

AP-070

**GENERAL
CORRESPONDENCE**

2007

LAW OFFICES

HEIDEL, SAMBERSON, NEWELL, COX & McMAHON

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MICHAEL T. NEWELL
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311 NORTH FIRST STREET
POST OFFICE DRAWER 1599
LOVINGTON, NM 88260
TELEPHONE (505) 396-5303
FAX (505) 396-5305

F.L. HEIDEL
(1913-1985)

RECEIVED

FEB 27 2007

February 22, 2007

Oil Conservation Division
Oil Conservation Division
1220 S. St. Francis Drive
1220 S. St. Francis Drive
Santa Fe, NM 87505
Santa Fe, NM 87505

Wayne Price
New Mexico Oil Conservation Division
Environmental Bureau
1220 South St. Francis Blvd.
Santa Fe, NM 87505

**Re: Mallon Drake 16 State #1
Section 16, Township 16 South, Range 37 East
Lea County, New Mexico**

AP-70

Dear Wayne,

Hopefully this letter finds you doing well. This firm has a client who has water rights and other interests in the area of the above-described well. The operator appears to be drilling monitor wells but attempts to locate information to determine what is going on have been unsuccessful. Please review your records and provide any spill or cleanup related documents which may be on file with the OCD.

Thank you for your help.

Sincerely,

HEIDEL, SAMBERSON, NEWELL, COX & McMAHON

By: 
Michael Newell

MTN:cd
pc: Billy Royce Medlin

HSRMTN@ fca.n. Net



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

FEBRUARY 8, 2007

Mr. Mark Ellerbe
David H. Arrington Oil & Gas, Inc.
214 West Texas Avenue, Suite 400
Midland, TX 79701

**RE: REQUIREMENT TO SUBMIT ABATEMENT PLAN AND FORM C-141
DAVID H. ARRINGTON OIL & GAS CO. – MALLON DRAKE 16 STATE NO. 1
UNIT LETTER G, SECTION 16, TOWNSHIP 16 SOUTH, RANGE 37 EAST
LEA COUNTY, NEW MEXICO
AP070**

Dear Mr. Ellerbe:

The New Mexico Oil Conservation Division (OCD) has determined after reviewing the report submitted by Elke Environmental, Inc. on behalf of David H. Arrington Oil and Gas, Inc. (Arrington Oil), that Arrington Oil must submit a Stage 1 Abatement Plan in accordance with OCD Rule 19 (19.15.1.19 NMAC) to investigate ground water contamination at its Mallon Drake 16 – State No. 1 lease located in Section 16, Township 16 South, Range 37 East, Lea County, New Mexico. OCD is requiring an abatement plan because chlorides released from Arrington's drilling pit has contaminated ground water at concentrations that exceed the WQCC ground water protection standards specified at 20.6.2.3103 NMAC.

The Stage 1 Abatement Plan proposal must be submitted to the OCD Santa Fe Office with a copy provided to the OCD Hobbs District Office and must meet of all the requirements specified in Rule 19 (19.15.1.19 NMAC), including, but not limited to, the public notice and participation requirements specified in Rule 19G. The Stage 1 Abatement Plan is due sixty (60) days from the receipt by Arrington Oil of this written notice.

The Stage 1 Abatement Plan must meet all of the requirements specified in OCD Rule 19E.3, including, but not limited to, a site investigation work plan and monitoring program that will enable it to characterize the chloride release using an appropriate number of isoconcentration

Mr. Mark Ellerbe
February 8, 2007
Page 2

maps and cross sections that depict the contamination that has been released from the drilling pit and to provide the data necessary to select and design an effective abatement option.

OCD Rule 116 requires operators to submit *immediate verbal notice and timely written notice* to OCD when it determines that ground water has been impacted. OCD has determined that this was a major release because ground water quality standard for chlorides specified at Section 19.15.1.19B NMAC has been exceeded. In addition to the Stage 1 Abatement Plan, Arrington Oil must also submit a Form C-141 to document this release and impact to ground water.

Arrington Oil should submit one paper copy and one electronic copy of all future workplans and/or reports. If you have any questions, please contact Glenn von Gonten of my staff at (505) 476-3488.

Sincerely,

A handwritten signature in black ink, appearing to be 'Wayne Price', with a long horizontal stroke extending to the right.

Wayne Price
Environmental Bureau Chief

cc: Larry Johnson, OCD Hobbs District

NEW DRILLING PIT CASE

AP070

OC-144

o IMMEDIATE
VERBAL NOTICE

o SUMMIT AP

Elke Environmental, Inc.

P.O. Box 14167 Odessa, TX 79768
Phone (432) 366-0043 Fax (432) 366-0884

January 4, 2007

need @ 1/08/2007

New Mexico Oil Conservation Division
Mr. Wayne Price
1220 South St. Francis Drive
Sante Fe, New Mexico 87505

LOC. SOUTH -
EAST OF HOUGHTON,
EAST OF (18)

Re: David H. Arrington Oil & Gas
Mallon Drake '16' State #1
UL 'G' Sec.16 T16S R37E
Lea County, New Mexico

30-025-29707

Mr. Wayne Price,

Elke Environmental was contracted to complete the closure of the drilling pit for the above mentioned site. An approved C-144 was signed on November 1, 2006 for the site to be excavated and hauled to Sundance Disposal in Eunice, NM. Hauling was completed on November 9, 2006. After excavation the pit area is 6' deep. Vertical delineation began on November 7, 2006 and was put on hold on November 8, 2006 because rock was encountered that was impenetrable by backhoe. On December 18, 2006 vertical delineation was continued with an air rotary rig at the center of the pit at the 6' depth of the pit bottom. Soil samples were retrieved and field analyzed for chlorides every 5' starting at 30' and ending at 65' deep. Water was encountered at the 66' depth mark and a sample of the mud/water mix was field analyzed for chlorides, the result was over the 250ppm standard so a monitor well was set. On December 22, 2006 the monitor well was purged per OCD guidelines and sampled for lab analysis of chlorides along with a sample of the water from a windmill 1050' north-northwest of the monitor well.

OC - @
7:30 PM
BC @ 3:30 PM

Elke Environmental proposes to set a monitor well 200' down gradient (Southeast) of the current monitor well to assess the extent of the contamination. Elke Environmental also proposes to install a clay liner at the 6' depth of the pit and backfill with clean native soil to prevent the high level of chlorides at the 6' to 45' depths from migrating any further and prevent any further contamination of the groundwater.

PODFAN.

If you have any questions about the enclosed report please contact me at the office or my cell 432-664-1269.

DTW @ 66' BAS

Sincerely,

→ Call in AP.

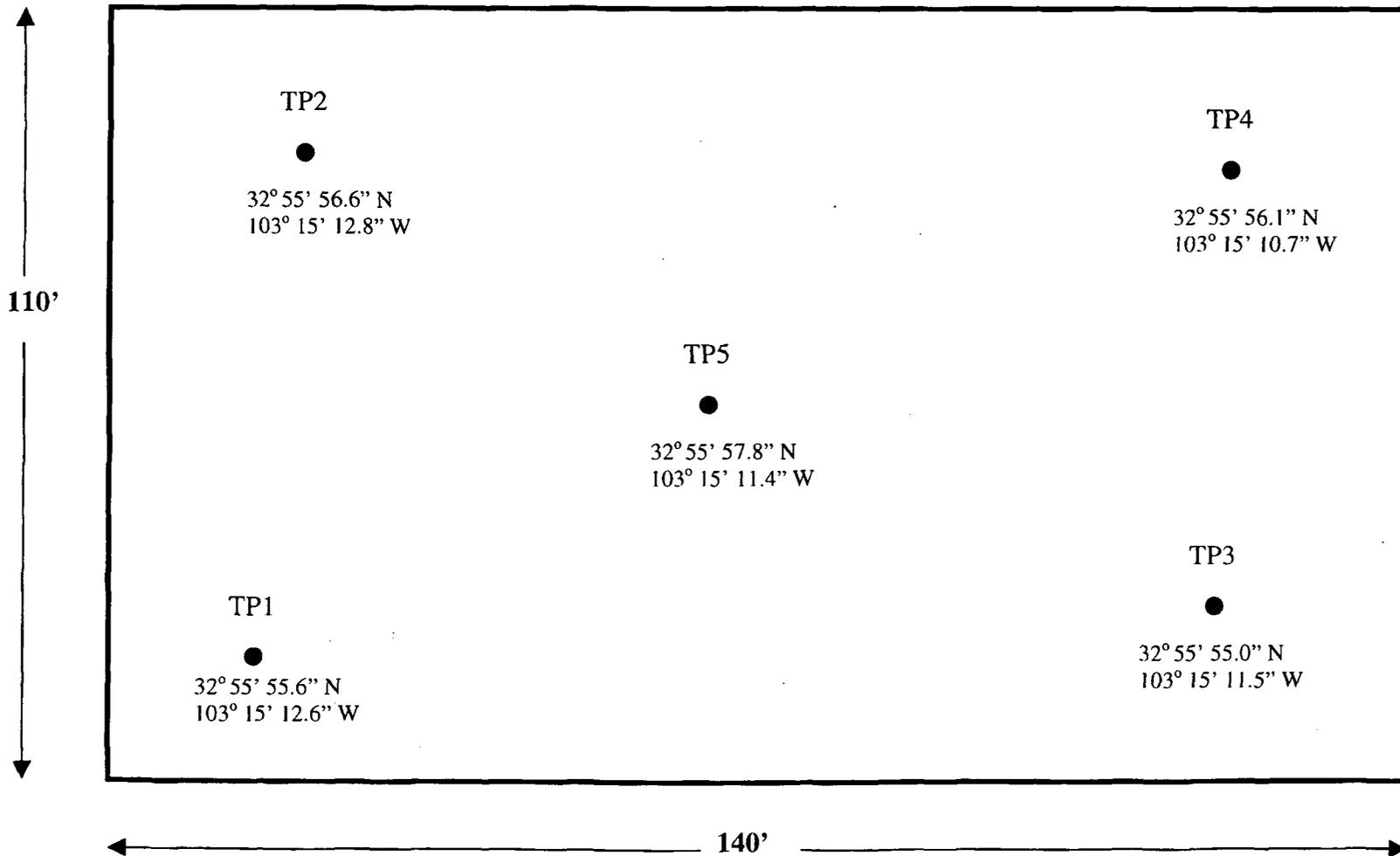
→ NEG @ well @ 200' DOWN GM

→ NEG @ LINE & BACKFILL

Logan Anderson
Elke Environmental

David H. Arrington Oil & Gas
Mallon Drake 16 State #1
UL 'G' Sec. 16 T16S R37E
Lea County, NM

1-4-06



Elke Environmental, Inc.

P.O. Box 14167 Odessa, TX 79768

Field Analytical Report Form

Client David H. Arrington Oil & Gas

Analyst Kim Baker

Site Mallon Drake '16' State #1

Sample ID	Date	Depth	TPH / PPM	Cl / PPM	PID / PPM	GPS
TP1	11-7-06	6'		6,310		
TP1	11-7-06	8'		4,520		
TP1	11-7-06	10'		3,120		
TP2	11-7-06	6'		8,450		
TP2	11-7-06	8'		4,820		
TP2	11-7-06	10'		3,510		
TP3	11-7-06	6'		7,320		
TP3	11-7-06	8'		4,120		
TP4	11-8-06	6'		12,100		
TP4	11-8-06	8'		5,210		
TP4	11-8-06	11'		3,740		
TP5	11-8-06	6'		9,840		
TP5	11-8-06	8'		4,420		
TP5	11-8-06	12'		3,230		

Analyst Notes All samples collected with backhoe.

Elke Environmental, Inc.

P.O. Box 14167 Odessa, TX 79768

Field Analytical Report Form

Client David H. Arrington Oil and Gas **Analyst** Logan Anderson

Site Mallon Drake '16' State #1

Sample ID	Date	Depth	TPH / PPM	CI / PPM	PID / PPM	GPS
TP5	12-18-06	30'		2,199		
TP5	12-18-06	35'		1,305		
TP5	12-18-06	40'		2,121		
TP5	12-18-06	45'		2,398		
TP5	12-18-06	50'		396		
TP5	12-18-06	55'		876		
TP5	12-18-06	60'		614	2.9	
TP5	12-18-06	65'		407	2.1	
TP5	12-18-06	66'		520		

Analyst Notes All samples collected with an air rotary rig. 66' sample was a water/mud mixture.

Elke Environmental, Inc.

P.O. Box 14167 Odessa, TX 79768

Monitor Well Report Form

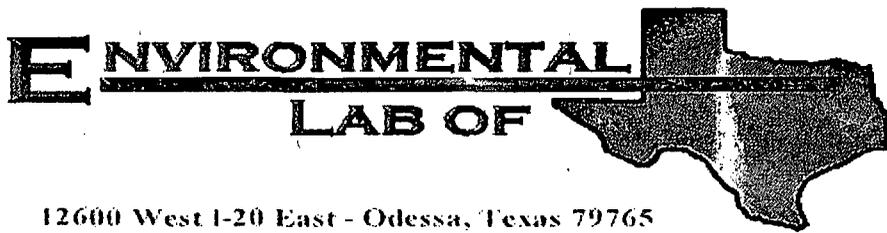
Client David H. Arrington Oil & Gas **Date** 12-22-06

Site Mallon Drake '16' State #1

Monitor Well ID	Depth of Water	Total Depth of Well	Feet of Water	Gallons of Water to Purge	Gallons of Water Purged	Time
MW1	61.96'	70.57'	8.61'	4.21	4.5	11:00AM

Notes Well Sampled at 12:05 PM

Signature Logan Anderson



12600 West I-20 East - Odessa, Texas 79765

Analytical Report

Prepared for:

Logan Anderson

Elke Environmental

P.O. Box 14167

Odessa, TX 79768

Project: David H. Arrington

Project Number: Mallon Drake 16 State #1

Location: None Given

Lab Order Number: 6L27006

Report Date: 12/29/06

Elke Environmental
P.O. Box 14167
Odessa TX, 79768

Project: David H. Arrington
Project Number: Mallon Drake 16 State #1
Project Manager: Logan Anderson

Fax: (432) 366-0884

ANALYTICAL REPORT FOR SAMPLES

Sample ID	Laboratory ID	Matrix	Date Sampled	Date Received
MW-1 @ 61'	6L27006-01	Water	12/22/06 12:05	12-26-2006 14:26
Windmill 1050' NNW	6L27006-02	Water	12/22/06 12:30	12-26-2006 14:26

Elke Environmental
P.O. Box 14167
Odessa TX, 79768

Project: David H. Arrington
Project Number: Mallon Drake 16 State #1
Project Manager: Logan Anderson

Fax: (432) 366-0884

General Chemistry Parameters by EPA / Standard Methods
Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
MW-1 @ 61' (6L27006-01) Water									
Chloride	730	25.0	mg/L	50	EL62904	12/29/06	12/29/06	EPA 300.0	
Windmill 1050' NNW (6L27006-02) Water									
Chloride	36.7	5.00	mg/L	10	EL62904	12/29/06	12/29/06	EPA 300.0	

Elke Environmental
P.O. Box 14167
Odessa TX, 79768

Project: David H. Arrington
Project Number: Mallon Drake 16 State #1
Project Manager: Logan Anderson

Fax: (432) 366-0884

General Chemistry Parameters by EPA / Standard Methods - Quality Control
Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
Batch EL62904 - General Preparation (WetChem)										
Blank (EL62904-BLK1) Prepared & Analyzed: 12/29/06										
Chloride	ND	0.500	mg/L							
LCS (EL62904-BS1) Prepared & Analyzed: 12/29/06										
Chloride	10.0	0.500	mg/L	10.0		100	80-120			
Calibration Check (EL62904-CCV1) Prepared & Analyzed: 12/29/06										
Chloride	9.07		mg/L	10.0		90.7	80-120			
Duplicate (EL62904-DUP1) Source: 6L27006-01 Prepared & Analyzed: 12/29/06										
Chloride	750	25.0	mg/L		730			2.70	20	
Duplicate (EL62904-DUP2) Source: 6L27017-09 Prepared & Analyzed: 12/29/06										
Chloride	66.0	5.00	mg/L		68.0			2.99	20	
Matrix Spike (EL62904-MS1) Source: 6L27006-01 Prepared & Analyzed: 12/29/06										
Chloride	1320	25.0	mg/L	500	730	118	80-120			
Matrix Spike (EL62904-MS2) Source: 6L27017-09 Prepared & Analyzed: 12/29/06										
Chloride	175	5.00	mg/L	100	68.0	107	80-120			

Elke Environmental
P.O. Box 14167
Odessa TX, 79768

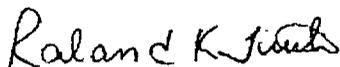
Project: David H. Arrington
Project Number: Mallon Drake 16 State #1
Project Manager: Logan Anderson

Fax: (432) 366-0884

Notes and Definitions

DET Analyte DETECTED
ND Analyte NOT DETECTED at or above the reporting limit
NR Not Reported
dry Sample results reported on a dry weight basis
RPD Relative Percent Difference
LCS Laboratory Control Spike
MS Matrix Spike
Dup Duplicate

Report Approved By:



Date: 12/29/2006

Raland K. Tuttle, Lab Manager
Celey D. Keene, Lab Director, Org. Tech Director
Peggy Allen, QA Officer

Jeanne Mc Murrey, Inorg. Tech Director
LaTasha Cornish, Chemist
Sandra Sanchez, Lab Tech.

This material is intended only for the use of the individual (s) or entity to whom it is addressed, and may contain information that is privileged and confidential.

If you have received this material in error, please notify us immediately at 432-563-1800.

Environmental Lab of Texas
 Variance/ Corrective Action Report- Sample Log-In

Client Elke Environmental
 Date/ Time: 12-26-06 @ 1426
 Lab ID # 6L27006
 Initials JMM

Sample Receipt Checklist

				Client Initials
#1	Temperature of container/ cooler?	<u>Yes</u>	No	0.5 °C
#2	Shipping container in good condition?	<u>Yes</u>	No	
#3	Custody Seals intact on shipping container/ cooler?	<u>Yes</u>	No	Not Present
#4	Custody Seals intact on sample bottles/ container?	<u>Yes</u>	No	Not Present
#5	Chain of Custody present?	<u>Yes</u>	No	
#6	Sample instructions complete of Chain of Custody?	<u>Yes</u>	No	
#7	Chain of Custody signed when relinquished/ received?	<u>Yes</u>	No	
#8	Chain of Custody agrees with sample label(s)?	<u>Yes</u>	No	ID written on Cont / Lid
#9	Container label(s) legible and intact?	<u>Yes</u>	No	Not Applicable
#10	Sample matrix/ properties agree with Chain of Custody?	<u>Yes</u>	No	
#11	Containers supplied by ELOT?	<u>Yes</u>	No	
#12	Samples in proper container/ bottle?	<u>Yes</u>	No	See Below
#13	Samples properly preserved?	<u>Yes</u>	No	See Below
#14	Sample bottles intact?	<u>Yes</u>	No	
#15	Preservations documented on Chain of Custody?	<u>Yes</u>	No	
#16	Containers documented on Chain of Custody?	<u>Yes</u>	No	
#17	Sufficient sample amount for indicated test(s)?	<u>Yes</u>	No	See Below
#18	All samples received within sufficient hold time?	<u>Yes</u>	No	See Below
#19	Subcontract of sample(s)?	Yes	No	<u>Not Applicable</u>
#20	VOC samples have zero headspace?	Yes	No	<u>Not Applicable</u>

Variance Documentation

Contact _____ Contacted by: _____ Date/ Time: _____

Regarding: _____

Corrective Action Taken: _____

- Check all that Apply:
- See attached e-mail/ fax
 - Client understands and would like to proceed with analysis
 - Cooling process had begun shortly after sampling event