE: GROUND WATER CONTAMINATION
COOK #1E AND JAN REDDING #1 WELL SITES
CASE #3R388**

Dear Mr. Hartman:

The New Mexico Oil Conservation Division (OCD) recently reviewed Giant Industries Arizona, Inc.'s (Giant) July 2001 "MONITORING WELL INSTALLATION, GROUND WATER SAMPLING AND BIOVENTING PILOT TEST, BLOOMFIELD CRUDE STATION, BLOOMFIELD, NEW MEXICO" which contains the results of Giant's investigations of ground water contamination related to Giant's Bloomfield Crude Station in Bloomfield New Mexico.. Upon a review of this document it appears that there may also be ground water contamination originating from the adjacent Manana Gas, Inc. (Manana) Cook #1E and Jan Redding #1 well sites located in Unit D Section 22, Township 29 North, Range 11 West, San Juan County, New Mexico.

Therefore, the OCD requires that Manana submit a plan to investigate the extent of any soil and ground water contamination related to the Cook #1E and Jan Redding #1 well sites. The plan shall be submitted to the OCD Santa Fe Office by August 13, 2002 with a copy provided to the OCD Aztec District Office. If you have any questions, please call me at (505) 476-3491.

Sincerely,


William C. Olson
Hydrologist
Environmental Bureau

cc: Denny Foust, OCD Aztec District Office
Timothy A. Kinney, Giant Industries Arizona, Inc.
Martin J. Nee, Golden Environmental Management, Inc.