

**AP - 070**

**GENERAL  
CORRESPONDENCE**

**2007 - 2006**



# 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 read 'Wayne Price', with a long horizontal stroke extending to the right.

Wayne Price  
Environmental Bureau Chief

cc: Larry Johnson, OCD Hobbs District

**VonGonten, Glenn, EMNRD**

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**From:** Price, Wayne, EMNRD  
**Sent:** Wednesday, January 17, 2007 2:39 PM  
**To:** VonGonten, Glenn, EMNRD  
**Subject:** FW: David H Arrington - Mallon Drake  
**Follow Up Flag:** Follow up  
**Flag Status:** Red  
**Attachments:** 3088448170-Letter.doc; 2127754356-Plat of Bottoms.doc; 2512214727-Soil Analytical.doc; 326476144-Monitor Well Report Form 12-22-06.doc; 352083269-Lab of Water 12-22-06.pdf

Please handle or give to ED

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**From:** Hamp Kerby [mailto:elkeenv@yahoo.com]  
**Sent:** Monday, January 08, 2007 10:40 AM  
**To:** Price, Wayne, EMNRD  
**Subject:** David H Arrington - Mallon Drake

Mr. Wayne Price,

Here is the information on the above mentioned well and the proposal for the work plan. If you have any questions call me at 432-664-1269.

Thanks,

Logan Anderson

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# *Elke Environmental, Inc.*

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

January 4, 2007

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

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

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.

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.

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

Sincerely,

Logan Anderson  
Elke Environmental

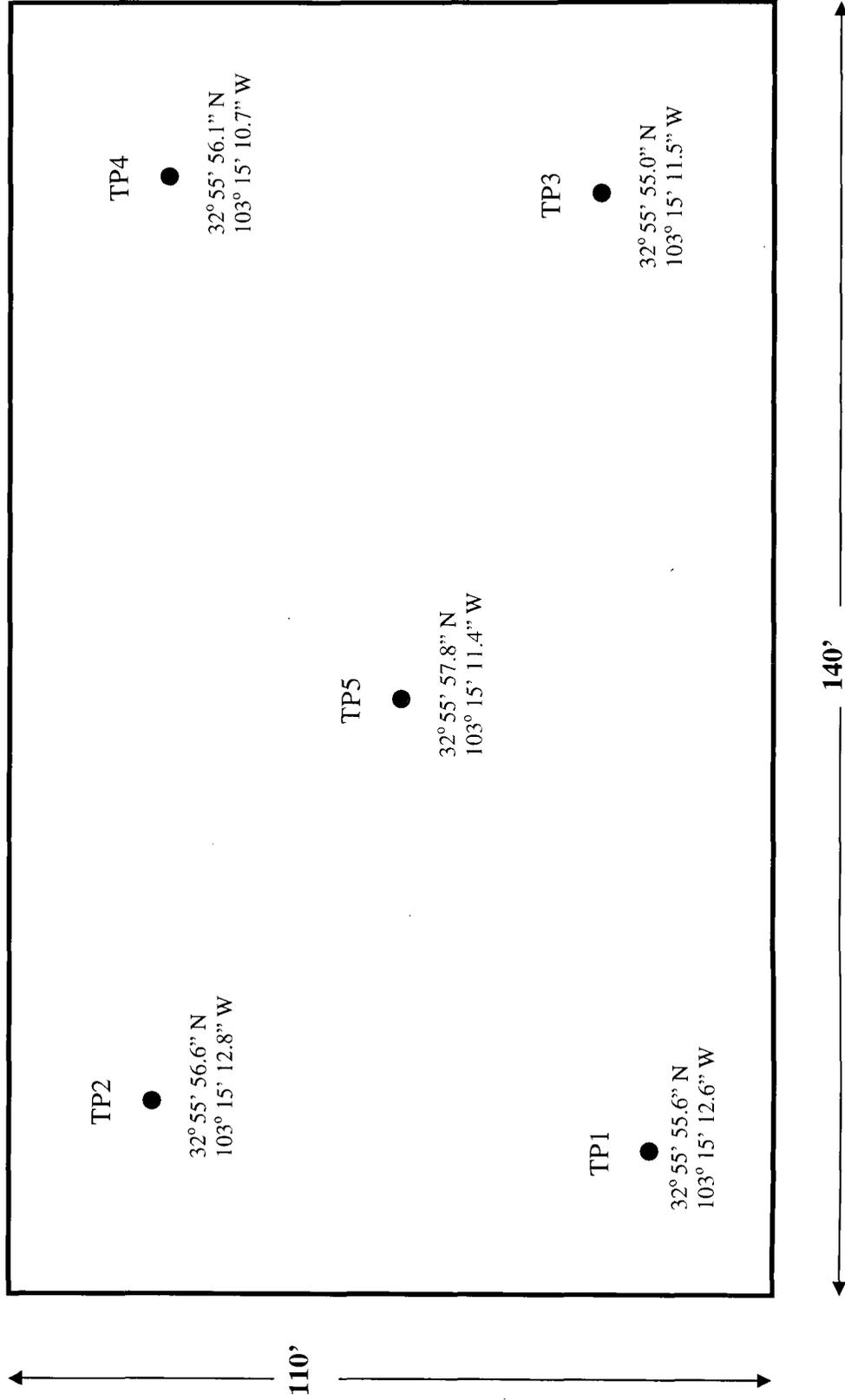
**David H. Arrington Oil & Gas**

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 | CI / 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**

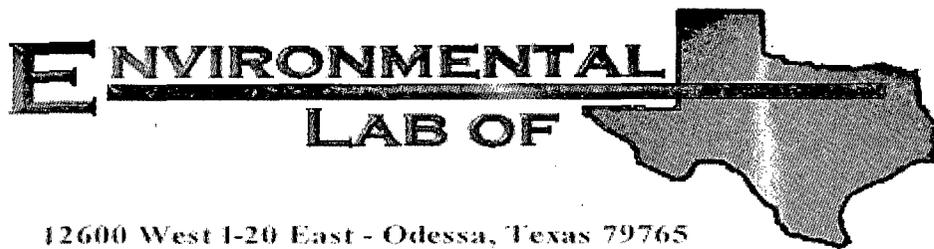
**Client** David H. Arrington Oil and Gas **Analyst** Logan Anderson

**Site** Mallon Drake '16' State #1

| Sample ID | Date     | Depth | TPH / PPM | Cl / 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      |           |     |
|           |          |       |           |          |           |     |
|           |          |       |           |          |           |     |
|           |          |       |           |          |           |     |
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|           |          |       |           |          |           |     |
|           |          |       |           |          |           |     |
|           |          |       |           |          |           |     |

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





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 |

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Project Number: Mallon Drake 16 State #1  
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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 |
|--|--------|-----------------|-------|----------|---------|----------|----------|-----------|-------|
| <b>MW-1 @ 61' (6L27006-01) Water</b>         |        |                 |       |          |         |          |          |           |       |
| Chloride                                     | 730    | 25.0            | mg/L  | 50       | EL62904 | 12/29/06 | 12/29/06 | EPA 300.0 |       |
| <b>Windmill 1050' NNW (6L27006-02) Water</b> |        |                 |       |          |         |          |          |           |       |
| Chloride                                     | 36.7   | 5.00            | mg/L  | 10       | EL62904 | 12/29/06 | 12/29/06 | EPA 300.0 |       |

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Project Number: Mallon Drake 16 State #1  
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**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 |
|--|--------|-----------------|-------|-------------|---------------|------|-------------|------|-----------|-------|
| <b>Batch EL62904 - General Preparation (WetChem)</b>                               |        |                 |       |             |               |      |             |      |           |       |
| <b>Blank (EL62904-BLK1)</b> Prepared & Analyzed: 12/29/06                          |        |                 |       |             |               |      |             |      |           |       |
| Chloride   | ND     | 0.500           | mg/L  |             |               |      |             |      |           |       |
| <b>LCS (EL62904-BS1)</b> Prepared & Analyzed: 12/29/06                             |        |                 |       |             |               |      |             |      |           |       |
| Chloride   | 10.0   | 0.500           | mg/L  | 10.0        |               | 100  | 80-120      |      |           |       |
| <b>Calibration Check (EL62904-CCV1)</b> Prepared & Analyzed: 12/29/06              |        |                 |       |             |               |      |             |      |           |       |
| Chloride   | 9.07   |                 | mg/L  | 10.0        |               | 90.7 | 80-120      |      |           |       |
| <b>Duplicate (EL62904-DUP1)</b> Source: 6L27006-01 Prepared & Analyzed: 12/29/06   |        |                 |       |             |               |      |             |      |           |       |
| Chloride   | 750    | 25.0            | mg/L  |             | 730           |      |             | 2.70 | 20        |       |
| <b>Duplicate (EL62904-DUP2)</b> Source: 6L27017-09 Prepared & Analyzed: 12/29/06   |        |                 |       |             |               |      |             |      |           |       |
| Chloride   | 66.0   | 5.00            | mg/L  |             | 68.0          |      |             | 2.99 | 20        |       |
| <b>Matrix Spike (EL62904-MS1)</b> Source: 6L27006-01 Prepared & Analyzed: 12/29/06 |        |                 |       |             |               |      |             |      |           |       |
| Chloride   | 1320   | 25.0            | mg/L  | 500         | 730           | 118  | 80-120      |      |           |       |
| <b>Matrix Spike (EL62904-MS2)</b> 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

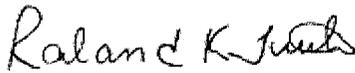
Project: David H. Arrington  
Project Number: Mallon Drake 16 State #1  
Project Manager: Logan Anderson

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 | <u>0.5</u> °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