

BW - _____ 30 _____

**ANNUAL
REPORTS**

Chavez, Carl J, EMNRD

From: David Pyeatt [david@ewtitle.com]
Sent: Saturday, February 13, 2010 12:24 PM
To: Chavez, Carl J, EMNRD
Cc: Lucky Services; Clay Wilson; George Parchman
Subject: Re: Hobbs State No. 10 (BW-030) API 30-025-35915
Attachments: LRACityTest.pdf; LRSInjectProduce.pdf

Carl,

In response to your email please note the following;

I have attached the Lab tests on the city water that is injected into the brine well.

I have attached a schedule of injection and production volumes that corrects the injections during Liquid Resources ownership and also includes the cumulative data that we obtained from the previous operator, Mr Gary Schubert with HRC.

We sold the operation to Lea County Disposal, LLC, Mr. Clay Wilson on January 28, 2010 and I have been advised that since the sale took place, daily totals have been taken of fresh water injected and brine produced and the percentage of fresh water that it takes to produce the brine is calculated to be approximately 1.09% of fresh water to brine.

As stated above, Liquid Resource sold the wells and operations to Lea County Disposal, LLC, Mr. Clay Wilson, and I have copied your email to him so that he is aware of your notation for a sonar test in 2012.

Please note that Mr. Wilson assumed all obligations and responsibilities of the wells as of January 28, 2010 but as a courtesy to him due to the annual report being so close to its deadline, I submitted the report and I have agreed to assist Mr. Wilson with any information or data that may be in our possession.

Sincerely,
David Pyeatt

Chavez, Carl J, EMNRD wrote:
Mr. Pyeatt:

The annual report for BW-030 Section 21 (Brine Well Identification, Operation, Monitoring, Bonding and Reporting) requires:

- F. Capacity/ Cavity Configuration and Subsidence Survey: The operator shall provide information on the size and extent of the solution cavern and geologic/engineering data demonstrating that continued brine extraction will not cause surface subsidence, collapse or damage to property, or become a threat to public health and the environment. This information shall be supplied in each annual report. OCD may require the operator to perform additional well surveys, test, and install subsidence monitoring in order to demonstrate the integrity of the system. If the operator cannot demonstrate the integrity of the system to the satisfaction of the Division then the operator may be required to shut-down, close the site and properly plug and abandoned the well.
- G. Production/Injection Volumes: The volumes of fluids injected (fresh water) and produced (brine) will be recorded monthly and submitted to the OCD Santa Fe Office in the annual report.
- H. Analysis of Injection Fluid and Brine: Provide an analysis of the injection fluid and brine with each annual report. Analysis will be for General Chemistry (method 40 CFR 136.3) using EPA methods.
- L. Annual Report: All operators shall submit an annual report due on January 31 of each year. The report shall include the following information:
1. Cover sheet marked as "Annual Brine Well Report, name of operator, BW permit #, API# of well(s), date of report, and person submitting report.
 2. Brief summary of brine wells operations including description and reason for any remedial or major work on the well. Copy of C-103.
 3. Production volumes as required above in 21.G. including a running total should be carried over to each year. The maximum and average injection pressure.
 4. A copy of the chemical analysis as required above in 21.H.
 5. A copy of any mechanical integrity test chart, including the type of test, i.e. open to formation or casing test.
 6. Brief explanation describing deviations from normal production methods.
 7. A copy of any leaks and spills reports.
 8. If applicable, results of any groundwater monitoring.
 9. Information required from cavity/subsidence 21.F. above.
 10. An Area of Review (AOR) summary.
 11. Sign-off requirements pursuant to WQCC Subsection G 20.6.2.5101.

In Item F above, on December 4, 2008, OCD did not require you to run a sonar test on your well due to the relatively short operating life of the well (began production in 2002). The OCD hereby requires you to run a sonar test on the well on or before the end of 2012 near the 10 year anniversary of the start of production.

In Item G above, you did not submit all of your injection and production for the year and cumulative data. You reported a total volume of fresh water to produced brine fluid of 895,016 and 647,138 barrels, respectively. Please provide an explanation for the significant difference in injection vs. production as the data may suggest a down well leak problem. You did not submit the cumulative data. Please submit this information to the OCD by 30 days from today's date, or March 1, 2010.

In Item H above, you did not submit general chemistry data for the injected fresh water. Please note that any analytical data should include the QA/QC section from the laboratory. Please submit this information by March 1, 2010.

In Item L3 above, the Item G requirement above applies to this line item too.

In Item L4 above, the Item H requirement above applies to this line item too.

In Item L8 above, the Item H requirement above applies to this line item too.

In Item L9 above, the Item F requirement above applies to this line item too.

Please contact me if you have questions. Thank you.

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Dr., Santa Fe, New Mexico 87505
Office: (505) 476-3490
Fax: (505) 476-3462
E-mail: CarlJ.Chavez@state.nm.us
Website: <http://www.emnrd.state.nm.us/ocd/index.htm>
(Pollution Prevention Guidance is under "Publications")

From: David Pyeatt [<mailto:david@ewtitle.com>]
Sent: Friday, January 29, 2010 12:57 PM
To: Chavez, Carl J, EMNRD
Cc: Lucky Services; Clay Wilson
Subject: Re: API 30-02535915

Carl
I have attached the annual report due January 31st for Brine Well, Hobbs State #10, BW-030. The original will follow via regular mail.

David A. Pyeatt
President
Elliott & Waldron Title & Abstract Co., Inc.
1819 N. Turner Suite B
Hobbs, New Mexico 88240
575-393-7706
575-393-7725 Fax

Chavez, Carl J, EMNRD wrote:

Gentlemen:

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Please find attached a spreadsheet listing the dates that OCD expects to receive your Annual Reports and/or any reporting requirements from your permit. If you are an operator with limited reporting requirements based on your permit, you are welcome to follow the format and content required from more recent permit renewals issued by the OCD, which are more comprehensive and constitute a report. Any renewed permits will likely require similar content anyway.

Please plan on meeting the Annual Report submittal dates in January of 2010 as failure to submit the report will constitute a violation under the Federal Underground Injection Control (UIC) Program and reporting to the United States Environmental Protection Agency, which could result in the shut-in and/or plug and abandonment of your brine production well.

Please contact me if you have questions. Thank you in advance for your cooperation in this matter.

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E-mail: CarlJ.Chavez@state.nm.us
Website: <http://www.emnrd.state.nm.us/ocd/index.htm>
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CC: Brine Well File "Annual Reporting"

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PHONE (575) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
LIQUID RESOURCES
ATTN: GEORGE PARCHMAN
P.O. BOX 730
HOBBS, NM 88241

Receiving Date: 02/02/10
Reporting Date: 02/05/10
Project Number: NOT GIVEN
Project Name: BENDER ST. FRESHWATER
Project Location: NOT GIVEN

Sampling Date: 02/02/10
Sample Type: WATER
Sample Condition: COOL & INTACT @ 6°C
Sample Received By: CK
Analyzed By: HM

LAB NUMBER	SAMPLE ID	Na (mg/L)	Ca (mg/L)	Mg (mg/L)	K (mg/L)	Conductivity (µS/cm)	T-Alkalinity (mgCaCO ₃ /L)
ANALYSIS DATE:		02/04/10	02/04/10	02/04/10	02/04/10	02/04/10	02/04/10
H19195-1	FRESHWATER	50	93.0	18.4	1.9	849	176
Quality Control		NR	51.3	52.5	2.06	1,420	NR
True Value QC		NR	50.0	50.0	2.00	1,415	NR
% Recovery		NR	103	105	98.8	100	NR
Relative Percent Difference		NR	6.4	1.9	3.8	0.1	NR

METHODS: SM3500-Ca-D 3600-Mg E 8049 120.1 310.1

	Cl (mg/L)	SO ₄ (mg/L)	CO ₃ (mg/L)	HCO ₃ (mg/L)	pH (s.e.)	TDS (mg/L)	
ANALYSIS DATE:		02/04/10	02/04/10	02/04/10	02/04/10	02/03/10	
H19195-1	FRESHWATER	84	124	0	215	7.78	546
Quality Control		510	43.0	NR	976	7.02	NR
True Value QC		500	40.0	NR	1000	7.00	NR
% Recovery		102	108	NR	97.6	100	NR
Relative Percent Difference		2.0	6.5	NR	1.2	0.1	1.3

METHODS: SM4500-Cl-B 375.4 310.1 310.1 150.1 160.1

Ally Keene
Chemist

02/05/10
Date

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**ARDINAL
LABORATORIES**

PHONE (575) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

February 5, 2010

George Parchman
Liquid Resources, LLC
P.O. Box 730
Hobbs, NM 88241

Re: Bender St. Freshwater

Enclosed are the results of analyses for sample number H19195, received by the laboratory on 02/02/10 at 1:17 pm.

Cardinal Laboratories is accredited through Texas NELAP for:

Method SW-846 8021	Benzene, Toluene, Ethyl Benzene, and Total Xylenes
Method SW-846 8260	Benzene, Toluene, Ethyl Benzene, and Total Xylenes
Method TX 1005	Total Petroleum Hydrocarbons

Certificate number T104704398-08-TX. Accreditation applies to solid and chemical materials and non-potable water matrices.

Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

Method EPA 552.2	Haloacetic Acids (HAA-5)
Method EPA 524.2	Total Trihalomethanes (TTHM)
Method EPA 524.2	Regulated VOCs (V2, V3)

Accreditation applies to public drinking water matrices.

Total Number of Pages of Report: 3 (includes Chain of Custody)

Sincerely,

Celey D. Keene
Laboratory Director

This report conforms with NELAP requirements.

Hobbs State #10
BW-030
API 30-025-35915

**Annual Report
Injected and produced volumes**

	<u>2002 to 2005 Operated by HRC</u>	<u>2006 to 2009 Operated by Liquid Resource Services</u>	<u>Cumulative Total</u>
Barrels of Fresh Water injected	452500	787,618	1,240,118
Barrels of produced Brine	427017	724794	1,151,811



LiquidResource RECEIVED
Services LLC

2010 FEB 1 PM 2 06

TELEPHONE
505-631-5624
505-392-1547

P.O. BOX 5790
HOBBS, NM 88241

Brine Fresh Water SWD Disposal

January 18, 2010

NMOCD Environmental
Attn: Carl Chavez
1220 S St. Francis Dr
Santa Fe, NM 87505

RE: Liquid Resources Services
BW-030
API #30-02535915
Hobbs State #10

Dear Mr. Chavez:

Find herewith the information requested for the Annual Brine Well Report for 2009:

- 5)
 - (1) Name of Operator: David Pyeatt
 - (2) There was no remedial work performed in 2009.
 - (3) Average Injection Pressure – 150 PSI – Max 215 PSI
 - (4) A copy of the chemical analysis is attached see Cardinal Laboratories.
 - (5) A copy of the mechanical integrity test chart is attached.
 - (6) No deviations from normal production methods.
 - (7) There was no leaks or spills to report.
 - (8) Attached is the groundwater monitoring results.
 - (9) Information required from cavity/subsidence is not applicable.
 - (10) An Area of Review – a check of area is once a week.

- 6) Production/Injection Volumes/Annual Report are as follows

Total volume of fresh water – 895,016 barrels (City of Hobbs)
Total volume of brine water – 647,138 barrels

Should you require further information or have any questions, please contact the undersigned.

Sincerely,

David Pyeatt
Liquid Resource Services
Enclosures



January 13, 2010

George Parchman
Liquid Resources, LLC
P.O. Box 730
Hobbs, NM 88241

Re: Hobbs ST. #10

Enclosed are the results of analyses for sample number H18993, received by the laboratory on 01/06/10 at 9:50 am.

Cardinal Laboratories is accredited through Texas NELAP for:

Method SW-846 8021	Benzene, Toluene, Ethyl Benzene, and Total Xylenes
Method SW-846 8260	Benzene, Toluene, Ethyl Benzene, and Total Xylenes
Method TX 1005	Total Petroleum Hydrocarbons

Certificate number T104704398-08-TX. Accreditation applies to solid and chemical materials and non-potable water matrices.

Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

Method EPA 552.2	Haloacetic Acids (HAA-5)
Method EPA 524.2	Total Trihalomethanes (TTHM)
Method EPA 524.2	Regulated VOCs (V2, V3)

Accreditation applies to public drinking water matrices.

Total Number of Pages of Report: 4 (includes Chain of Custody)

Sincerely,



Celey D. Keene
Laboratory Director



ARDINAL LABORATORIES

PHONE (575) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
LIQUID RESOURCES, LLC
ATTN: GEORGE PARCHMAN
P.O. BOX 730
HOBBS, NM 88240

Receiving Date: 01/06/10
Reporting Date: 01/12/10
Project Number: HOBBS STATE #10
Project Name: NOT GIVEN
Project Location: NOT GIVEN

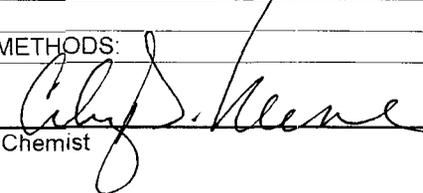
Sampling Date: 01/06/10
Sample Type: WATER
Sample Condition: INTACT @ 12.5°C
Sample Received By: JH
Analyzed By: HM

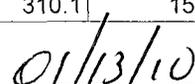
LAB NUMBER	SAMPLE ID	Na (mg/L)	Ca (mg/L)	Mg (mg/L)	K (mg/L)	Conductivity (μ S/cm)	T-Alkalinity (mgCaCO ₃ /L)
ANALYSIS DATE:		01/12/10	01/12/10	01/12/10	01/12/10	01/07/10	01/07/10
H18993-1	BRINE WATER WELL	81,800	1,120	3,630	2,230	469,000	432
Quality Control		NR	51.3	52.5	2.96	1,409	NR
True Value QC		NR	50.0	50.0	3.00	1,413	NR
% Recovery		NR	103	105	98.8	99.3	NR
Relative Percent Difference		NR	6.4	1.9	3.8	0.1	NR

METHODS:	SM3500-Ca-D	3500-Mg E	8049	120.1	310.1
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LAB NUMBER	SAMPLE ID	Cl (mg/L)	SO ₄ (mg/L)	CO ₃ (mg/L)	HCO ₃ (mg/L)	pH (s.u.)	TDS (mg/L)
ANALYSIS DATE:		01/07/10	01/07/10	01/07/10	01/07/10	01/07/10	01/10/10
H18993-1	BRINE WATER WELL	174,000	5,100	0	527	6.85	299,000
Quality Control		500	38.2	NR	988	7.03	NR
True Value QC		500	40.0	NR	1000	7.00	NR
% Recovery		100	95.4	NR	98.8	100	NR
Relative Percent Difference		< 0.1	1.6	NR	<0.1	0.1	3

METHODS:	SM4500-Cl-B	375.4	310.1	310.1	150.1	160.1
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Cheryl S. Keene
Chemist


Date

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. **H18993-Liquid Resources, LLC** shall not be held liable for 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. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.

Chavez, Carl J, EMNRD

From: Chavez, Carl J, EMNRD
Sent: Friday, January 29, 2010 4:24 PM
To: 'David Pyeatt'
Cc: Lucky Services; Clay Wilson; VonGonten, Glenn, EMNRD; Griswold, Jim, EMNRD
Subject: RE: Hobbs State No. 10 (BW-030) API 30-025-35915

Mr. Pyeatt:

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Carl J. Chavez, CHMM
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CC: Brine Well File "Annual Reporting"

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President
Elliott & Waldron Title & Abstract Co., Inc.
1819 N. Turner Suite B
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575-393-7706
575-393-7725 Fax

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Oil Conservation Division, Environmental Bureau
1220 South St. Francis Dr., Santa Fe, New Mexico 87505
Office: (505) 476-3490
Fax: (505) 476-3462
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Website: <http://www.emnrd.state.nm.us/ocd/index.htm>
(Pollution Prevention Guidance is under "Publications")

CC: Brine Well File "Annual Reporting"

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TELEPHONE
505-631-5624
505-392-1547

P.O. BOX 5790
HOBBS, NM 88241

Brine Fresh Water SWD Disposal

January 18, 2010

NMOCD Environmental
Attn: Carl Chavez
1220 S St. Francis Dr
Santa Fe, NM 87505

RE: Liquid Resources Services
BW-030
API #30-02535915
Hobbs State #10

Dear Mr. Chavez:

Find herewith the information requested for the Annual Brine Well Report for 2009:

- 5)
 - (1) Name of Operator: David Pyeatt
 - (2) There was no remedial work performed in 2009.
 - (3) Average Injection Pressure – 150 PSI – Max 215 PSI
 - (4) A copy of the chemical analysis is attached see Cardinal Laboratories.
 - (5) A copy of the mechanical integrity test chart is attached.
 - (6) No deviations from normal production methods.
 - (7) There was no leaks or spills to report.
 - (8) Attached is the groundwater monitoring results.
 - (9) Information required from cavity/subsidence is not applicable.
 - (10) An Area of Review – a check of area is once a week.

- 6) Production/Injection Volumes/Annual Report are as follows

Total volume of fresh water – 895,016 barrels (City of Hobbs)
Total volume of brine water – 647,138 barrels

Should you require further information or have any questions, please contact the undersigned.

Sincerely,

David Pyeatt
Liquid Resource Services
Enclosures



January 13, 2010

George Parchman
Liquid Resources, LLC
P.O. Box 730
Hobbs, NM 88241

Re: Hobbs ST. #10

Enclosed are the results of analyses for sample number H18993, received by the laboratory on 01/06/10 at 9:50 am.

Cardinal Laboratories is accredited through Texas NELAP for:

Method SW-846 8021	Benzene, Toluene, Ethyl Benzene, and Total Xylenes
Method SW-846 8260	Benzene, Toluene, Ethyl Benzene, and Total Xylenes
Method TX 1005	Total Petroleum Hydrocarbons

Certificate number T104704398-08-TX. Accreditation applies to solid and chemical materials and non-potable water matrices.

Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

Method EPA 552.2	Haloacetic Acids (HAA-5)
Method EPA 524.2	Total Trihalomethanes (TTHM)
Method EPA 524.2	Regulated VOCs (V2, V3)

Accreditation applies to public drinking water matrices.

Total Number of Pages of Report: 4 (includes Chain of Custody)

Sincerely,

Celey D. Keene
Laboratory Director



PHONE (575) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
 LIQUID RESOURCES, LLC
 ATTN: GEORGE PARCHMAN
 P.O. BOX 730
 HOBBS, NM 88240

Receiving Date: 01/08/10
 Reporting Date: 01/12/10
 Project Number: HOBBS STATE #10
 Project Name: NOT GIVEN
 Project Location: NOT GIVEN

Sampling Date: 01/08/10
 Sample Type: WATER
 Sample Condition: INTACT @ 12.5°C
 Sample Received By: JH
 Analyzed By: HM

LAB NUMBER	SAMPLE ID	Na (mg/L)	Ca (mg/L)	Mg (mg/L)	K (mg/L)	Conductivity (µS/cm)	T-Alkalinity (mgCaCO ₃ /L)
ANALYSIS DATE:		01/12/10	01/12/10	01/12/10	01/12/10	01/07/10	01/07/10
H18993-1	BRINE WATER WELL	81,800	1,120	3,830	2,230	469,000	432
Quality Control		NR	51.3	52.5	2.95	1,409	NR
True Value QC		NR	50.0	50.0	3.00	1,413	NR
% Recovery		NR	103	105	98.8	99.3	NR
Relative Percent Difference		NR	6.4	1.9	3.8	0.1	NR
METHODS:		SM3500-Ca-D3500-Mg E			6049	120.1	310.1

	Cl (mg/L)	SO ₄ (mg/L)	CO ₃ (mg/L)	HCO ₃ (mg/L)	pH (s.u.)	TDS (mg/L)	
ANALYSIS DATE:		01/07/10	01/07/10	01/07/10	01/07/10	01/10/10	
H18993-1	BRINE WATER WELL	174,000	5,100	0	527	6.85	299,000
Quality Control		500	38.2	NR	988	7.03	NR
True Value QC		500	40.0	NR	1000	7.00	NR
% Recovery		100	95.4	NR	98.8	100	NR
Relative Percent Difference		< 0.1	1.6	NR	< 0.1	0.1	3
METHODS:		SM4500-Cl-B	375.4	310.1	310.1	150.1	160.1

Chemist

Date

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. H18993-Liquid Resources, LLC 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. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.

Chavez, Carl J, EMNRD

From: Chavez, Carl J, EMNRD
Sent: Wednesday, November 18, 2009 7:02 AM
To: 'Prather, Steve'; 'gandy2@leaco.net'; 'James Millett'; 'Clay Wilson'; 'Bob Patterson'; 'David Pyeatt'; 'garymschubert@aol.com'; 'Gary Schubert'
Cc: Griswold, Jim, EMNRD; VonGonten, Glenn, EMNRD; Sanchez, Daniel J., EMNRD
Subject: UIC Class III Well Annual Report Schedule for Submittal & Content REMINDER- 2010
Attachments: Annual Reports 2010.xls

Gentlemen:

Good morning. You may recall an e-mail message from me this past Summer alerting you to the reporting provision of your current discharge permit (permit) and how the New Mexico Oil Conservation Division (OCD) is stepping up its efforts to track reporting under issued permits.

Please find attached a spreadsheet listing the dates that OCD expects to receive your Annual Reports and/or any reporting requirements from your permit. If you are an operator with limited reporting requirements based on your permit, you are welcome to follow the format and content required from more recent permit renewals issued by the OCD, which are more comprehensive and constitute a report. Any renewed permits will likely require similar content anyway.

Please plan on meeting the Annual Report submittal dates in January of 2010 as failure to submit the report will constitute a violation under the Federal Underground Injection Control (UIC) Program and reporting to the United States Environmental Protection Agency, which could result in the shut-in and/or plug and abandonment of your brine production well.

Please contact me if you have questions. Thank you in advance for your cooperation in this matter.

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Dr., Santa Fe, New Mexico 87505
Office: (505) 476-3490
Fax: (505) 476-3462
E-mail: CarlJ.Chavez@state.nm.us
Website: <http://www.emnrd.state.nm.us/ocd/index.htm>
(Pollution Prevention Guidance is under "Publications")

CC: Brine Well File "Annual Reporting"

Permit ID **Operator** **Annual Rpt. Due Date** **Submitted** **Annual Report Contents**

BW-2 Basic Energy 01/31/10

L. Annual Report: All operators shall submit an annual report due on January 31 of each year. The report shall include the following information:

1. Cover sheet marked as "Annual Brine Well Report, name of operator, permit #, API# of well(s), date of report, and person submitting report.
2. Brief summary of brine wells operations including description and reason for any remedial or major work on the well. Copy of C- 103.
3. Production volumes as required above in 21 .G. including a running total should be carried over to each year. The maximum and average injection pressure.
4. A copy of the chemical analysis as required above in 21 .1-1.
5. A copy of any mechanical integrity test chart, including the type of test, i.e. open to formation or easing test.
6. Brief explanation describing deviations from normal production methods.
7. A copy of any leaks and spills reports.
8. If applicable, results of any groundwater monitoring.
9. Information required from cavity/subsidence 21 .F. above.
10. An Area of Review (AOR) summary.
11. Sign-off requirements pursuant to WQCC Subsection G 20.6.2.5101.

NMOCD UIC Annual Reports

11/18/09

Permit ID	Operator	Annual Rpt. Due Date	Submitted	Annual Report Contents
BW-2	Basic Energy	01/31/10		

L. Annual Report: All operators shall submit an annual report due on January 31 of each

year. The report shall include the following information:

1. Cover sheet marked as "Annual Brine Well Report, name of operator, BW permit #, API# of well(s), date of report, and person submitting report.
2. Brief summary of brine wells operations including description and reason for any remedial or major work on the well. Copy of C-103.
3. Production volumes as required above in 21 .G. including a running total should be carried over to each year. The maximum and average injection pressure.
4. A copy of the chemical analysis as required above in 21 .1-I.
5. A copy of any mechanical integrity test chart, including the type of test, i.e. open to formation or easing test.
6. Brief explanation describing deviations from normal production methods.
7. A copy of any leaks and spills reports.
8. If applicable, results of any groundwater monitoring.
9. Information required from cavity/subsidence 21 .F. above.
10. An Area of Review (AOR) summary.
11. Sign-off requirements pursuant to WQCC Subsection G 20.6.2.5101.

BW-4

Gandy Corp.

01/31/10

L. Annual Report: All operators shall submit an annual report due on January 31 of each year. The report shall include the following information:

1. Cover sheet marked as "Annual Brine Well Report, name of operator, permit #, API# of well(s), date of report, and person submitting report.
2. Brief summary of brine wells operations including description and reason for any remedial or major work on the well. Copy of C-103.
3. Production volumes as required above in 21 .G. including a running total should be carried over to each year. The maximum and average injection pressure.
4. A copy of the chemical analysis as required above in 21 .1-1.
5. A copy of any mechanical integrity test chart, including the type of test, i.e. open to formation or easing test.
6. Brief explanation describing deviations from normal production methods.
7. A copy of any leaks and spills reports.
8. If applicable, results of any groundwater monitoring.
9. Information required from cavity/subsidence 21 .F. above.
10. An Area of Review (AOR) summary.
11. Sign-off requirements pursuant to WQCC Subsection G 20.6.2.5101.

BW

BW-8

PAB- Salty Dog

Mo. w/ Qtly Rpts.

- BW-22 Gandy Corp. 01/31/10
- L. Annual Report: All operators shall submit an annual report due on January 31 of each year. The report shall include the following information:
1. Cover sheet marked as "Annual Brine Well Report, name of operator, BW permit #, API# of well(s), date of report, and person submitting report.
 2. Brief summary of brine wells operations including description and reason for any remedial or major work on the well. Copy of C-103.
 3. Production volumes as required above in 21 .G. including a running total should be carried over to each year. The maximum and average injection pressure.
 4. A copy of the chemical analysis as required above in 21.H.
 5. A copy of any mechanical integrity test chart, including the type of test, i.e. open to formation or casing test.
 6. Brief explanation describing deviations from normal production methods.
 7. A copy of any leaks and spills reports.
 8. If applicable, results of any groundwater monitoring.
 9. Information required from cavity/subsidence 21 .F. above.
 10. An Area of Review (AOR) summary.
 11. Sign-off requirements pursuant to WQCC Subsection G 20.6.2.5101.
- BW-25 Basic Energy 01/31/10
6. Production/Injection Volumes/Annual Report: The volumes of fluids injected (fresh water) and produced (brine) will be recorded monthly and submitted to the OCD Santa Fe Office in an annual report due on the thirty-first (31) day of January of each year.

BW-27 Mesquite 01/01/10

7. Production/Injection Volumes: The volumes of fluids injected (fresh water) and produced (brine) will be recorded monthly and submitted to the OCD Sanla Fe Office in an annual report due on the first day of January of each year.

BW-28 Eymery Energy Services LL 01/31/10

L. Annual Report: All operators shall submit an annual report due on January 31 of each year. The report shall include the following information:

1. Cover sheet marked as "Annual Brine Well Report, name of operator, BW permit #, API# of well(s), date of report, and person submitting report.
2. Brief summary of brine wells operations including description and reason for any remedial or major work on the well. Copy of C-103.
3. Production volumes as required above in 21 .G. including a running total should be carried over to each year. The maximum and average injection pressure.
4. A copy of the chemical analysis as required above in 21 .H.
5. A copy of any mechanical integrity test chart, including the type of test, i.e. open to formation or casing test.
6. Brief explanation describing deviations from normal production methods.
7. A copy of any leaks and spills reports.
8. If applicable, results of any groundwater monitoring.
9. Information required from cavity/subsidence 21 .F. above.
10. An Area of Review (AOR) summary.
11. Sign-off requirements pursuant to WQCC Subsection G 20.6.2.5101.

- BW-30 Liquid Resources 01/31/10
- L. Annual Report: All operators shall submit an annual report due on January 31 of each year. The report shall include the following information:
- BW
1. Cover sheet marked as "Annual Brine Well Report, name of operator, permit ~, API~ of well(s), date of report, and person submitting report.
 2. Brief summary of brine wells operations including description and reason for any remedial or major work on the well. Copy of C-103.
 3. Production volumes as required above in 21 .G. including a running total should be carried over to each year. The maximum and average injection pressure.
 4. A copy of the chemical analysis as required above in 21 .H.
 5. A copy of any mechanical integrity test chart, including the type of test, i.e. open to formation or casing test.
 6. Brief explanation describing deviations from normal production methods.
 7. A copy of any leaks and spills reports.
 8. If applicable, results of any groundwater monitoring.
 9. Information required from cavity/subsidence 21 .F. above.
 10. An Area of Review (AOR) summary.
 11. Sign-off requirements pursuant to WQCC Subsection G 20.6.2.5 101.
- BW-31 HRC- Schubert 01/31/10
6. Production/Injection Volumes/Annual Report: The volumes of fluids injected (fresh water) and produced (brine) will be recorded monthly and submitted to the OCD Santa Fe Office in an annual report due on the thirty-first (31) day of January of each year.

Chavez, Carl J, EMNRD

From: Chavez, Carl J, EMNRD
Sent: Friday, September 25, 2009 1:48 PM
To: 'Prather, Steve'; 'gandy2@leaco.net'; 'James Millett'; 'Clay Wilson'; 'Bob Patterson'; 'Blevins, Sam'; 'David Pyeatt'; 'garymschubert@aol.com'
Cc: Sanchez, Daniel J., EMNRD; VonGonten, Glenn, EMNRD; Griswold, Jim, EMNRD; Jones, William V., EMNRD
Subject: New Mexico Oil Conservation Division Class III Solution Mining Well Operator Notice-- ANNUAL REPORTS

Gentlemen:

Re: Annual Reporting

You are receiving this message because you are currently operating a Underground Injection Control (UIC) Class III Solution Mining Well in New Mexico under an Oil Conservation Division (OCD) Discharge Permit. You may be aware of the most recent events related to OCD Class III Wells in New Mexico and can find out more by visiting the OCD's Website at <http://www.emnrd.state.nm.us/OCD/brinewells.htm> and OCD Brine Well Work Group Website at <http://ocdimage.emnrd.state.nm.us/imaging/AEOrderFileView.aspx?appNo=pCJC0906359521>.

The OCD is writing to inform you that it will be monitoring the receipt of your "Annual Reports" under the applicable section of your OCD discharge permit. The OCD has been deficient in tracking reporting obligations in the past; however, the OCD has recently upgraded our online system to track operators who are not meeting the reporting requirements specified in OCD Discharge Permits. Please plan on submitting the report with the required information by the date required in your discharge permit.

To access your OCD Discharge Permit Online for the date of submittal and contents of the report, please go to OCD Online at <http://ocdimage.emnrd.state.nm.us/imaging/AEOrderCriteria.aspx> (enter "Order Type" as BW and your "Order Number"). If you have not submitted an Annual Report (report) for your well, a historical review of your injection and production records will be required in order to provide cumulative injection and production information in this year's report.

Please contact me if you have questions or need assistance.

Thank you in advance for your cooperation in this matter.

Copy: Brine Well Files BWs 2, 4, 8, 22, 25, 27, 28, 30 & 31

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Dr., Santa Fe, New Mexico 87505
Office: (505) 476-3490
Fax: (505) 476-3462
E-mail: CarlJ.Chavez@state.nm.us
Website: <http://www.emnrd.state.nm.us/ocd/index.htm>
(Pollution Prevention Guidance is under "Publications")