

NM - 72

**GENERAL
CORRESPONDENCE**

YEAR(S):

CLOSED



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

August 25, 2001

CERTIFIED MAIL
RETURN RECEIPT NO. 5357 7638

Mr. Joe Sanders
Orbit Enterprises, Inc.
613 W. Ave. D
Lovington, NM 88260

Re: Orbit Enterprises, Inc.
Humble Fed Lse NM-0533777-A
NW/4, NE/4 of Section 26, Township 7 South, Range 32 East, NMPM
Roosevelt County, New Mexico

Dear Mr. Sanders:

The New Mexico Oil Conservation Division (OCD) is in receipt of the closure report submitted for the above referenced site and hereby approves the closure report.

Please be advised that OCD approval of this closure report does not relieve Orbit Enterprises, Inc. of responsibility should their closure activities 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 approval does not relieve Orbit Enterprises, Inc. of responsibility for compliance with any other federal, state, or local laws and/or regulations.

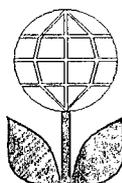
Sincerely;

Wayne Price-Pet. Engr. Spec.

Cc: Hobbs OCD Office
Tod Stevenson, NMG&F



**Orbit Energy
Humble Fed. SWD
Closure Report**



**Whole Earth Environmental
19606 San Gabriel
Houston, Tx. 77084**

Executive Summary

The enclosed report documents the excavation and remediation of the Orbit Energy Humble Fed. SWD emergency upset pit.

Location

The site is located approximately 14 miles west of Wilnesand, New Mexico. The legal description of the site is S26, T7S, R32E.

Site Profile

The facility is located on property owned by the State of New Mexico. The primary land use is for grazing of cattle but the surrounding area is heavily involved in the extraction of oil and gas. The topography is essentially featureless with a .05 ft. / ft. gradient, generally to the east-southeast. The distance to groundwater is estimated to be >180'

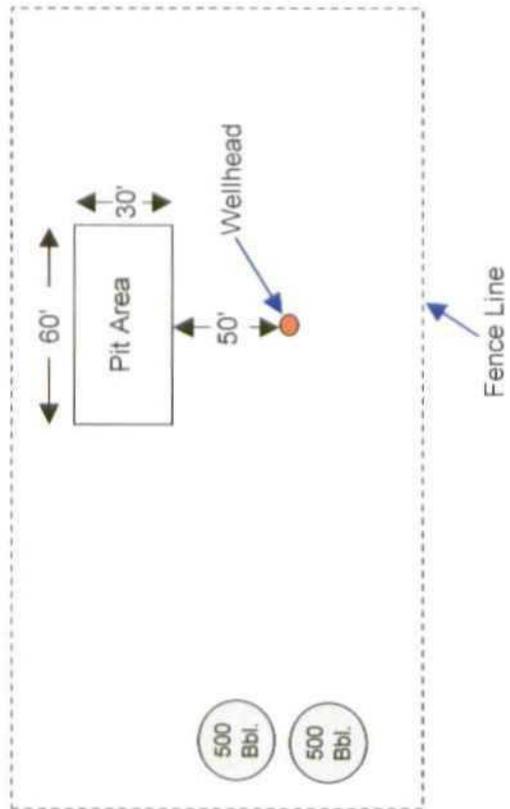
Remediation

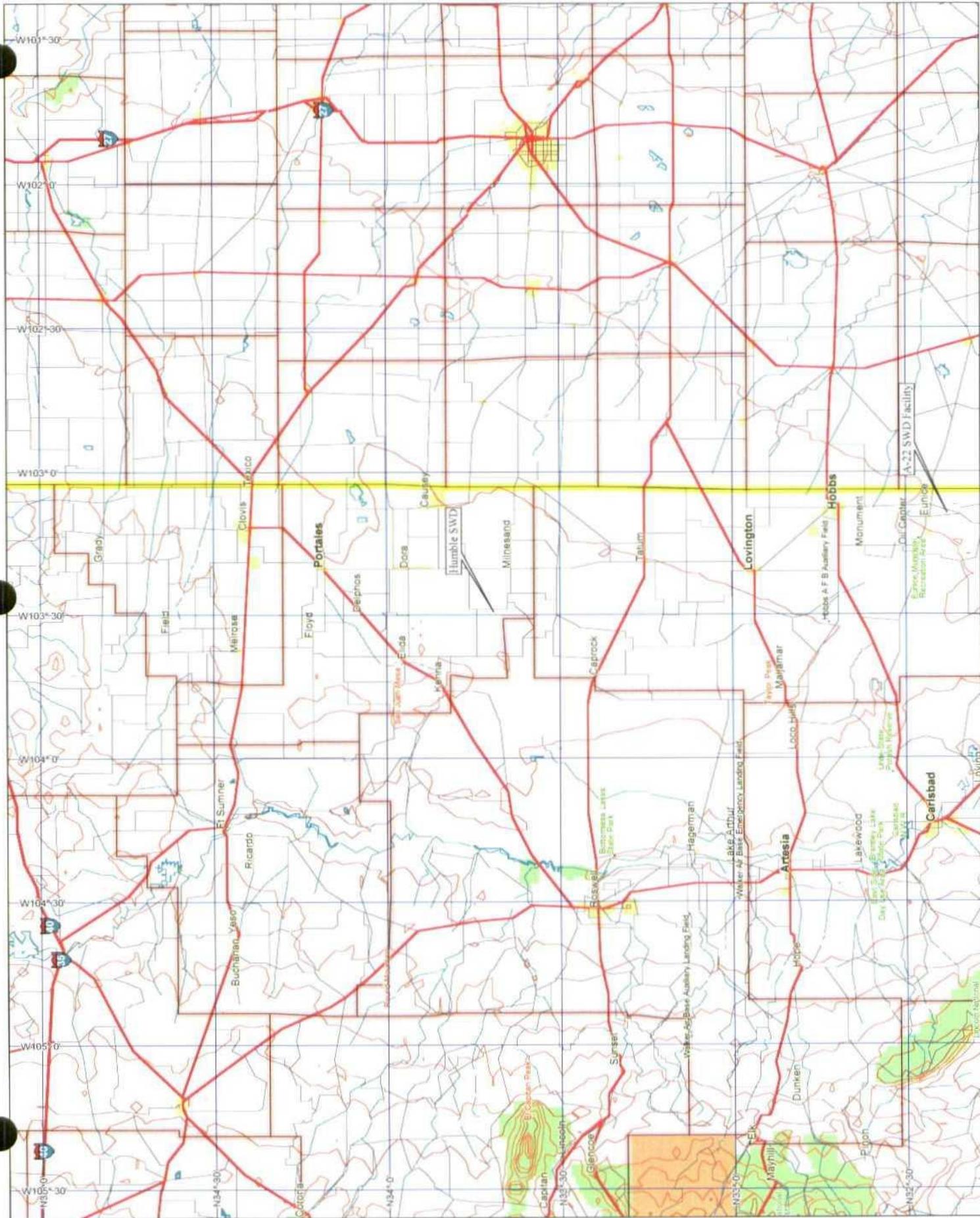
On May 2nd, 2001, 340 bbls. of free fluids were removed from the impoundment and transported to the Gandy Crossroads facility. Similarly, 392 yd³ of the most contaminated soils were excavated and transported to the Gandy / Marley Disposal Facility near Caprock, NM. The remaining contaminated soils consisted primarily of heavy end paraffinic and asphaltic fractions, which were mixed and blended with fresh topsoils provided by the Gandy / Marley facility.

The site was excavated to a depth of 7' below ground level and field tested to confirm TPH concentrations. Composite soil samples were obtained from each of the four side walls and bottom of the site and subsequently submitted to Cardinal Laboratories for analysis of TPH and BTEX. The lab analysis is included within this report.



**Orbit Energy Company
Humble Fed. SWD**









Detail of Fluid Removal



Detail of Fluid Removal



Detail of Soil Removal



Detail of Final Excavation



Procedures

This section contains copies of the sample collection, field testing and calibration procedures employed on this project.



QP-06 Rev. C

**WHOLE EARTH ENVIRONMENTAL
QUALITY PROCEDURE**

Procedure for Conducting Field TPH Analysis

Completed By:

Approved By:

Effective Date: 02/15/97

1.0 Purpose

To define the procedure to be used in conducting total percentage hydrocarbon testing in accordance with EPA Method 418.1 (modified) using the "MEGA" TPH Analyzer.

2.0 Scope

This procedure is to be used for field testing and on site remediation information.

3.0 Procedure

- 3.1 The G.A.C. "MEGA" TPH analyzer is an instrument that measures concentrations of aliphatic hydrocarbons by means of infra-red spectrometry. It is manufactured to our specifications and can accurately measure concentrations from two parts per million through 100,000 parts per million. The unit is factory calibrated however minor calibration adjustments may be made in the field. Quality Procedure 25 defines the field calibration methods to be employed.
- 3.2 Prior to taking the machine into the field, insert a 500 ppm and 5,000 ppm calibration standard into the sample port of the machine. Zero out the Range dial until the instrument records the exact standard reading.
- 3.3 Once in the field, insert a large and small cuvette filled with clean Freon 113 into the sample port of the machine. Use the range dial to zero in the reading. If the machine does not zero, do not attempt to adjust the span dial. Immediately implement Quality Procedure 25 .

-
- 3.4 Place a 100 g. weight standard on the field scale to insure accuracy. Zero out the scale as necessary.
- 3.5 Tare a clean 100 ml. sample vial with the Teflon cap removed. Add 10 g. (+/- .01 g), of sample soil into the vial taking care to remove rocks or vegetable matter from the sample to be tested. If the sample is wet, add up to 5 g. silica gel or anhydrous sodium sulfate to the sample after weighing.
- 3.6 Dispense 10 ml. Freon 113 into the sample vial.
- 3.7 Cap the vial and shake for five minutes.
- 3.8 Carefully decant the liquid contents of the vial into a filter/desiccant cartridge and affix the cartridge cap. Recap the sample vial and set aside.
- 3.9 Insert the metal tip of the pressure syringe into the cap opening and slowly pressurize. **WARNING: APPLY ONLY ENOUGH PRESSURE ON THE SYRINGE TO EFFECT FLOW THROUGH THE FILTERS. TOO MUCH PRESSURE MAY CAUSE THE CAP TO SEPARATE FROM THE BODY OF THE CARTRIDGE.** Once flow is established through the cartridge direct the flow into the 5 cm. cuvette until the cuvette is full. Reverse the pressure on the syringe and remove the syringe tip from the cartridge cap. Set the cartridge aside in vertical position.
- 3.10 The cuvette has two clear and two frosted sides. Hold the cuvette by the frosted sides and carefully insert into the sample port of the machine. Read the right hand digital read-out of the instrument. If the reading is less than 1,000 ppm. the results shall be recorded in the field Soil Analysis Report. If the result is higher than 1,000 ppm, continue with the dilution procedure.
- 4.0 Dilution Procedure**
- 4.1 When initial readings are greater than 1,000 ppm using the 5 cm. cuvette, pour the contents of the 5 cm. cuvette into a 1 cm. cuvette. Insert the 1. cm cuvette into the metal holder and insert into the test port of the instrument.

- 4.1 Read the left hand digital read-out of the machine. If the results are less than 10,000 ppm, record the results into the field Soil Analysis Report. If greater than 10,000 ppm, continue the dilution process. Concentrations >10,000 ppm are to be used for field screen purposes only.
- 4.2 Pour the contents of the small cuvette into a graduated glass pipette. Add 10 ml. pure Freon 113 into the pipette. Shake the contents and pour into the 1cm. cuvette. Repeat step 4.2. adding two zeros to the end of the displayed number. If the reported result is greater than 100,000 ppm. the accuracy of further readings through additional dilutions is extremely questionable. Do not use for reporting purposes.
- 4.4 Pour all sample Freon into the recycling container.

5.0 Split Samples

- 5.1 Each tenth test sample shall be a split sample. Decant approximately one half of the extraction solvent through a filter cartridge and insert into the instrument to obtain a concentration reading. Clean and rinse the cuvette and decant the remainder of the fluid to obtain a second concentration reading from the same sample. If the second reading varies by more than 1% from the original, it will be necessary to completely recalibrate the instrument.



QP-25

**WHOLE EARTH ENVIRONMENTAL
QUALITY PROCEDURE**

**Procedure for Instrument Calibration
and Quality Assurance Analysis for
General Analysis "MEGA" TPH Analyzer**

Completed By: _____ Approved By: _____ Effective Date: / /

1.0 Purpose

This procedure outlines the methods to be employed in calibrating the GAC MEGA TPH analyzer and for determining and reporting of accuracy curves.

2.0 Scope

This procedure shall be followed each day that the instrument is used.

3.0 Procedure

3.1 Turn the instrument on and allow to warm up with no cuvette in the receptacle. The instrument will take between five and ten minutes to come to equilibrium as can be determined by the concentration display readings moving a maximum of 5 ppm on the low scale. If the instrument continues to display erratic readings greater than 5 ppm, remove the cover and check both the mirrors and chopper to insure cleanliness.

3.2 All TPH standards shall be purchased from Environmental Resources Corporation and as a condition of their manufacture subject to independent certification by third party laboratories. Each standard is received with a calibration certificate.

3.3 Insert the low range (100 ppm) calibration standard into the receiving port and note the result on the right hand digital display. If the displayed reading is less than 98 ppm or greater than 102 ppm, remove the circuit board cover panel and zero out the instrument in accordance with QP-26.

3.4 Repeat the process with the mid range (500 ppm) calibration standard. If the displayed reading is less than 490 ppm or greater than 510 ppm zero out the span as described in QP-26.

3.5 Repeat the process again with the 1,000 and 5,000 ppm calibration standards.

3.6 Pour clean Freon 113 into a filter cartridge and extract into 10 ml cuvette. Insert the cuvette into the receiving port and zero out the instrument reading using the far right adjustment knob on the instrument. Repeat using the 1 ml cuvette and the left hand zero dial.

4.0 Determining & Reporting Instrument Accuracy

4.1 After making the fine adjustment with the zero dials reinsert each calibration standard into the instrument and note the concentration values. *If any concentration value exceeds 2% of the standard set point, repeat all steps in section 3.0 of this Procedure.* Note the actual concentration values displayed by the instrument after each calibration standard.

4.2 The four calibration standards shall be used in reporting span deviation as follows:

| Standards Range | | | |
|-----------------|-------------|---------------|------------------|
| 100 ppm | 500 ppm | 1,000 ppm | 5,000 ppm |
| 0-250 ppm | 251-750 ppm | 751-2,500 ppm | 2,501-10,000 ppm |

4.3 Divide the actual instrument reading value of each calibration sample by the concentration shown on the standard (e.g., 501 ppm instrument reading / 500 ppm standard = 1.002%). These readings shall be reported for each test performed.

5.0 Re-calibration

- 5.1 If any sample exceeds the concentration of 1,000 ppm on the 10 ml cuvette or 10,000 ppm on the 1 ml cuvette, the cuvette must be thoroughly rinsed with clean Freon and the instrument re-zeroed in accordance with 3.6 of this procedure.



QP-77

**WHOLE EARTH ENVIRONMENTAL
QUALITY PROCEDURE**

**Procedure for Obtaining
Soil Samples for Transportation to a Laboratory**

Completed By: _____ Approved By: _____ Effective Date: / /

1.0 Purpose

This procedure outlines the methods to be employed when obtaining soil samples to be taken to a laboratory for analysis.

2.0 Scope

This procedure is to be used when collecting soil samples intended for ultimate transfer to a testing laboratory.

3.0 Preliminary

3.1 Obtain sterile sampling containers from the testing laboratory designated to conduct analyses of the soil. The shipment should include a Certificate of Compliance from the manufacturer of the collection bottle or vial and a Serial Number for the lot of containers. Retain this Certificate for future documentation purposes.

3.2 If collecting TPH, BTEX, RCRA 8 metals, cation / anions or O&G, the sample jar may be a clear 4 oz. container with Teflon lid. If collecting PAH's, use an amber 4 oz. container with Teflon lid.

4.0 Chain of Custody

4.1 Prepare a Sample Plan. The plan will list the number, location and designation of each planned sample and the individual tests to be performed on the sample. The sampler will check the list against the available inventory of appropriate sample collection bottles to insure against shortage.

4.2 Transfer the data to the Laboratory Chain of Custody Form. Complete all sections of the form except those that relate to the time of delivery of the samples to the laboratory.

- 4.3 Pre-label the sample collection jars. Include all requested information except time of collection. (Use a fine point Sharpie to insure that the ink remains on the label). Affix the labels to the jars.

5.0 Sampling Procedure

- 5.1 Go to the sampling point with the sample container. If not analyzing for ions or metals, use a trowel to obtain the soil. Do not touch the soil with your bare hands. Use new latex gloves with each sample to help minimize any cross-contamination.
- 5.2 Pack the soil tightly into the container leaving the top slightly domed. Screw the lid down tightly. Enter the time of collection onto the sample collection jar label.
- 5.3 Place the sample directly on ice for transport to the laboratory.
- 5.4 Complete the Chain of Custody form to include the collection times for each sample. Deliver all samples to the laboratory.

6.0 Documentation

- 6.1 The testing laboratory shall provide the following minimum information:
- A. Client, Project and sample name.
 - B. Signed copy of the original Chain of Custody Form including data on the time the sample was received by the lab.
 - C. Results of the requested analyses
 - D. Test Methods employed
 - E. Quality Control methods and results



Laboratory Analytical Results

This section contains copies of the chain of custody and laboratory analytical results for this project.



Disposal Manifests

This section contains copies of the disposal manifests for all materials sent to commercial disposal on this project.



Gandy Marley, Inc.

P.O. Box 1658 Roswell, NM 86202
Phone 505-625-9206 Fax 505-625-9706

Orbit Energy
PO Box 311
Tatum, NM 88267

4/26/01

Detailed Report of material for Invoices 3070 thru 3070

EXEMPT OCD

Origin: HUMBLE

| Date: | Ticket No: | Description: | Transporter: | Cell: | Units | Unit Type: |
|--------|------------|------------------|--------------|-------|-------|------------|
| 4/2/01 | 3184 | OCD EXEMPT SOILS | Gandy Inc. | 13 | 34 | BBLS |
| 4/2/01 | 3185 | OCD EXEMPT SOILS | Gandy Inc. | 13 | 34 | BBLS |
| 4/2/01 | 3186 | OCD EXEMPT SOILS | Gandy Inc. | 13 | 34 | BBLS |
| 4/2/01 | 3187 | OCD EXEMPT SOILS | Gandy Inc. | 13 | 34 | BBLS |
| 4/2/01 | 3188 | OCD EXEMPT SOILS | Gandy Inc. | 13 | 34 | BBLS |
| 4/2/01 | 3189 | OCD EXEMPT SOILS | Gandy Inc. | 13 | 34 | BBLS |
| 4/2/01 | 3190 | OCD EXEMPT SOILS | Gandy Inc. | 13 | 34 | BBLS |
| 4/2/01 | 3191 | OCD EXEMPT SOILS | Gandy Inc. | 13 | 34 | BBLS |
| 4/3/01 | 3193 | OCD EXEMPT SOILS | Gandy Inc. | 13 | 24 | BBLS |
| 4/3/01 | 3194 | OCD EXEMPT SOILS | Gandy Inc. | 13 | 24 | BBLS |
| 4/3/01 | 3195 | OCD EXEMPT SOILS | Gandy Inc. | 13 | 12 | BBLS |
| 4/3/01 | 3196 | OCD EXEMPT SOILS | Gandy Inc. | 13 | 24 | BBLS |
| 4/3/01 | 3200 | OCD EXEMPT SOILS | Gandy Inc. | 13 | 12 | BBLS |
| 4/3/01 | 3468 | OCD EXEMPT SOILS | Gandy Inc. | 13 | 12 | BBLS |
| 4/3/01 | 3469 | OCD EXEMPT SOILS | Gandy Inc. | 13 | 12 | BBLS |

HUMBLE Total BBLS.

392 BBLS

EXEMPT OCD Total BBLS.

392 BBLS

EXEMPT OCD Total Units.

392 Units

Orbit Energy Total Units.

392 Units

GANDY-MARLEY, INC.

P.O. Box 1658
Roswell, NM 88202
(505) 625-9206
Fax (505) 625-9706

No 3184

LEASE OPERATOR/SHIPPER/COMPANY: ORBIT ENERGY

LEASE NAME: HUMBLE FIELD LEASE

TRANSPORTER COMPANY: GANDY

TIME: AM/PM

DATE: 040231

VEHICLE NO.: 510

DRIVER NO.:

CHARGE TO:

TYPE OF MATERIAL

OCD

Other Material:

Contaminated soil

C-117 No.:

BS&W content:

Description: Exempt

VOLUME OF MATERIAL []: YARDS 34 : CELL# 13 : []

AS A CONDITION TO GANDY-MARLEY, INC.'S ACCEPTANCE OF THE MATERIALS SHIPPED WITH THIS JOB TICKET, OPERATOR/SHIPPER REPRESENTS AND WARRANTS THAT THE WASTE MATERIAL SHIPPED HERewith IS MATERIAL EXEMPT FROM THE RESOURCE, CONSERVATION AND RECOVERY ACT OF 1976, AS AMENDED FROM TIME TO TIME, 40 U.S.C. §6901, et seq., THE NM HEALTH AND SAF. CODE, §361.001, et seq. AND REGULATIONS RELATED THERETO, BY VIRTUE OF THE EXEMPTION AFFORDED CONTAMINATED SOILS AND OTHER WASTE ASSOCIATED WITH THE EXPLORATION, DEVELOPMENT OR PRODUCTION OF CRUDE OIL OR NATURAL GAS OR GEOTHERMAL ENERGY.

ALSO AS A CONDITION TO GANDY-MARLEY, INC.'S ACCEPTANCE OF THE MATERIALS SHIPPED WITH THIS JOB TICKET, TRANSPORTER REPRESENTS AND WARRANTS THAT ONLY THE MATERIAL DELIVERED BY OPERATOR/SHIPPER TO TRANSPORTER IS NOW DELIVERED BY TRANSPORTER TO GANDY-MARLEY, INC.'S FACILITY FOR DISPOSAL.

THIS WILL CERTIFY that the above Transporter loaded the material represented by this Transporter Statement at the above described location, and that it was tendered by the above described shipper. This will certify that no additional materials were added to this load, and that the material was delivered without incident.

DRIVER: Ramon Ponce

FACILITY REPRESENTATIVE: Jim Thompson

White - GMI Canary - Shipper Pink - GMI Gold - Transporter

GANDY MARLEY, INC.

P.O. Box 1658
Roswell, NM 88202
(505) 625-9206
Fax (505) 625-9706

No 3185

LEASE OPERATOR/SHIPPER/COMPANY: ORBIT ENERGY

LEASE NAME: HUMBLE FIELD

TRANSPORTER COMPANY: GANDY

TIME: AM/PM

DATE: 040201

VEHICLE NO.: 508

DRIVER NO.:

CHARGE TO:

TYPE OF MATERIAL

OCD

[] Other Material: Contaminated soil [] C-117 No.: _____
[] BS&W content: _____

Description: EXEMPT

VOLUME OF MATERIAL []: YARDS 34 ; CELL# []

AS A CONDITION TO GANDY MARLEY, INC.'S ACCEPTANCE OF THE MATERIALS SHIPPED WITH THIS JOB TICKET, OPERATOR/SHIPPER REPRESENTS AND WARRANTS THAT THE WASTE MATERIAL SHIPPED HERewith IS MATERIAL EXEMPT FROM THE RESOURCE, CONSERVATION AND RECOVERY ACT OF 1976, AS AMENDED FROM TIME TO TIME, 40 U.S.C. §6901, et seq., THE NM HEALTH AND SAF. CODE, §361.001, et seq. AND REGULATIONS RELATED THERETO, BY VIRTUE OF THE EXEMPTION AFFORDED CONTAMINATED SOILS AND OTHER WASTE ASSOCIATED WITH THE EXPLO- RATION, DEVELOPMENT OR PRODUCTION OF CRUDE OIL OR NATURAL GAS OR GEOTHERMAL ENERGY.

ALSO AS A CONDITION TO GANDY MARLEY, INC.'S ACCEPTANCE OF THE MATERIALS SHIPPED WITH THIS JOB TICKET, TRANSPORTER REPRESENTS AND WARRANTS THAT ONLY THE MATERIAL DELIVERED BY OPERATOR/SHIP- PER TO TRANSPORTER IS NOW DELIVERED BY TRANSPORTER TO GANDY MARLEY, INC.'S FACILITY FOR DISPOSAL.

THIS WILL CERTIFY that the above Transporter loaded the material represented by this Transporter Statement at the above described location, and that it was tendered by the above described shipper. This will certify that no additional materials were added to this load, and that the material was delivered without incident.

DRIVER: _____

FACILITY REPRESENTATIVE: _____

White - GMI

Canary - Shipper

Pink - GMI

Gold - Transporter

GANDY•MARLEY, INC.

P.O. Box 1858
Roswell, NM 88202
(505) 625-9206
Fax (505) 625-9706

No 3186

LEASE OPERATOR/SHIPPER/COMPANY: ORBIT ENERGY

LEASE NAME: HUMBLE FIELD

TRANSPORTER COMPANY: GANDY TIME: AM/PM

DATE: 040201 VEHICLE NO.: 511 DRIVER NO.:

CHARGE TO:

TYPE OF MATERIAL

OCB

[] Other Material: Contaminated soil [] C-117 No.:
[] BS&W content:

Description: EXEMPT

VOLUME OF MATERIAL [] : YARDS 34 : CELL# 13 : []

AS A CONDITION TO GANDY•MARLEY, INC.'S ACCEPTANCE OF THE MATERIALS SHIPPED WITH THIS JOB TICKET, OPERATOR/SHIPPER REPRESENTS AND WARRANTS THAT THE WASTE MATERIAL SHIPPED HERewith IS MATERIAL EXEMPT FROM THE RESOURCE, CONSERVATION AND RECOVERY ACT OF 1976, AS AMENDED FROM TIME TO TIME, 40 U.S.C. §8901, et seq., THE NM HEALTH AND SAF. CODE, §361.001, et seq. AND REGULATIONS RELATED THERETO, BY VIRTUE OF THE EXEMPTION AFFORDED CONTAMINATED SOILS AND OTHER WASTE ASSOCIATED WITH THE EXPLORATION, DEVELOPMENT OR PRODUCTION OF CRUDE OIL OR NATURAL GAS OR GEOTHERMAL ENERGY.

ALSO AS A CONDITION TO GANDY•MARLEY, INC.'S ACCEPTANCE OF THE MATERIALS SHIPPED WITH THIS JOB TICKET, TRANSPORTER REPRESENTS AND WARRANTS THAT ONLY THE MATERIAL DELIVERED BY OPERATOR/SHIPPER TO TRANSPORTER IS NOW DELIVERED BY TRANSPORTER TO GANDY•MARLEY, INC.'S FACILITY FOR DISPOSAL.

THIS WILL CERTIFY that the above Transporter loaded the material represented by this Transporter Statement at the above described location, and that it was tendered by the above described shipper. This will certify that no additional materials were added to this load, and that the material was delivered without incident.

DRIVER: Marilyn Grass

FACILITY REPRESENTATIVE: Jim Tompax

White - GMI Canary - Shipper Pink - GMI Gold - Transporter

GANDY-MARLEY, INC.

P.O. Box 1658
Roswell, NM 88202
(505) 825-9206
Fax (505) 825-9706

No 3187

LEASE OPERATOR/SHIPPER/COMPANY: ORBIT ENERGY

LEASE NAME: HUMBLE FIELD

TRANSPORTER COMPANY: GANDY

TIME: AM/PM

DATE: 040201

VEHICLE NO.: 506

DRIVER NO.:

CHARGE TO:

TYPE OF MATERIAL

OCB

Other Material: Contaminated soil C-117 No.: _____
 BS&W content: _____

Description: EXEMPT

VOLUME OF MATERIAL []: YARDS 34 : CELL# 13 : []

AS A CONDITION TO GANDY-MARLEY, INC.'S ACCEPTANCE OF THE MATERIALS SHIPPED WITH THIS JOB TICKET, OPERATOR/SHIPPER REPRESENTS AND WARRANTS THAT THE WASTE MATERIAL SHIPPED HERewith IS MATERIAL EXEMPT FROM THE RESOURCE, CONSERVATION AND RECOVERY ACT OF 1976, AS AMENDED FROM TIME TO TIME, 40 U.S.C. §6901, et seq., THE NM HEALTH AND SAF. CODE, §361.001, et seq. AND REGULATIONS RELATED THERETO, BY VIRTUE OF THE EXEMPTION AFFORDED CONTAMINATED SOILS AND OTHER WASTE ASSOCIATED WITH THE EXPLO- RATION, DEVELOPMENT OR PRODUCTION OF CRUDE OIL OR NATURAL GAS OR GEOTHERMAL ENERGY.

ALSO AS A CONDITION TO GANDY-MARLEY, INC.'S ACCEPTANCE OF THE MATERIALS SHIPPED WITH THIS JOB TICKET, TRANSPORTER REPRESENTS AND WARRANTS THAT ONLY THE MATERIAL DELIVERED BY OPERATOR/SHIP- PER TO TRANSPORTER IS NOW DELIVERED BY TRANSPORTER TO GANDY-MARLEY, INC.'S FACILITY FOR DISPOSAL.

THIS WILL CERTIFY that the above Transporter loaded the material represented by this Transporter Statement at the above described location, and that it was tendered by the above described shipper. This will certify that no additional materials were added to this load, and that the material was delivered without incident.

DRIVER: Juan Bede

FACILITY REPRESENTATIVE: Jim Tompary

White - GMI

Canary - Shipper

Pink - GMI

Gold - Transporter

GANDY-MARLEY, INC.

P.O. Box 1658
Roswell, NM 88202
(505) 625-9208
Fax (505) 625-9706

No 3188

LEASE OPERATOR/SHIPPER/COMPANY: ORBIT ENERGY

LEASE NAME: HUMBLE

TRANSPORTER COMPANY: GANDY

TIME: AM/PM

DATE: 040201

VEHICLE NO.: 507

DRIVER NO.:

CHARGE TO:

TYPE OF MATERIAL

OCD

Other Material:

Contaminated soil

C-117 No.:

BS&W content:

Description: Exempt

VOLUME OF MATERIAL []: YARDS 34 : CELL# 13 : []

AS A CONDITION TO GANDY-MARLEY, INC.'S ACCEPTANCE OF THE MATERIALS SHIPPED WITH THIS JOB TICKET, OPERATOR/SHIPPER REPRESENTS AND WARRANTS THAT THE WASTE MATERIAL SHIPPED HERewith IS MATERIAL EXEMPT FROM THE RESOURCE, CONSERVATION AND RECOVERY ACT OF 1976, AS AMENDED FROM TIME TO TIME, 40 U.S.C. §6901, et seq., THE NM HEALTH AND SAF. CODE, §361.001, et seq. AND REGULATIONS RELATED THERETO, BY VIRTUE OF THE EXEMPTION AFFORDED CONTAMINATED SOILS AND OTHER WASTE ASSOCIATED WITH THE EXPLO- RATION, DEVELOPMENT OR PRODUCTION OF CRUDE OIL OR NATURAL GAS OR GEOTHERMAL ENERGY.

ALSO AS A CONDITION TO GANDY-MARLEY, INC.'S ACCEPTANCE OF THE MATERIALS SHIPPED WITH THIS JOB TICKET, TRANSPORTER REPRESENTS AND WARRANTS THAT ONLY THE MATERIAL DELIVERED BY OPERATOR/SHIP- PER TO TRANSPORTER IS NOW DELIVERED BY TRANSPORTER TO GANDY-MARLEY, INC.'S FACILITY FOR DISPOSAL.

THIS WILL CERTIFY that the above Transporter loaded the material represented by this Transporter Statement at the above described location, and that it was tendered by the above described shipper. This will certify that no additional materials were added to this load, and that the material was delivered without incident.

DRIVER:

FACILITY REPRESENTATIVE:

White - GMI

Canary - Shipper

Pink - GMI

Gold - Transporter

GANDY-MARLEY, INC.

P.O. Box 1858
Roswell, NM 88202
(505) 625-9206
Fax (505) 625-9706

No 3189

LEASE OPERATOR/SHIPPER/COMPANY: ORBIT Energy

LEASE NAME: HUMBLE FIELD

TRANSPORTER COMPANY: JENKINS BACKhoe TIME: _____ AM/PM

DATE: 040201 VEHICLE NO.: _____ DRIVER NO.: _____

CHARGE TO: _____

TYPE OF MATERIAL

OCD

Other Material: Contaminated soil C-117 No.: _____
 BS&W content: _____

Description: EXEMPT

VOLUME OF MATERIAL [] YARDS 34 : CELL# 13 : [] _____

AS A CONDITION TO GANDY-MARLEY, INC.'S ACCEPTANCE OF THE MATERIALS SHIPPED WITH THIS JOB TICKET, OPERATOR/SHIPPER REPRESENTS AND WARRANTS THAT THE WASTE MATERIAL SHIPPED HERewith IS MATERIAL EXEMPT FROM THE RESOURCE, CONSERVATION AND RECOVERY ACT OF 1976, AS AMENDED FROM TIME TO TIME, 40 U.S.C. §6901, et seq., THE NM HEALTH AND SAF. CODE, §361.001, et seq. AND REGULATIONS RELATED THERETO, BY VIRTUE OF THE EXEMPTION AFFORDED CONTAMINATED SOILS AND OTHER WASTE ASSOCIATED WITH THE EXPLO- RATION, DEVELOPMENT OR PRODUCTION OF CRUDE OIL OR NATURAL GAS OR GEOTHERMAL ENERGY.

ALSO AS A CONDITION TO GANDY-MARLEY, INC.'S ACCEPTANCE OF THE MATERIALS SHIPPED WITH THIS JOB TICKET, TRANSPORTER REPRESENTS AND WARRANTS THAT ONLY THE MATERIAL DELIVERED BY OPERATOR/SHIP- PER TO TRANSPORTER IS NOW DELIVERED BY TRANSPORTER TO GANDY-MARLEY, INC.'S FACILITY FOR DISPOSAL.

THIS WILL CERTIFY that the above Transporter loaded the material represented by this Transporter Statement at the above described location, and that it was tendered by the above described shipper. This will certify that no additional materials were added to this load, and that the material was delivered without incident.

DRIVER: Tommy Jenkins

FACILITY REPRESENTATIVE: Jim Thompson

White - GMI Canary - Shipper Pink - GMI Gold - Transporter

GANDY-MARLEY, INC.

P.O. Box 1658
Roswell, NM 88202
(505) 625-9206
Fax (505) 625-9706

No 3190

LEASE OPERATOR/SHIPPER/COMPANY: ORBIT ENERGY

LEASE NAME: HUMBLE FIELD

TRANSPORTER COMPANY: M.R. MCCracken

TIME: AM/PM

DATE: 08/02/01

VEHICLE NO.:

DRIVER NO.:

CHARGE TO:

TYPE OF MATERIAL

OCB

Other Material: Contaminated soil C-117 No.: _____
 BS&W content: _____

Description: EXEMPT

VOLUME OF MATERIAL []: YARDS 34 : CELL# 13 : []

AS A CONDITION TO GANDY-MARLEY, INC.'S ACCEPTANCE OF THE MATERIALS SHIPPED WITH THIS JOB TICKET, OPERATOR/SHIPPER REPRESENTS AND WARRANTS THAT THE WASTE MATERIAL SHIPPED HERewith IS MATERIAL EXEMPT FROM THE RESOURCE, CONSERVATION AND RECOVERY ACT OF 1976, AS AMENDED FROM TIME TO TIME, 40 U.S.C. §6901, et seq., THE NM HEALTH AND SAF. CODE, §361.001, et seq. AND REGULATIONS RELATED THERETO, BY VIRTUE OF THE EXEMPTION AFFORDED CONTAMINATED SOILS AND OTHER WASTE ASSOCIATED WITH THE EXPLO- RATION, DEVELOPMENT OR PRODUCTION OF CRUDE OIL OR NATURAL GAS OR GEOTHERMAL ENERGY.

ALSO AS A CONDITION TO GANDY-MARLEY, INC.'S ACCEPTANCE OF THE MATERIALS SHIPPED WITH THIS JOB TICKET, TRANSPORTER REPRESENTS AND WARRANTS THAT ONLY THE MATERIAL DELIVERED BY OPERATOR/SHIP- PER TO TRANSPORTER IS NOW DELIVERED BY TRANSPORTER TO GANDY-MARLEY, INC.'S FACILITY FOR DISPOSAL.

THIS WILL CERTIFY that the above Transporter loaded the material represented by this Transporter Statement at the above described location, and that it was tendered by the above described shipper. This will certify that no additional materials were added to this load, and that the material was delivered without incident.

DRIVER: Michael R. McCracken

FACILITY REPRESENTATIVE: [Signature]

White - GMI Canary - Shipper Pink - GMI Gold - Transporter

GANDY MARLEY, INC.

P.O. Box 1658
Roswell, NM 88202
(505) 625-9206
Fax (505) 625-9706

No 3191

LEASE OPERATOR/SHIPPER/COMPANY: ORBIT ENERGY

LEASE NAME: HUMBLE FIELD

TRANSPORTER COMPANY: MACHINIZ

TIME: AM/PM

DATE: 04/20/01

VEHICLE NO.:

DRIVER NO.:

CHARGE TO:

TYPE OF MATERIAL

OCB

Other Material: Contaminated soil C-117 No.: _____
 BS&W content: _____

Description: EXEMPT

VOLUME OF MATERIAL []: YARDS 34 : CELL# 13 : []

AS A CONDITION TO GANDY MARLEY, INC.'S ACCEPTANCE OF THE MATERIALS SHIPPED WITH THIS JOB TICKET, OPERATOR/SHIPPER REPRESENTS AND WARRANTS THAT THE WASTE MATERIAL SHIPPED HERewith IS MATERIAL EXEMPT FROM THE RESOURCE, CONSERVATION AND RECOVERY ACT OF 1976, AS AMENDED FROM TIME TO TIME, 40 U.S.C. §6901, et seq., THE NM HEALTH AND SAF. CODE, §361.001, et seq. AND REGULATIONS RELATED THERETO, BY VIRTUE OF THE EXEMPTION AFFORDED CONTAMINATED SOILS AND OTHER WASTE ASSOCIATED WITH THE EXPLO- RATION, DEVELOPMENT OR PRODUCTION OF CRUDE OIL OR NATURAL GAS OR GEOTHERMAL ENERGY.

ALSO AS A CONDITION TO GANDY MARLEY, INC.'S ACCEPTANCE OF THE MATERIALS SHIPPED WITH THIS JOB TICKET, TRANSPORTER REPRESENTS AND WARRANTS THAT ONLY THE MATERIAL DELIVERED BY OPERATOR/SHIP- PER TO TRANSPORTER IS NOW DELIVERED BY TRANSPORTER TO GANDY MARLEY, INC.'S FACILITY FOR DISPOSAL.

THIS WILL CERTIFY that the above Transporter loaded the material represented by this Transporter Statement at the above described location, and that it was tendered by the above described shipper. This will certify that no additional materials were added to this load, and that the material was delivered without incident.

DRIVER: [Signature]

FACILITY REPRESENTATIVE: [Signature]

White - GMI Canary - Shipper Pink - GMI Gold - Transporter

GANDY-MARLEY, INC.

P.O. Box 1658
Roswell, NM 88202
(505) 625-9206
Fax (505) 625-9706

No 3193

LEASE OPERATOR/SHIPPER/COMPANY: ORBIT ENERGY

LEASE NAME: HUMBLE

TRANSPORTER COMPANY: M.R. McRACKIN

TIME: AM/PM

DATE: 040301

VEHICLE NO.:

DRIVER NO.:

CHARGE TO:

TYPE OF MATERIAL

OCB

Other Material: Contaminated soil C-117 No.:
 BS&W content:

Description: PIT SLUDGE EXEMPT

VOLUME OF MATERIAL []: YARDS 24 : CELL# 13 : []

AS A CONDITION TO GANDY-MARLEY, INC.'S ACCEPTANCE OF THE MATERIALS SHIPPED WITH THIS JOB TICKET, OPERATOR/SHIPPER REPRESENTS AND WARRANTS THAT THE WASTE MATERIAL SHIPPED HERewith IS MATERIAL EXEMPT FROM THE RESOURCE, CONSERVATION AND RECOVERY ACT OF 1976, AS AMENDED FROM TIME TO TIME, 40 U.S.C. §6901, et seq., THE NM HEALTH AND SAF. CODE, §361.001, et seq, AND REGULATIONS RELATED THERETO, BY VIRTUE OF THE EXEMPTION AFFORDED CONTAMINATED SOILS AND OTHER WASTE ASSOCIATED WITH THE EXPLO- RATION, DEVELOPMENT OR PRODUCTION OF CRUDE OIL OR NATURAL GAS OR GEOTHERMAL ENERGY.

ALSO AS A CONDITION TO GANDY-MARLEY, INC.'S ACCEPTANCE OF THE MATERIALS SHIPPED WITH THIS JOB TICKET, TRANSPORTER REPRESENTS AND WARRANTS THAT ONLY THE MATERIAL DELIVERED BY OPERATOR/SHIP- PER TO TRANSPORTER IS NOW DELIVERED BY TRANSPORTER TO GANDY-MARLEY, INC.'S FACILITY FOR DISPOSAL.

THIS WILL CERTIFY that the above Transporter loaded the material represented by this Transporter Statement at the above described location, and that it was tendered by the above described shipper. This will certify that no additional materials were added to this load, and that the material was delivered without incident.

DRIVER: Michael R. McRackin

FACILITY REPRESENTATIVE: Jim Thompson

White - GMI Canary - Shipper Pink - GMI Gold - Transporter

GANDY•MARLEY, INC.

P.O. Box 1658
Roswell, NM 88202
(505) 625-9206
Fax (505) 625-9706

No 3194

LEASE OPERATOR/SHIPPER/COMPANY: ORBIT ENERGY

LEASE NAME: HUMBLE FIELD

TRANSPORTER COMPANY: MARTINEZ TIME: AM/PM

DATE: 040301 VEHICLE NO.: DRIVER NO.:

CHARGE TO:

TYPE OF MATERIAL

OCG

Other Material: Contaminated soil C-117 No.:
 BS&W content:

Description: PIT SLUDGE

VOLUME OF MATERIAL []: YARDS 24 : CELL# : []

AS A CONDITION TO GANDY•MARLEY, INC.'S ACCEPTANCE OF THE MATERIALS SHIPPED WITH THIS JOB TICKET, OPERATOR/SHIPPER REPRESENTS AND WARRANTS THAT THE WASTE MATERIAL SHIPPED HERewith IS MATERIAL EXEMPT FROM THE RESOURCE, CONSERVATION AND RECOVERY ACT OF 1976, AS AMENDED FROM TIME TO TIME, 40 U.S.C. §6901, et seq., THE NM HEALTH AND SAF. CODE, §361.001, et seq. AND REGULATIONS RELATED THERETO, BY VIRTUE OF THE EXEMPTION AFFORDED CONTAMINATED SOILS AND OTHER WASTE ASSOCIATED WITH THE EXPLO- RATION, DEVELOPMENT OR PRODUCTION OF CRUDE OIL OR NATURAL GAS OR GEOTHERMAL ENERGY.

ALSO AS A CONDITION TO GANDY•MARLEY, INC.'S ACCEPTANCE OF THE MATERIALS SHIPPED WITH THIS JOB TICKET, TRANSPORTER REPRESENTS AND WARRANTS THAT ONLY THE MATERIAL DELIVERED BY OPERATOR/SHIP- PER TO TRANSPORTER IS NOW DELIVERED BY TRANSPORTER TO GANDY•MARLEY, INC.'S FACILITY FOR DISPOSAL.

THIS WILL CERTIFY that the above Transporter loaded the material represented by this Transporter Statement at the above described location, and that it was tendered by the above described shipper. This will certify that no additional materials were added to this load, and that the material was delivered without incident.

DRIVER: [Signature]

FACILITY REPRESENTATIVE: [Signature]

White - GMI

Canary - Shipper

Pink - GMI

Gold - Transporter

GANDY-MARLEY, INC.

P.O. Box 1658
Roswell, NM 88202
(505) 625-9206
Fax (505) 625-9706

No 3195

LEASE OPERATOR/SHIPPER/COMPANY: ORBIT ENERGY

LEASE NAME: HUMBLE

TRANSPORTER COMPANY: GANDY

TIME: AM/PM

DATE: 040301

VEHICLE NO.: 506

DRIVER NO.:

CHARGE TO:

TYPE OF MATERIAL

OCD

Other Material:

Contaminated soil

C-117 No.: _____

BS&W content: _____

Description: PIT SLUDGE - EXEMPT

VOLUME OF MATERIAL []: YARDS 12 : CELL# 13 : [] _____

AS A CONDITION TO GANDY-MARLEY, INC.'S ACCEPTANCE OF THE MATERIALS SHIPPED WITH THIS JOB TICKET, OPERATOR/SHIPPER REPRESENTS AND WARRANTS THAT THE WASTE MATERIAL SHIPPED HERewith IS MATERIAL EXEMPT FROM THE RESOURCE, CONSERVATION AND RECOVERY ACT OF 1976, AS AMENDED FROM TIME TO TIME, 40 U.S.C. §6901, et seq., THE NM HEALTH AND SAF. CODE, §361.001, et seq. AND REGULATIONS RELATED THERETO, BY VIRTUE OF THE EXEMPTION AFFORDED CONTAMINATED SOILS AND OTHER WASTE ASSOCIATED WITH THE EXPLO- RATION, DEVELOPMENT OR PRODUCTION OF CRUDE OIL OR NATURAL GAS OR GEOTHERMAL ENERGY.

ALSO AS A CONDITION TO GANDY-MARLEY, INC.'S ACCEPTANCE OF THE MATERIALS SHIPPED WITH THIS JOB TICKET, TRANSPORTER REPRESENTS AND WARRANTS THAT ONLY THE MATERIAL DELIVERED BY OPERATOR/SHIP- PER TO TRANSPORTER IS NOW DELIVERED BY TRANSPORTER TO GANDY-MARLEY, INC.'S FACILITY FOR DISPOSAL.

THIS WILL CERTIFY that the above Transporter loaded the material represented by this Transporter Statement at the above described location, and that it was tendered by the above described shipper. This will certify that no additional materials were added to this load, and that the material was delivered without incident.

DRIVER: Juan Pade

FACILITY REPRESENTATIVE: Jim Thompson

White - GMI

Canary - Shipper

Pink - GMI

Gold - Transporter

GANDY•MARLEY, INC.

P.O. Box 1658
Roswell, NM 88202
(505) 625-9206
Fax (505) 625-9706

No 3196

LEASE OPERATOR/SHIPPER/COMPANY: *ORBIT Energy*

LEASE NAME: *HUMBLE FIELD*

TRANSPORTER COMPANY: *JENKINS BROCKAGE* TIME: AM/PM

DATE: *080301* VEHICLE NO.: DRIVER NO.:

CHARGE TO:

TYPE OF MATERIAL

OCD

Other Material: Contaminated soil C-117 No.:
 BS&W content:

Description: *Pit SLUDGE - EXEMPT*

VOLUME OF MATERIAL [] YARDS *24* : CELL# *13* : []

AS A CONDITION TO GANDY•MARLEY, INC.'S ACCEPTANCE OF THE MATERIALS SHIPPED WITH THIS JOB TICKET, OPERATOR/SHIPPER REPRESENTS AND WARRANTS THAT THE WASTE MATERIAL SHIPPED HERewith IS MATERIAL EXEMPT FROM THE RESOURCE, CONSERVATION AND RECOVERY ACT OF 1976, AS AMENDED FROM TIME TO TIME, 40 U.S.C. §6901, et seq., THE NM HEALTH AND SAF. CODE, §361.001, et seq. AND REGULATIONS RELATED THERETO, BY VIRTUE OF THE EXEMPTION AFFORDED CONTAMINATED SOILS AND OTHER WASTE ASSOCIATED WITH THE EXPLO-RATION, DEVELOPMENT OR PRODUCTION OF CRUDE OIL OR NATURAL GAS OR GEOTHERMAL ENERGY.

ALSO AS A CONDITION TO GANDY•MARLEY, INC.'S ACCEPTANCE OF THE MATERIALS SHIPPED WITH THIS JOB TICKET, TRANSPORTER REPRESENTS AND WARRANTS THAT ONLY THE MATERIAL DELIVERED BY OPERATOR/SHIP- PER TO TRANSPORTER IS NOW DELIVERED BY TRANSPORTER TO GANDY•MARLEY, INC.'S FACILITY FOR DISPOSAL.

THIS WILL CERTIFY that the above Transporter loaded the material represented by this Transporter Statement at the above described location, and that it was tendered by the above described shipper. This will certify that no additional materials were added to this load, and that the material was delivered without Incident.

DRIVER: *Tommy Jenkins*

FACILITY REPRESENTATIVE: *[Signature]*

White - GMI Canary - Shipper Pink - GMI Gold - Transporter

GANDY•MARLEY, INC.

P.O. Box 1658
Roswell, NM 86202
(505) 625-9206
Fax (505) 625-9706

No 3200

LEASE OPERATOR/SHIPPER/COMPANY: *ORBIT Energy*

LEASE NAME: *HUMBLE FIELD*

TRANSPORTER COMPANY: *GANDY* TIME: AM/PM

DATE: *040301* VEHICLE NO.: *508* DRIVER NO.:

CHARGE TO:

TYPE OF MATERIAL

OCD

[] Other Material: Contaminated soil [] C-117 No.:
[] BS&W content:

Description: *Exempt PIT Sludges*

VOLUME OF MATERIAL []: YARDS *12* : CELL# *13* : []

AS A CONDITION TO GANDY•MARLEY, INC.'S ACCEPTANCE OF THE MATERIALS SHIPPED WITH THIS JOB TICKET, OPERATOR/SHIPPER REPRESENTS AND WARRANTS THAT THE WASTE MATERIAL SHIPPED HERewith IS MATERIAL EXEMPT FROM THE RESOURCE, CONSERVATION AND RECOVERY ACT OF 1976, AS AMENDED FROM TIME TO TIME, 40 U.S.C. §6901, et seq., THE NM HEALTH AND SAF. CODE, §361.001, et seq. AND REGULATIONS RELATED THERETO, BY VIRTUE OF THE EXEMPTION AFFORDED CONTAMINATED SOILS AND OTHER WASTE ASSOCIATED WITH THE EXPLO- RATION, DEVELOPMENT OR PRODUCTION OF CRUDE OIL OR NATURAL GAS OR GEOTHERMAL ENERGY.

ALSO AS A CONDITION TO GANDY•MARLEY, INC.'S ACCEPTANCE OF THE MATERIALS SHIPPED WITH THIS JOB TICKET, TRANSPORTER REPRESENTS AND WARRANTS THAT ONLY THE MATERIAL DELIVERED BY OPERATOR/SHIP- PER TO TRANSPORTER IS NOW DELIVERED BY TRANSPORTER TO GANDY•MARLEY, INC.'S FACILITY FOR DISPOSAL.

THIS WILL CERTIFY that the above Transporter loaded the material represented by this Transporter Statement at the above described location, and that it was tendered by the above described shipper. This will certify that no additional materials were added to this load, and that the material was delivered without incident.

DRIVER: *[Signature]*

FACILITY REPRESENTATIVE: *[Signature]*

White - GMI Canary - Shipper Pink - GMI Gold - Transporter

GANDY-MARLEY, INC.

P.O. Box 1658
Roswell, NM 88202
(505) 625-9206
Fax (505) 625-9706

No 3468

LEASE OPERATOR/SHIPPER/COMPANY: ORBIT ENERGY

LEASE NAME: HUMBLE FIELD

TRANSPORTER COMPANY: GANDY TIME: _____ AM/PM

DATE: 040301 VEHICLE NO.: 511 DRIVER NO.: _____

CHARGE TO: _____

TYPE OF MATERIAL

OCD

[] Other Material: Contaminated soil [] C-117 No.: _____
[] BS&W content: _____

Description: EXEMPT

VOLUME OF MATERIAL []: YARDS 12 : CELL# 13 : [] _____

AS A CONDITION TO GANDY-MARLEY, INC.'S ACCEPTANCE OF THE MATERIALS SHIPPED WITH THIS JOB TICKET, OPERATOR/SHIPPER REPRESENTS AND WARRANTS THAT THE WASTE MATERIAL SHIPPED HERewith IS MATERIAL EXEMPT FROM THE RESOURCE, CONSERVATION AND RECOVERY ACT OF 1976, AS AMENDED FROM TIME TO TIME, 40 U.S.C. §6901, et seq., THE NM HEALTH AND SAF. CODE, §361.001, et seq. AND REGULATIONS RELATED THERETO, BY VIRTUE OF THE EXEMPTION AFFORDED CONTAMINATED SOILS AND OTHER WASTE ASSOCIATED WITH THE EXPLO- RATION, DEVELOPMENT OR PRODUCTION OF CRUDE OIL OR NATURAL GAS OR GEOTHERMAL ENERGY.

ALSO AS A CONDITION TO GANDY-MARLEY, INC.'S ACCEPTANCE OF THE MATERIALS SHIPPED WITH THIS JOB TICKET, TRANSPORTER REPRESENTS AND WARRANTS THAT ONLY THE MATERIAL DELIVERED BY OPERATOR/SHIP- PER TO TRANSPORTER IS NOW DELIVERED BY TRANSPORTER TO GANDY-MARLEY, INC.'S FACILITY FOR DISPOSAL.

THIS WILL CERTIFY that the above Transporter loaded the material represented by this Transporter Statement at the above described location, and that it was tendered by the above described shipper. This will certify that no additional materials were added to this load, and that the material was delivered without incident.

DRIVER: _____

FACILITY REPRESENTATIVE: [Signature]

White - GMI Canary - Shipper Pink - GMI Gold - Transporter

GANDY•MARLEY, INC.

P.O. Box 1658
Roswell, NM 88202
(505) 625-9206
Fax (505) 625-9706

No 3469

LEASE OPERATOR/SHIPPER/COMPANY: ORBIT ENERGY

LEASE NAME: HUMBLE FIELD

TRANSPORTER COMPANY: GANDY

TIME: AM/PM

DATE: 040301

VEHICLE NO.: 507

DRIVER NO.:

CHARGE TO:

TYPE OF MATERIAL

OCD

Other Material:

Contaminated soil

C-117 No.:

BS&W content:

Description: Exempt

VOLUME OF MATERIAL []: YARDS 12 : CELL# 13 : []

AS A CONDITION TO GANDY•MARLEY, INC.'S ACCEPTANCE OF THE MATERIALS SHIPPED WITH THIS JOB TICKET, OPERATOR/SHIPPER REPRESENTS AND WARRANTS THAT THE WASTE MATERIAL SHIPPED HERewith IS MATERIAL EXEMPT FROM THE RESOURCE, CONSERVATION AND RECOVERY ACT OF 1976, AS AMENDED FROM TIME TO TIME, 40 U.S.C. §8901, et seq., THE NM HEALTH AND SAF. CODE, §361.001, et seq. AND REGULATIONS RELATED THERETO, BY VIRTUE OF THE EXEMPTION AFFORDED CONTAMINATED SOILS AND OTHER WASTE ASSOCIATED WITH THE EXPLO- RATION, DEVELOPMENT OR PRODUCTION OF CRUDE OIL OR NATURAL GAS OR GEOTHERMAL ENERGY.

ALSO AS A CONDITION TO GANDY•MARLEY, INC.'S ACCEPTANCE OF THE MATERIALS SHIPPED WITH THIS JOB TICKET, TRANSPORTER REPRESENTS AND WARRANTS THAT ONLY THE MATERIAL DELIVERED BY OPERATOR/SHIP- PER TO TRANSPORTER IS NOW DELIVERED BY TRANSPORTER TO GANDY•MARLEY, INC.'S FACILITY FOR DISPOSAL.

THIS WILL CERTIFY that the above Transporter loaded the material represented by this Transporter Statement at the above described location, and that it was tendered by the above described shipper. This will certify that no additional materials were added to this load, and that the material was delivered without incident.

DRIVER: _____

FACILITY REPRESENTATIVE: _____

White - GMI

Canary - Shipper

Pink - GMI

Gold - Transporter

GANDY-MARLEY INC.

P.O. Box 1658
Roswell, NM 88202
(505) 625-9206
Fax (505) 625-9706

No 3468

LEASE OPERATOR/SHIPPER/COMPANY: ORBIT ENERGY

LEASE NAME: HUMBLE FIELD

TRANSPORTER COMPANY: GANDY

TIME: AM/PM

DATE: 040301

VEHICLE NO.: 511

DRIVER NO.:

CHARGE TO:

TYPE OF MATERIAL

OCD

Other Material:

Contaminated soil

C-117 No.:

BS&W content:

Description: EXEMPT

VOLUME OF MATERIAL []: YARDS 12 : CELL# 13 : []

AS A CONDITION TO GANDY-MARLEY, INC.'S ACCEPTANCE OF THE MATERIALS SHIPPED WITH THIS JOB TICKET, OPERATOR/SHIPPER REPRESENTS AND WARRANTS THAT THE WASTE MATERIAL SHIPPED HERewith IS MATERIAL EXEMPT FROM THE RESOURCE, CONSERVATION AND RECOVERY ACT OF 1976, AS AMENDED FROM TIME TO TIME, 40 U.S.C. §9901, et seq., THE NM HEALTH AND SAF. CODE, §381.001, et seq. AND REGULATIONS RELATED THERETO, BY VIRTUE OF THE EXEMPTION AFFORDED CONTAMINATED SOILS AND OTHER WASTE ASSOCIATED WITH THE EXPLO- RATION, DEVELOPMENT OR PRODUCTION OF CRUDE OIL OR NATURAL GAS OR GEOTHERMAL ENERGY.

ALSO AS A CONDITION TO GANDY-MARLEY, INC.'S ACCEPTANCE OF THE MATERIALS SHIPPED WITH THIS JOB TICKET, TRANSPORTER REPRESENTS AND WARRANTS THAT ONLY THE MATERIAL DELIVERED BY OPERATOR/SHIP- PER TO TRANSPORTER IS NOW DELIVERED BY TRANSPORTER TO GANDY-MARLEY, INC.'S FACILITY FOR DISPOSAL.

THIS WILL CERTIFY that the above Transporter loaded the material represented by this Transporter Statement at the above described location, and that it was tendered by the above described shipper. This will certify that no additional materials were added to this load, and that the material was delivered without incident.

DRIVER: _____

FACILITY REPRESENTATIVE: _____

White - GMI

Canary - Shipper

Pink - GMI

Gold - Transporter

GANDY-MARLEY INC.

P.O. Box 1658
Roswell, NM 88202
(505) 625-9206
Fax (505) 625-9706

No 3469

LEASE OPERATOR/SHIPPER/COMPANY: ORBIT Energy

LEASE NAME: HUMBLE FIELD

TRANSPORTER COMPANY: GANDY

TIME: AM/PM

DATE: 040301

VEHICLE NO.: 507

DRIVER NO.:

CHARGE TO:

TYPE OF MATERIAL

OCD

[] Other Material:

Contaminated soil

[] C-117 No.:

[] BS&W content:

Description: Exempt

VOLUME OF MATERIAL []: YARDS 12 : CELL# 13 : []

AS A CONDITION TO GANDY-MARLEY, INC.'S ACCEPTANCE OF THE MATERIALS SHIPPED WITH THIS JOB TICKET, OPERATOR/SHIPPER REPRESENTS AND WARRANTS THAT THE WASTE MATERIAL SHIPPED HERewith IS MATERIAL EXEMPT FROM THE RESOURCE, CONSERVATION AND RECOVERY ACT OF 1976, AS AMENDED FROM TIME TO TIME, 40 U.S.C. §8901, et seq., THE NM HEALTH AND SAF. CODE, §361.001, et seq. AND REGULATIONS RELATED THERETO, BY VIRTUE OF THE EXEMPTION AFFORDED CONTAMINATED SOILS AND OTHER WASTE ASSOCIATED WITH THE EXPLO- RATION, DEVELOPMENT OR PRODUCTION OF CRUDE OIL OR NATURAL GAS OR GEOTHERMAL ENERGY.

ALSO AS A CONDITION TO GANDY-MARLEY, INC.'S ACCEPTANCE OF THE MATERIALS SHIPPED WITH THIS JOB TICKET, TRANSPORTER REPRESENTS AND WARRANTS THAT ONLY THE MATERIAL DELIVERED BY OPERATOR/SHIP- PER TO TRANSPORTER IS NOW DELIVERED BY TRANSPORTER TO GANDY-MARLEY, INC.'S FACILITY FOR DISPOSAL.

THIS WILL CERTIFY that the above Transporter loaded the material represented by this Transporter Statement at the above described location, and that it was tendered by the above described shipper. This will certify that no additional materials were added to this load, and that the material was delivered without incident.

DRIVER: _____

FACILITY REPRESENTATIVE: _____

White - GMI

Canary - Shipper

Pink - GMI

Gold - Transporter



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

March 28, 2001

Lori Wrotenbery
Director
Oil Conservation Division

CERTIFIED MAIL
RETURN RECEIPT NO. 3771 7200

Mr. Joe Sanders
Orbit Enterprises, Inc.
613 W. Ave. D
Lovington, NM 88260

Re: Orbit Enterprises, Inc.
Humble Fed Lse NM-0533777-A
NW/4, NE/4 of Section 26, Township 7 South, Range 32 East, NMPM
Roosevelt County, New Mexico

Dear Mr. Sanders:

The New Mexico Oil Conservation Division (OCD) approved a work plan on July 07, 2000 with conditions that a site investigation plan be submitted by August 31, 2000. As of this date the OCD has not received any results and OCD field inspectors have indicated Orbit Enterprises, Inc. has not performed any work at this site. In addition OCD notified Orbit that a closure report was due on December 29, 2000. Orbit failed to submit this report. Orbit's representative Mr. Bruce Holland called OCD and requested more time to complete this project. OCD has granted two verbal extensions. As of this date Orbit has not fulfilled its obligation for closing the pit at the above referenced site.

Orbit Enterprises is hereby ordered to remove the liquid and solid waste in the pit and properly dispose of this waste at an approved OCD site. Final clean-up levels shall meet OCD standards as found in the OCD Guidelines for Pit Closures.

Orbit Enterprises shall submit a closure report for OCD approval by April 11, 2001.
Failure to complete these action items will result in a compliance action pursuant to the Oil and Gas Act, NMSA 1978, 70-2-1 et seq. and the Oil Conservation Division Rules.

Sincerely;

Wayne Price-Pet. Engr. Spec.

Cc: Hobbs OCD Office
Tod Stevenson, NMG&F

Attachments-1 Memorandum of Conversation dated 3/28/01

Orbit Energy Inc.

400 S. Ave. C P O Box 311
Tatum, NM 88267
Phone: 505-398-5131 Fax: 505-398-1212

Fax Cover Sheet

Date: 3-28-01

To: Wayne Price

Fax #: 505-476-3471

ATTN: Wayne Price

FROM: James Holland

RE: Humble Fed. Acc.

Number of pages including cover sheet: 2

Special Instructions or Comments: _____

If complete transmission not received, please contact our office. Thank you!

ORBIT ENERGY, INC.

P.O. BOX 311 406 S. AVE. C

TATUM, NM 88267

Ph. 505-398-6131 Fax 505-398-5232

**Wayne Price
1120 S. St. Francis Dr.
Santa Fe, NM 87501**

March 26, 2001

**Re: Humble Fed. Lse. NM-0533777-A
NW/4, NE/4 of Sec.26, T. 7S, R. 32E, NMPM
Roosevelt County, New Mexico**

Dear Mr. Price,

Thank you for your time and information in our last conversation.

I have talked with Bob Allen of SESI and he has agreed to consult with me in solving our problem. We now have a plan and started it this past week by hauling 180 bbls of water form the pit to the Tucker disposal well. We are now currently free of water and we will start soon with dozers and backhoe for removal. You will receive a report toward the end of April on our progress. Again, thank you for your help!

Sincerely,


Bruce Hollaud



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

Memorandum of Meeting or Conversation

Telephone X
Personal _____
E-Mail _____

Time: 8:15 am
Date: March 28, 2001

Originating Party: Wayne Price-OCD returned call.

Other Parties: Bruce Holland- Orbit Enterprises 505-398-5131

*P.O. Box 311
TATUM NM 88267*

Subject: Humble Fed Lse NM-0533777-A
Nw/4 Ne/4 of Section 26-Ts7S-R32E
Roosevelt County, NM

Discussion: Mr. Holland informed me that he was sending a fax explaining the clean-up plans for the above referenced pit. I informed him that Orbit had already missed their required deadline and that I had given Orbit and their consultant Safety & Environmental Solutions Inc. verbal extensions, once in February due to snow, and again in early March with a new deadline of March 31, 2001 in which the pit was to be closed and a closure report submitted for OCD approval due March 31, 2001. He informed me they could not meet that schedule because of the recent rains since they are hauling off water from the pit. I informed him they have used that excuse before saying it was snow, and unless Orbit closes the pit properly and in an expeditious manner they will always have a problem with fluids.

Conclusions and Requirements:

Notified Mr. Holland that Orbit may be issued a Notice of Violation for non-compliance. Instructed Orbit to start immediately on closing the pit and submit a closure report within working 10 days beginning on March 29, 2001 and due on April 11, 2001.

Signed: *Wayne Price*

CC: Roger Anderson-Environmental Bureau Chief
Chris Williams-District I
Bruce Holland-Orbit Enterprises *FAYED - RECEIVED BY ORBIT (BECKY)*
Joe Sanders-Orbit Enterprises- Certified Mail 3771 7200
Bob Allen- S&ESI

Safety & Environmental Solutions, Inc.
703 E. Clinton, Suite 103
Hobbs, New Mexico 88240

FACSIMILE COVER SHEET

To: Wayne Price

From: Bob Allen

Subject: _____

Total Number of Pages: 3 including cover sheet

If any portion of the preceding fax is illegible, please call us immediately at:

(505) 397-0510

Fax (505) 393-4388

ORBIT ENERGY INC.
406 S. Ave. C P.O. Box 311
Tatum, N.M. 88267
Office 505-398-5131

January 29, 2001

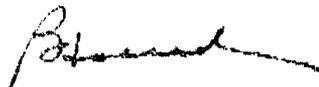
Wayne Price, Pet. Engr. Spec.
Oil Conservation Division
2040 S. Pacheco
Santa Fe, NM 87505

Re. Humble Fed. Lse. NM-0533777-A
NW/4, NE/4 of Sec. 26, T. 7S, R. 32E, NMPM
Roosevelt County, New Mexico

Dear Mr. Price:

We visited the pit this past week with Safety and Environmental Solutions Inc. people, but unable to commence inspection or operation due to inclement weather. Since then, we have had several inches of snow. We intend to watch this very closely, and be working soon. This is contingent on several days of fair weather. We should be able to start in February.

Regards,



Bruce Holland

Orbit Enterprises Inc

P O BOX 476

619 W AVE D

LOVINGTON NM 88260-0476

PHONE (505) 396-4914

FAX (505) 396-2635

January 29, 2001

Wayne Price, Pet. Engr. Spec.
Oil Conservation Division
2040 S. Pacheco
Santa Fe, NM 87505

Re: Humble Fed. Use. NM-0533777-A
NW/4, NE/4 of Sec. 26, T. 7S, R. 32E, NMRM
Roosevelt County, New Mexico

Dear Mr. Price:

We have had the water pumped out of this pit four times. Just as it starts to dry out enough to get equipment in, it rains, snows or sleet and fills in again. We just had an ice/snow storm this weekend. We will be in to pump out the water as soon as everything melts.

Weather permitting, as soon as the pit dries out enough to permit heavy equipment, we will get a dozer in to start working on it. Hopefully, the weather will cooperate, and work can be started before the end of February. Thank you for your patience, as you know this has been an extremely wet winter.

Sincerely,

Joe Sanders
Joe Sanders



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

November 18, 2000

Lori Wrotenbery
Director
Oil Conservation Division

CERTIFIED MAIL
RETURN RECEIPT NO. 5051 4775

Mr. Joe Sanders
Orbit Enterprises, Inc.
613 W. Ave. D
Lovington, NM 88260

Re: Orbit Enterprises, Inc.
Humble Fed Lse NM-0533777-A
NW/4, NE/4 of Section 26, Township 7 South, Range 32 East, NMPM
Roosevelt County, New Mexico

Dear Mr. Sanders:

The New Mexico Oil Conservation Division (OCD) approved a work plan on July 07, 2000 with conditions that a site investigation plan be submitted by August 31, 2000. As of this date the OCD has not received any results and OCD field inspectors have indicated Orbit Enterprises, Inc. has not performed any work at this site.

Orbit Enterprises is hereby ordered to remove the liquid and solid waste in the pit and properly dispose of this waste at an approved OCD site. Final clean-up levels shall meet OCD standards as found in the OCD Guidelines for Pit Closures.

Orbit Enterprises shall submit a closure report for OCD approval by December 29, 2000. Failure to complete these action items will result in a compliance action pursuant to the Oil and Gas Act, NMSA 1978, 70-2-1 et seq. and the Oil Conservation Division Rules.

Sincerely;

Wayne Price-Pet. Engr. Spec.

Cc: Hobbs OCD Office
Tod Stevenson, NMG&F



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

From: Price, Wayne
Sent: Friday, July 07, 2000 4:54 PM
To: Governor Williams, Chris
Cc: Jennifer A. Salisbury Williams, Donna
Subject: FW: Orbit Enterprises
Cabinet Secretary

Lori Wrotenberg
Director
Oil Conservation Division

From: Price, Wayne
Sent: Friday, July 07, 2000 4:25 PM
To: 'ballen@sesi-nm.com'
Cc: Hays, Bill
Subject: Orbit Enterprises

Re: Humble Federal Lease NM-0533777-A Roosevelt Co. Pit Closure

Dear Mr. Allen:

The NMOCD is in receipt of your letter dated June 19, 2000 with analyticals demonstrating the liquid contents of the pit is non-hazardous. Your request to remove the fluids and dispose of at an approved OCD facility is hereby approved with the following conditions:

1. Waste disposal records shall be maintained for the closure report.
2. Only exempt non-hazardous fluids may be disposed off.
3. A site investigation plan shall be submitted to the OCD for approval by August 31, 2000.

Please be advised that NMOCD approval of this plan does not relieve Orbit Enterprises of liability should their operations fail to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD approval does not relieve Orbit Enterprises of responsibility for compliance with any other federal, state, or local laws and/or regulations.

Price, Wayne

From: Hays, Bill
Sent: Friday, September 08, 2000 8:55 AM
To: Price, Wayne
Cc: Stevenson, Tod; Fisher, Lisa; Sandoval, Alexa; Massey, Michael; Hayes, Roy; Monahan, Tess
Subject: Gallinas Wells #3

Good morning Wayne,

Hope all is going good for you over there. I was wondering if you had ever received the plan from Orbit's contractor concerning the pit on Gallinas Wells #3? If so, may we get a copy of their plan and test results? We are trying to follow up on work that needs to be completed on the Prairie Chicken Areas (PCA's) and would like to know the status of Orbit's and OCD's work. I would also like to know what Orbit and OCD have agreed to on the other site (Gallinas Wells #5), so I can get together with our Roswell office and Tess Monahan, at some point in the future, to look at the options that the Department has concerning on-going activities and requirements (mitigation, future reg. development, prairie chicken work, criminal/civil charges, etc.) on the PCA's. We can't let this be swept under the carpet and need to work together as much as possible to insure that the work is completed. Orbit can not use low prices as an excuse. If I need to meet with you or Orbit, please let me know. Thanks for your attention to this matter.

Bill

Bill C. Hays

Assistant Chief-Technical Guidance
Conservation Services Division
NM Game and Fish Department
505-827-7882-office
505-827-7801-fax

Price, Wayne

From: Price, Wayne
Sent: Friday, July 07, 2000 4:25 PM
To: 'ballen@sesi-nm.com'
Cc: Hays, Bill
Subject: Orbit Enterprises

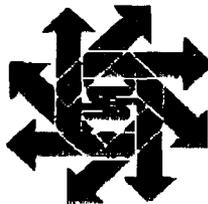
Re: Humble Federal Lease NM-0533777-A Roosevelt Co. Pit Closure

Dear Mr. Allen:

The NMOCD is in receipt of your letter dated June 19, 2000 with analyticals demonstrating the liquid contents of the pit is non-hazardous. Your request to remove the fluids and dispose of at an approved OCD facility is hereby approved with the following conditions:

1. Waste disposal records shall be maintained for the closure report.
2. Only exempt non-hazardous fluids may be disposed off.
3. A site investigation plan shall be submitted to the OCD for approval by August 31, 2000.

Please be advised that NMOCD approval of this plan does not relieve Orbit Enterprises of liability should their operations fail to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD approval does not relieve Orbit Enterprises of responsibility for compliance with any other federal, state, or local laws and/or regulations.



P.O. Box 1813
703 E. Clinton Suite 103
Hobbs, New Mexico 88240
505/397-0510
fax 505/393-4398
www.sesi-nm.com

Safety & Environmental Solutions, Inc.

June 19, 2000

Mr. Wayne Price
New Mexico Oil Conservation Division
2040 S. Pacheo
Santa Fe, New Mexico 87505

Dear Wayne:

On May 22, 2000, Safety & Environmental Solutions, Inc. (SESI) sampled the sludge in the surface impoundment located on the Humble Federal Lease NM-0533777-A in Roosevelt County, New Mexico. At your suggestion, the sample was analyzed for TOX and TCLP Metals.

The result of the TOX was 722 mg/kg and only a small amount of Barium was detected with the TCLP Metals analysis. I have spoken with Dr. Blair Leftwich of Trace Analysis, Inc. regarding the level of TOX that might be cause for concern. Dr. Leftwich indicated that the 722 mg/kg result was not a particularly high level for this test. The test is looking for Chlorides, Bromides, and Fluorides. Dr. Leftwich related that used oil is generally around 2000 mg/kg. Produced water may add chlorides to the sludge being tested in this instance and cause the results to be somewhat higher than normal. In short, Dr. Leftwich looks at results from the TOX in the range of 1500 to 2000 mg/kg to be considered high. I have enclosed copies of the lab analysis for your information.

In my opinion, the immediate plan should still be to remove the liquid and sludge from the impoundment and send it for disposal in an approved commercial Class II well and disposal facility. Once the liquid and sludge are removed, the impoundment must be allowed to dry to allow proper delineation of the vertical and horizontal extent of contamination can be performed. The removal of the liquids will begin immediately and the drying process will begin thereafter.

Upon the delineation of the vertical and horizontal extent of contamination, Orbit will file an assessment report along with a Work Plan to properly close this site.

This letter is a request to proceed with the planned work. Please let me know your thoughts on this matter. If you have any questions, or I can be of further service, please call.

Sincerely,

Bob Allen REM, CET, CES
President



6701 Aberdeen Avenue, Suite 9 Lubbock, Texas 79424 800•378•1296 806•794•1296 FAX 806•794•1298
 4725 Ripley Avenue, Suite A El Paso, Texas 79922 888•588•3443 915•585•3443 FAX 915•585•4944
 E-Mail: lab@traceanalysis.com

**ANALYTICAL RESULTS FOR
 SAFETY & ENVIRONMENTAL SOLUTIONS, INC.
 Attention: Bob Allen
 P. O. Box 1613
 Hobbs, NM 88240**

June 02, 2000
 Receiving Date: 05/23/2000
 Sample Type: Sludge
 Project No: Orbit Ent.
 Project Location: Miller Sands

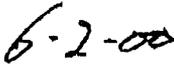
Prep Date: 06/01/2000
 Analysis Date: 06/01/2000
 Sampling Date: 05/22/2000
 Sample Condition: Intact & Cool
 Sample Received by: VH
 Project Name: NA

| TA# | FIELD CODE | TOX (mg/kg) |
|-----------------------|---------------|----------------|
| T146588 | Pit Composite | 722 |
| METHOD BLANK | | <17 |
| LCS | | 85 |
| LCSD | | 85 |
| CCV | | 246 |
| REPORTING LIMIT | | 17 |
| RPD | | 0 |
| % Extraction Accuracy | | 98 |
| % Instrument Accuracy | | 98 |

METHODS: EPA SW 846-9077.
 CHEMIST: JM
 TOX SPIKE: 60 mg/kg TOX.
 TOX CV: 250 mg/L TOX.



 Director, Dr. Blair Leftwich



 DATE

Safety & Environmental Solutions, Inc.
703 E. Clinton, Suite 103
Hobbs, New Mexico 88240

FACSIMILE COVER SHEET

To: Wayne Price

From: Sonya

Subject: _____

Total Number of Pages: 5 including cover sheet

If any portion of the preceding fax is illegible, please call us immediately at:

(505) 397-0510

Fax (505) 393-4388

Report Date: 6/2/00
Orbit Ent.

Order ID Number: A00052306
N/A

Page Number: 2 of 5
Miller Sands

Analytical Results Report

Sample Number: 146588
Description: Composite

| Param | Result | Dilution | Analytical Method | Date Prepared | Date Analyzed | Analyst | Prep Batch # | QC Batch # | RDL |
|--------------------|--------|----------|-------------------|---------------|---------------|---------|--------------|------------|------|
| TCLP Hg (mg/Kg) | | | | | | | | | |
| TCLP Mercury | <0.010 | 1 | S 7470A | 5/31/00 | 6/1/00 | JM | PB02540 | QC02968 | 0.01 |
| TCLP Metals (mg/L) | | | | | | | | | |
| TCLP Arsenic | <0.10 | 1 | S 6010B | 5/25/00 | 5/27/00 | RR | PB02423 | QC02967 | 0.1 |
| TCLP Barium | 0.16 | 1 | S 6010B | 5/25/00 | 5/27/00 | RR | PB02423 | QC02967 | 0.1 |
| TCLP Cadmium | <0.02 | 1 | S 6010B | 5/25/00 | 5/27/00 | RR | PB02423 | QC02967 | 0.02 |
| TCLP Chromium | <0.05 | 1 | S 6010B | 5/25/00 | 5/27/00 | RR | PB02423 | QC02967 | 0.05 |
| TCLP Lead | <0.10 | 1 | S 6010B | 5/25/00 | 5/27/00 | RR | PB02423 | QC02967 | 0.1 |
| TCLP Selenium | <0.10 | 1 | S 6010B | 5/25/00 | 5/27/00 | RR | PB02423 | QC02967 | 0.1 |
| TCLP Silver | <0.05 | 1 | S 6010B | 5/25/00 | 5/27/00 | RR | PB02423 | QC02967 | 0.05 |

Quality Control Report Method Blanks

| Param | Flag | Blank Result | Reporting Limit | Date Analyzed | Prep Batch # | QC Batch # |
|----------------------|------|--------------|-----------------|---------------|--------------|------------|
| TCLP Mercury (mg/Kg) | | <0.010 | 0.01 | 6/1/00 | PB02540 | QC02968 |
| Param | Flag | Blank Result | Reporting Limit | Date Analyzed | Prep Batch # | QC Batch # |
| TCLP Arsenic (mg/L) | | <0.10 | 0.1 | 5/27/00 | PB02423 | QC02967 |
| TCLP Barium (mg/L) | | <0.10 | 0.1 | 5/27/00 | PB02423 | QC02967 |
| TCLP Cadmium (mg/L) | | <0.02 | 0.02 | 5/27/00 | PB02423 | QC02967 |
| TCLP Chromium (mg/L) | | <0.05 | 0.05 | 5/27/00 | PB02423 | QC02967 |
| TCLP Lead (mg/L) | | <0.10 | 0.1 | 5/27/00 | PB02423 | QC02967 |
| TCLP Selenium (mg/L) | | <0.10 | 0.1 | 5/27/00 | PB02423 | QC02967 |
| TCLP Silver (mg/L) | | <0.05 | 0.05 | 5/27/00 | PB02423 | QC02967 |

Report Date: 6/2/00
Orbit Ent.

Order ID Number: A00052306
N/A

Page Number: 3 of 5
Miller Sands

Quality Control Report Matrix Spike and Matrix Duplicate Spike

| Standard | Param | Sample Result | Dil. | Spike Amount Added | Matrix Spike Result | % Rec. | RPD | % Rec. Limit | RPD Limit | QC Batch # |
|----------|----------------------|---------------|------|--------------------|---------------------|--------|-----|--------------|-----------|------------|
| MS | TCLP Arsenic (mg/L) | <0.10 | 1 | 10 | 9.9 | 99 | | 75 - 125 | - | QC02967 |
| MS | TCLP Barium (mg/L) | 0.16 | 1 | 10 | 11.0 | 108 | | 75 - 125 | - | QC02967 |
| MS | TCLP Cadmium (mg/L) | <0.02 | 1 | 10 | 10.3 | 103 | | 75 - 125 | - | QC02967 |
| MS | TCLP Chromium (mg/L) | <0.05 | 1 | 10 | 10.5 | 105 | | 75 - 125 | - | QC02967 |
| MS | TCLP Lead (mg/L) | <0.10 | 1 | 10 | 11.3 | 113 | | 75 - 125 | - | QC02967 |
| MS | TCLP Selenium (mg/L) | <0.10 | 1 | 10 | 9.4 | 94 | | 75 - 125 | - | QC02967 |
| MS | TCLP Silver (mg/L) | <0.05 | 1 | 4 | 3.70 | 93 | | 75 - 125 | - | QC02967 |
| MSD | TCLP Arsenic (mg/L) | <0.10 | 1 | 10 | 10.1 | 101 | 2 | - | 0 - 20 | QC02967 |
| MSD | TCLP Barium (mg/L) | 0.16 | 1 | 10 | 11.1 | 109 | 1 | - | 0 - 20 | QC02967 |
| MSD | TCLP Cadmium (mg/L) | <0.02 | 1 | 10 | 10.4 | 104 | 1 | - | 0 - 20 | QC02967 |
| MSD | TCLP Chromium (mg/L) | <0.05 | 1 | 10 | 10.6 | 106 | 1 | - | 0 - 20 | QC02967 |
| MSD | TCLP Lead (mg/L) | <0.10 | 1 | 10 | 11.5 | 115 | 2 | - | 0 - 20 | QC02967 |
| MSD | TCLP Selenium (mg/L) | <0.10 | 1 | 10 | 9.5 | 95 | 1 | - | 0 - 20 | QC02967 |
| MSD | TCLP Silver (mg/L) | <0.05 | 1 | 4 | 3.10 | 78 | 18 | - | 0 - 20 | QC02967 |

| Standard | Param | Sample Result | Dil. | Spike Amount Added | Matrix Spike Result | % Rec. | RPD | % Rec. Limit | RPD Limit | QC Batch # |
|----------|---------------------|---------------|------|--------------------|---------------------|--------|-----|--------------|-----------|------------|
| MS | TCLP Mercury (mg/L) | <0.010 | 1 | 0.05 | 0.0603 | 120 | | 80 - 120 | - | QC02968 |
| MSD | TCLP Mercury (mg/L) | <0.010 | 1 | 0.05 | 0.0622 | 120 | 3 | - | 0 - 20 | QC02968 |

Report Date: 6/2/00
Orbit Ent.Order ID Number: A00052306
N/APage Number: 4 of 5
Miller Sands

Quality Control Report Lab Control Spikes and Duplicate Spike

| Param | Blank Result | Dil. | Spike Amount Added | Matrix Spike Result | % Rec. | RPD | % Rec. Limit | RPD Limit | QC Batch # |
|---------------------------|--------------|------|--------------------|---------------------|--------|-----|--------------|-----------|------------|
| LCS TCLP Mercury (mg/L) | <0.010 | 1 | 0.05 | 0.0597 | 119 | | 80 - 120 | - | QC02968 |
| LCSD TCLP Mercury (mg/L) | <0.010 | 1 | 0.05 | 0.0621 | 124 | 4 | - | 0 - 20 | QC02968 |
| LCS TCLP Arsenic (mg/L) | <0.10 | 1 | 10 | 10.2 | 102 | | 75 - 125 | - | QC02967 |
| LCS TCLP Barium (mg/L) | <0.10 | 1 | 10 | 11.2 | 112 | | 75 - 125 | - | QC02967 |
| LCS TCLP Cadmium (mg/L) | <0.02 | 1 | 10 | 10.6 | 106 | | 75 - 125 | - | QC02967 |
| LCS TCLP Chromium (mg/L) | <0.05 | 1 | 10 | 10.7 | 107 | | 75 - 125 | - | QC02967 |
| LCS TCLP Lead (mg/L) | <0.10 | 1 | 10 | 11.6 | 116 | | 75 - 125 | - | QC02967 |
| LCS TCLP Selenium (mg/L) | <0.10 | 1 | 10 | 9.6 | 96 | | 75 - 125 | - | QC02967 |
| LCS TCLP Silver (mg/L) | <0.05 | 1 | 4 | 3.60 | 90 | | 75 - 125 | - | QC02967 |
| LCSD TCLP Arsenic (mg/L) | <0.10 | 1 | 10 | 10.3 | 103 | 1 | - | 0 - 20 | QC02967 |
| LCSD TCLP Barium (mg/L) | <0.10 | 1 | 10 | 11.6 | 116 | 4 | - | 0 - 20 | QC02967 |
| LCSD TCLP Cadmium (mg/L) | <0.02 | 1 | 10 | 10.9 | 109 | 3 | - | 0 - 20 | QC02967 |
| LCSD TCLP Chromium (mg/L) | <0.05 | 1 | 10 | 11.0 | 110 | 3 | - | 0 - 20 | QC02967 |
| LCSD TCLP Lead (mg/L) | <0.10 | 1 | 10 | 11.9 | 119 | 3 | - | 0 - 20 | QC02967 |
| LCSD TCLP Selenium (mg/L) | <0.10 | 1 | 10 | 9.8 | 98 | 2 | - | 0 - 20 | QC02967 |
| LCSD TCLP Silver (mg/L) | <0.05 | 1 | 4 | 2.80 | 70 | 25 | - | 0 - 20 | QC02967 |

Report Date: 6/2/00

Order ID Number: A00052306

Page Number: 5 of 5

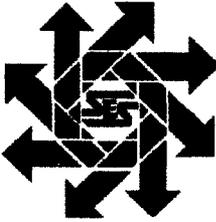
Orbit Ent.

N/A

Miller Sands

Quality Control Report Continuing Calibration Verification Standard

| Standard | Param | Flag | CCVs TRUE Conc. | CCVs Found Conc. | CCVs Percent Recovery | Percent Recovery Limits | Date Analyzed | QC Batch # |
|----------|----------------------|------|-----------------------|------------------------|-----------------------------|-------------------------------|------------------|---------------|
| CCV 1 | TCLP Mercury (mg/L) | | 0.005 | 0.0054 | 108 | 80 - 120 | 6/1/00 | QC02968 |
| Standard | Param | Flag | CCVs TRUE Conc. | CCVs Found Conc. | CCVs Percent Recovery | Percent Recovery Limits | Date Analyzed | QC Batch # |
| ICV | TCLP Arsenic (mg/L) | | 1 | 0.99 | 99 | 75 - 125 | 5/27/00 | QC02967 |
| ICV | TCLP Barium (mg/L) | | 20 | 20.7 | 103 | 75 - 125 | 5/27/00 | QC02967 |
| ICV | TCLP Cadmium (mg/L) | | 0.5 | 0.50 | 100 | 75 - 125 | 5/27/00 | QC02967 |
| ICV | TCLP Chromium (mg/L) | | 1 | 1.00 | 100 | 75 - 125 | 5/27/00 | QC02967 |
| ICV | TCLP Lead (mg/L) | | 0.5 | 0.50 | 100 | 75 - 125 | 5/27/00 | QC02967 |
| ICV | TCLP Selenium (mg/L) | | 0.5 | 0.49 | 98 | 75 - 125 | 5/27/00 | QC02967 |
| ICV | TCLP Silver (mg/L) | | 1 | 0.98 | 98 | 75 - 125 | 5/27/00 | QC02967 |
| CCV 1 | TCLP Arsenic (mg/L) | | 1 | 0.97 | 97 | 75 - 125 | 5/27/00 | QC02967 |
| CCV 1 | TCLP Barium (mg/L) | | 20 | 20.4 | 102 | 75 - 125 | 5/27/00 | QC02967 |
| CCV 1 | TCLP Cadmium (mg/L) | | 0.5 | 0.50 | 100 | 75 - 125 | 5/27/00 | QC02967 |
| CCV 1 | TCLP Chromium (mg/L) | | 1 | 0.99 | 99 | 75 - 125 | 5/27/00 | QC02967 |
| CCV 1 | TCLP Lead (mg/L) | | 0.5 | 0.50 | 100 | 75 - 125 | 5/27/00 | QC02967 |
| CCV 1 | TCLP Selenium (mg/L) | | 0.5 | 0.48 | 96 | 75 - 125 | 5/27/00 | QC02967 |
| CCV 1 | TCLP Silver (mg/L) | | 1 | 0.97 | 97 | 75 - 125 | 5/27/00 | QC02967 |



RECEIVED

MAY 18 2000

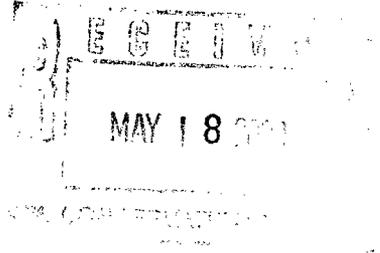
Environmental Bureau
Oil Conservation Division

P.O. Box 1613
703 E. Clinton Suite 103
Hobbs, New Mexico 88240
505/397-0510
fax 505/393-4388
www.seal-nm.com

Safety & Environmental Solutions, Inc.

April 27, 2000

Mr. Roger Anderson
New Mexico Oil Conservation Division
2040 S. Pacheo
Santa Fe, New Mexico 87505



Dear Roger:

This letter is being written on behalf of Orbit Enterprises, Inc. of Lovington, New Mexico. The letter is responding to your request for a work plan for the closure of Humble Federal Lease. The use of the existing impoundment has been discontinued; however, the impoundment still contains some fluid.

The immediate plan is to remove the liquid and sludge from the impoundment and send it for disposal in an approved commercial Class II well and disposal facility. Once the liquid and sludge are removed, the impoundment must be allowed to dry to allow proper delineation of the vertical and horizontal extent of contamination can be performed. The removal of the liquids will begin immediately and the drying process will begin thereafter.

Upon the delineation of the vertical and horizontal extent of contamination, Orbit will file an assessment report along with a Work Plan to properly close this site.

If you have any questions, or I can be of further service, please call.

Sincerely,

Bob Allen REM, CET, CES
President

ballen@sesi-nm.com

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

MEMORANDUM OF MEETING OR CONVERSATION

Telephone Personal Time 2:40 pm Date 6-7-00
9:15 pm 6-13-00

Originating Party

Other Parties

Martynne Kieling Receptionist
(I called to Follow up OCD
on Deadline Toss Manometer - A-Gro office
was asking about the Status. Safety Eng. Solutions
Subject ORBIT Interpris.

Discussion Left Message For Bob Allen to give me a call
Regarding Orbit

Spoke to Bob He is Faxing a letter April 27th That
we Did Not Have on File. He will Also be writing a letter
with the Results of the pit. Samples taken as Requested
by Wayne. TCLP metals were all Below Decision Limits
except For Barium. Tox was at 722 mg/kg. Bob Spoke
to the Chemist Blair Leftwich at the Laboratory and He Said the
Tox was Not a concern. Levels that concern Him are 1500 to 2000 mg/kg
used oil usually runs 1200 mg/kg.

Conclusions or Agreements Recieve Fax and will write letter concerning Analysis
we Need to Follow up with cleanup approval with So Xing can
get started.

Distribution

Signed

Martynne

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

MEMORANDUM OF MEETING OR CONVERSATION

Telephone Personal Time 9:50 Date 5-8-00

Originating Party Roger Anderson
Markye Kielig
Other Parties Bill Hays
Game + Fish

Subject _____

Discussion Bernie's Builtup around tanks • Site Closure
Pit
Wayne (Mobile transportation Facility)

CHI - Permian Reserves Sites Tank Battery + Locations - check with Dorothy?
Yes Increase Bonding Required.
operator out in the same Area

Conclusions or Agreements Request Pit Closure Plan copy to
Game + Fish

Distribution _____ Signed Markye Kielig

Safety & Environmental Solutions, Inc.
703 E. Clinton, Suite 103
Hobbs, New Mexico 88240

FACSIMILE COVER SHEET

To: Maryn Keeling

From: Bob Allen

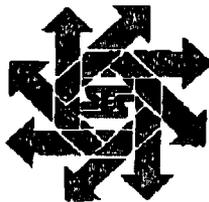
Subject: Orbit Letter 4-27-00

Total Number of Pages: 2 including cover sheet

If any portion of the preceding fax is illegible, please call us immediately at:

(505) 397-0510

Fax (505) 393-4388



P.O. Box 1613
703 E. Clinton Suite 103
Hobbs, New Mexico 88240
505/397-0510
fax 505/393-4388
www.seel-rem.com

Safety & Environmental Solutions, Inc.

April 27, 2000

Mr. Roger Anderson
New Mexico Oil Conservation Division
2040 S. Pacheo
Santa Fe, New Mexico 87505

Dear Roger:

This letter is being written on behalf of Orbit Enterprises, Inc. of Lovington, New Mexico. The letter is responding to your request for a work plan for the closure of Humble Federal Lease. The use of the existing impoundment has been discontinued; however, the impoundment still contains some fluid.

The immediate plan is to remove the liquid and sludge from the impoundment and send it for disposal in an approved commercial Class II well and disposal facility. Once the liquid and sludge are removed, the impoundment must be allowed to dry to allow proper delineation of the vertical and horizontal extent of contamination can be performed. The removal of the liquids will begin immediately and the drying process will begin thereafter.

Upon the delineation of the vertical and horizontal extent of contamination, Orbit will file an assessment report along with a Work Plan to properly close this site.

If you have any questions, or I can be of further service, please call.

Sincerely,

Bob Allen REM, CET, CES
President

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

MEMORANDUM OF MEETING OR CONVERSATION

Telephone Personal Time _____ Date 4-25-00

Originating Party

Bob Alan

Other Parties

Bob Allan?
Roger Anderson

Subject

Safety Env. Solutions 1
Called and Asked For 2 week extension on
ORBIT Proposal.

Discussion

2 week extension Received.

Conclusions or Agreements

Distribution

Signed

Madlyn + Roger



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

April 6, 2000

CERTIFIED MAIL
RETURN RECEIPT NO. Z-559-573-291

Mr. Joe Sanders
Orbit Enterprises, Inc.
613 W. Ave. D
Lovington, N.M. 88260

**RE: Orbit Enterprises, Inc.
Humble Fed Lse NM-0533777-A
NW/4, NE/4 of Section 26, Township 7 South, Range 32 East, NMPM
Roosevelt County, New Mexico**

Dear Mr. Sanders:

The New Mexico Oil Conservation Division (OCD) received Orbit Enterprises's, Inc. (Orbit) letter dated March 14, 2000 regarding the Notice of Violation dated February 16, 2000. According to the above referenced letter and a telephone conversation that was had on March 15, 2000 with yourself and this office, the OCD understands that Orbit wishes to close the surface pit and will not be managing wastes in below ground pits or ponds. Therefore, Orbit will not need to be permitted pursuant to 19 NMAC 15.1.711 (as amended 1-1-96).

However, Orbit must address the deficiencies found during the inspection (see attachment 1 to the February 16, 2000 letter) and close the facility under an OCD approved work plan. Orbit must submit a detailed plan of action to address the deficiencies found and to close the existing pit. The work plan must include a reasonable timetable for completion of all actions to be taken. **Orbit Enterprises, Inc. must submit a work plan by April 26, 2000.**

Failure to respond to this letter by April 26, 2000, may result in compliance action pursuant to the Oil and Gas Act, NMSA 1978, 70-2-1 *et seq.* and the Oil Conservation Division Rules. Orbit shall submit all required responses to the Santa Fe OCD office and copy to the Hobbs District office.

If you have any questions please do not hesitate to contact me at (505) 827-7152.

Sincerely,

Roger C. Anderson
Environmental Bureau Chief

Attachments

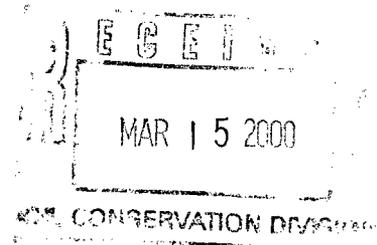
xc: Hobbs OCD Office
Tod Stevenson, NMG&F

ORBIT ENTERPRISES, INC.

P. O. Box 476

Lovington, NM 88260-0476

Ph (505) 396-4914 fax (505) 396-2635



March 14, 2000

Roger C. Anderson
Oil Conservation Division
2040 S. Pacheco St.
Santa Fe, NM 87505

RE: Humble Fed. Lease NM-0533777-A NW/4, NE/4, S26, T7S, R32E NMPM

Dear Mr. Anderson:

This is the response you requested in your letter of February 16. The post office did not put a notification in our box when your packet arrived; therefore, we received it two weeks late. In the two weeks we have had before the deadline for this response, we have been trying to come up with a game plan.

My field hands have been doing some cleaning up. They have repaired the bird nets, and picked up a lot of the junk lying around. The old building has been torn down. We have contacted two companies concerning the pit. They have both been to the location, and we are waiting for them to get back to us with their ideas. One told us to dig a hole just to the outside of the pit to see if there was a sign of the fluid spreading. We did that, and discovered that there is a clean clay base showing no signs of seepage. We have pulled all lines out of the pit so there is no more fluid going in. There is some sludge in the pit that we will have better luck getting out with warmer weather. If you can give us through the month of July to get that part out, then we can start thinking about remediation.

From the prices these men have been throwing around, we do not have any idea how we will be able to pay for this process. I have heard that there are ways to get government help with these cleanup procedures. Do you know of any state or federal aid that will help with the cost?

Sincerely,

A handwritten signature in cursive script that reads "Joe Sanders".

Joe Sanders

cc: Hobbs OCD Office

OIL CONSERVATION DIVISION

**2040 SOUTH PACHECO
SANTA FE, NM 87505
(505)827-7133
FAX:(505) 827-8177**

(PLEASE DELIVER THIS FAX)

TO: Tess Monahan 827-6058 Fax 827-4440
FROM: Martyne Kieling 827-7153
DATE: 03-15-00
NUMBER OF PAGES (includes cover sheet): 1 of 6
MESSAGE:

Tess:

Here is a copy of the letter that went out on February 16, 2000 to Joe Sanders of Orbit Enterprises, Inc.. Roger and I spoke to him this morning and he has sent a reply dated 3-14-00. We have not received it yet. He seems to be ready to clean it up but is asking for time.

I am still researching the Oil Theft question that you had. No paper trail as yet just some memories from district personnel dating back perhaps 15 years to the event and that Jail time was involved. Rainy McCay, Shelby Gilmore, Joe Sanders are the names rememberd. The district is checking with a retired employee to see if he has any additional information to add.

Martyne.

**If you have any trouble receiving this, please call:
(505) 827-7133**



February 16, 2000

CERTIFIED MAIL
RETURN RECEIPT NO. Z-559-573-273

Mr. Joe Sanders
Orbit Enterprises, Inc.
613 W. Ave. D
Lovington, N.M. 88260

RE: NOTICE OF VIOLATION
Orbit Enterprises, Inc.
Humble Fed Lse NM-0533777-A
NW/4, NE/4 of Section 26, Township 7 South, Range 32 East, NMPM
Roosevelt County, New Mexico

Dear Mr. Sanders:

The New Mexico Oil Conservation Division (OCD) inspected Orbit Enterprises, Inc. (Orbit) at the above location on October 7, 1999. During the facility inspection the OCD found oil field waste being managed in pits without a surface waste management permit and several facility deficiencies. This is in direct violation the following OCD Rules:

1. Surface waste management facilities must be permitted pursuant to 19 NMAC 15.I.711 (as amended 1-1-96).
2. OCD Order R-8952 requires all tanks exceeding 16 feet in diameter and all exposed pits and ponds to be screened, netted or covered unless rendered non-hazardous to migratory birds.
3. OCD Order R-3221, as amended, prohibits the disposal of water produced in conjunction with the production of oil and gas in unlined pits or ponds where such disposal may impact fresh water supplies of the State of New Mexico.
4. OCD Rule 116 requires that the Division be notified of any unauthorized release occurring during the drilling, producing, storing, disposing, injection, transporting, servicing or processing of crude oil, natural gases, produced water, condensate or oil field waste including Regulated NORM, or other oil field related chemicals, contaminants or mixture thereof.
5. OCD Rule 310 prohibits being stored or retained in earthen reservoirs or in open receptacles.

Therefore, all discharges into the unauthorized, unlined pits must cease.

Mr. Joe Sanders
Orbit Enterprises, Inc.
February 16, 2000
Page 2

Attachment 1 to this letter lists the deficiencies found at Orbit during the inspection. Attachment 2 contains photographs taken during the inspection on October 7, 1999. If Orbit chooses to continue to manage waste on the surface at this facility, it must address the deficiencies found during the inspection (see attachment 1) and permit the facility pursuant to 19 NMAC 15.I.711 (as amended 1-1-96), enclosed. If Orbit chooses to close the facility, it must address the deficiencies found during the inspection (see attachment 1) and close the facility under an OCD approved work plan.

A response is required by Orbit Enterprises, Inc. to these violations by March 15, 2000. Failure to respond to this letter by March 15, 2000, may result in compliance action pursuant to the Oil and Gas Act, NMSA 1978, 70-2-1 et seq. and the Oil Conservation Division Rules. Orbit shall submit all required responses to the Santa Fe OCD office and copy to the Hobbs District office. For your use please find enclosed a copy of the Order amending Rule 711, a form C-137, OCD's 711 permit application guidelines and surface impoundment closure guidelines.

Please note the above referenced location is within the Gallina Wells Prairie Chicken Area managed by the New Mexico Game and Fish.

If you have any questions please do not hesitate to contact me at (505) 827-7152.

Sincerely,



Roger C. Anderson
Environmental Bureau Chief

Attachments

xc: Hobbs OCD Office
Tod Stevenson, NMG&F

ATTACHMENT 1
INSPECTION REPORT
OCTOBER 7, 1999
ORBIT ENTERPRISES, INC.
Humble Fed Lse NM-0533777-A
NW/4, NE/4 of Section 26, Township 7 South, Range 32 East, NMPM,
Roosevelt County, New Mexico

1. Drum Storage: All drums containing materials other than fresh water must be stored on an impermeable pad with curbing. All empty drums should be stored on their sides with the bungs in and lined up on a horizontal plane. Chemicals in other containers such as sacks or buckets should also be stored on an impermeable pad and curb type containment. All drums and chemical containers should be clearly labeled to identify their contents and other emergency information necessary if they were to rupture, spill or ignite.

Improper storage and disposal of drums and other containers was found (Pictures 3, 4, 9 and 10)

2. Process Area: All process and maintenance areas which show evidence that leaks and spills are reaching the ground surface must be either paved and curbed or have some type of spill collection device incorporated into the design.

There was evidence of leaks and/or spills around the flow lines and in and around the pump house (see pictures 3 and 4). There was evidence of leaks and/or spills around the above grade tanks (see pictures 5 and 6). These pictures show oil saturated soils and evidence of overtopping of tanks, leaking valves, and poor housekeeping practices.

- 3: Above Ground Tanks: All above ground tanks which contain fluids other than fresh water must be bermed to contain a volume of one-third more than the total volume of the largest tank or of all interconnected tanks. All new facilities or modifications to existing facilities must place the tank on an impermeable type pad and curb containment so that leaks can be identified.

All above ground tanks within the facility are lacking adequate berms (see pictures 4, 5, and 6).

4. Open Top Tanks and Pits: To protect migratory birds, all tanks exceeding 16 feet in diameter, and exposed pits and ponds shall be screened, netted or covered unless rendered non hazardous.

Orbits Enterprises, Inc. is not permitted to manage oilfield waste in pits or ponds. The pit at the facility is netted. However, the netting has numerous gaps where birds can enter (see pictures 7, 8, 9 and 10). The remains of one bird was found beneath the net (see picture 11).

5. Above Ground Saddle Tanks: Above ground saddle tanks must have impermeable pad and curb type containment unless they contain fresh water or fluids that are gases at atmospheric temperature and pressure.

The above ground saddle tank in the pump house did not have secondary containment (see picture 3).

6. Tank Labeling: All tanks, drums and containers should be clearly labeled to identify their contents and other emergency information necessary if the tank were to rupture, spill or ignite.

Most of the tanks drums and containers are not labeled as to their contents and hazards (see pictures 3 and 5).

7. Below Grade Tanks/Sumps: All below grade tanks, sumps, and pits must be approved by the OCD prior to installation or upon modification and must incorporate secondary containment and leak-detection into the design. All pre-existing sumps and below grade tanks must demonstrate integrity on an annual basis. Integrity tests include pressure testing and/or visual inspection of cleaned out tanks or sumps, or other OCD approved methods.

All pre-existing below grade sumps must demonstrate integrity on an annual basis Sumps and/or buried barrels below tank valves should be cleaned out and inspected on a regular basis. Prior to installation of new sumps or upon modification, the facility must incorporate secondary containment and leak-detection into the design.

8. Ponds and Pits: All ponds and pits shall not exceed the maximum fill of 1½ feet freeboard.

The pit seems to be above the maximum fill height (see pictures 7, 8, 9 and 10).

9. Housekeeping: All systems designed for spill collection/prevention should be inspected frequently to ensure proper operation and to prevent overtopping or system failure.

There were no spill collection systems beneath the pumps. Stains and oil saturated soil in and outside the pump house indicate the pump and equipment within has leaked (see picture 3 and 4).

Open ended pipes allowed flow of waste materials into an unlined trench (see picture 6).

The tanks have stains down the side and oil stained soils around the base that indicate tanks have been overtopped or have leaked (see pictures 4, 5 and 6). The tanks need additional spill collection/prevention systems. These systems should include berms to ensure that any spills or overflows stay within the facility. The facility may add additional features such as tank capacity monitoring devices to prevent overtopping, secondary containment at each valve to catch minor leaks, and frequent inspections of system equipment.

10. Spill Reporting: All spills/releases shall be reported pursuant to OCD Rule 116.

No reports of spills or releases are on file for this facility.

11. Trash and Potentially Hazardous Materials: All trash and potentially hazardous materials should be properly disposed of.

There are numerous empty oil and antifreeze containers and empty drums lying about (see picture 3 and 4).

12. Berming : An adequate berm will be constructed and maintained to prevent runoff and runoff for that portion of the facility containing contaminated soils.

A berm should be constructed along the edge of the facility to prevent runoff and runoff of storm water.

13. Security: The facility shall be secured when no attendant is present, to prevent any unauthorized dumping. Securing the facility may include locks on tank valves, a perimeter fence and locked gate or other similar security measures.

The facility does not have a fence with locking gate or secure tank valves.

14. Signs: The facility shall have a sign in a conspicuous place at the facility. The sign shall be maintained in legible condition and shall be legible from at least fifty (50) feet and contain the following information : a) name of facility, b) location by quarter-quarter section, township and range, and c) emergency phone number.

There is not an emergency phone number on the facility sign (see picture 1).

15. General Facility Location Information:

Information provided by the New Mexico Department of Game & Fish show that the facility is within Prairie Chicken Area NMGF No. 6895.

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

MEMORANDUM OF MEETING OR CONVERSATION

Telephone Personal Time 9:20 Date 3-15-00

Originating Party

Other Parties

Joe Sandus
Orbit Enterprises
(505) 396 4914

Marlyne Kielin
Roger Anderson

Subject Responded to letter mailed out 3-14-00

Discussion we will respond to Joe's letter and any requests
warned him not to do too much without an approved
work plan.

Conclusions or Agreements

Distribution

Signed Marlyne Kielin



Monthly Focus: Roles
Key relationships and responsibilities where we maintain and expend our time, energy, and resources.

What lies behind us and what lies before us are tiny matters compared to what lies within us.
— Ralph Waldo Emerson

11
Tuesday
January 2000

Daily Record of Events

11th Day 955 Left Week 2

Barbara 711 Rule
 Ken Support Changes
 Roger Comment Period.
 Maxine
 Bill Carr. 1. 711 Not Tied to NMED AGREEMENT
 my * Copy of Comments.
 Paper work - - - Should not be more numerous or less
 when taking work
 Greg Lewis Meeting ED
 Add into 711 Notification on WQCC Notification list
 * Post to website
 Bond Form Changes.
 * Treating Plants & Recycling for Ed Agreement
 & Reuse Recycle Reduce Disposal.
 Reg B ~~and~~ ^{and} 5 years Past Closure of Facility: to keep Records
 Migratory Birds
 1 day 8 11 Training
 All about Each Facility Must have a trained Person that
 Ken Re-permitting Exempt.
 CRT
 B
 Roger Redraft on Internet
 Emmil Barkum To +
 Lesser Prairie Chicken Area wide Ageing Infrastructure
 permit one Pit / or Close. . . . CC Tech
 Stevenson
 ① Letter By 1-30-99 Give 30 days to Permit
 or Close ^{Waste Pit / Automatic Shutoff}
 ② NOV 2003 weeks
 ③ ~~Some~~ Compliance order with Fines
 ④ Shut in / Down.

MEMORANDUM OF MEETING OR CONVERSATION

| | | | |
|---|-----------------------------------|---------------|------------------|
| <input checked="" type="checkbox"/> Telephone | <input type="checkbox"/> Personal | Time 10:30 | Date 02-15-00 |
|---|-----------------------------------|---------------|------------------|

| <u>Originating Party</u> | <u>Other Parties</u> |
|----------------------------|----------------------|
| Joe Sanders (505) 396 4914 | Martynne Kicling |
| Orbit Enterprises | Wayne Price |

Subject
NW/4 NE/4 Sec 26, T. 7S. R. 32E NMPM Roosevelt Co NM

Discussion
Facility operator will be receiving a Notice of Violation
2-2-00, Land Farming Waste Soil on site is a Possibility
Pit must be cleaned. Need an approved work plan.

Will be sending Guidelines Along with 711 Rule C-137

Conclusions or Agreements

Distribution

| |
|--------------------------------------|
| Signed <i>Martynne J. Kicling</i> |
|--------------------------------------|

Jan 11, 2000

Prairie Chicken Meeting

| Name | Organization | Phone # |
|------------------------|------------------------------|----------|
| Martynne Kieling | NMOC D | 827-7153 |
| ROGER ANDERSON | NMOC D | 827-7152 |
| JESS MONAHAN | NM A60 | 827-6058 |
| MICHAEL BRYCE | NM A60 | 827-6032 |
| Kevin Mann | NMDGF - Division of Wildlife | 827-7885 |
| Wes Robertson | NMDGF | 762-4686 |
| Mike Massey | NMDGF Roswell | 624-8135 |
| Ed. Stinson | NMOC D - Santa Fe | 827-7882 |
| MARK WATSON | NM DGF - CSD SF | 827-1210 |
| LISA FISHER | NM DGF - Santa Fe | 827-9909 |
| Jeff Pederson | NM DGF - Santa Fe | 827-7917 |
| Bill HAYS | NM DGF - Roswell | 624-6135 |
| JACK FORD | NMOC D - Santa Fe | 827-7156 |
| Donna Williams | NMOC D - Hobbs | 393-6161 |

[Click here and type address]

facsimile transmittal

To: Roger Anderson **Fax:** 505-827-8177

From: Chris Williams **Date:** 01/11/00

Re: Orbit Enterprises Response **Pages:** 3

CC: [Click here and type name]

Urgent **For Review** **Please Comment** **Please Reply** **Please Recycl**

Notes: Response from Joe Sanders faxed to this office Jan. 10, 2000. See transaction report from fax machine.

TRANSACTION REPORT

JAN-10-00 MON 2:19 PM

FOR: OCD HOBBS

15053930720

| DATE | START | SENDER | RX TIME | PAGES | TYPE | NOTE |
|--------|---------|------------|---------|-------|---------|------|
| JAN-10 | 2:18 PM | 5053962635 | 1' 17" | 1 | RECEIVE | OK |

Orbit Enterprises Inc

P O BOX 416

613 W AVE D

LOVINGTON NM 88260-0476

PHONE (505) 396-4914

FAX (505) 396-2835

January 7, 2000

Chris Williams
Oil Conservation Division
1625 N. French Dr.
Hobbs, NM 88240

Dear Mr. Williams:

I have been trying to contact you by phone all week. I thought this could be better discussed than explained in a letter. I will try to address your five points in your letter of December 20.

1. The water pit was approved by the Department of the Interior July 5, 1978. I can forward a copy of this approval.
2. My field man said we have not had any leaks or spills to report.
3. The field man walked all lines and said he could find no wet, oily dirt to report.

If you could make arrangements to meet one of my men in the field, and show him what you believe to be problem areas, we will do our best to accommodate you. As it is, we are having a difficult time understanding what you want. As this is a B. L. M. lease, they are out there about four times a month. We are always asking about the condition of our leases and they are always complimentary. You know they would not stand for the alleged messes you claim we have on a steady basis! As a matter of fact, they were at this location yesterday (Jan. 6) and had nothing negative to report.

Please arrange a meeting place and time to get this straightened out. The last time your office agreed to do this, and things were cleared up in a hurry. Thank you for your help.

Sincerely,

Joe
Joe Sanders



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

Gary Johnson
GOVERNOR
Jennifer A. Salisbury
CABINET SECRETARY

December 20, 1999

Joe Sanders, President
Orbit Enterprises Inc.
613 W. Ave D
Lovington, NM 88260

Dear Mr. Sanders:

An inspection by the New Mexico Oil Conservation Division (NMOCD), New Mexico Game and Fish Department (NMGF) and Law Enforcement Investigator, and the New Mexico Attorney Generals Office, of the State Game Commission owned Prairie Chicken Area in the Elida area of Roosevelt County. Attached is a copy of the inspection report.

In reviewing our records Orbit has never reported a leak or a spill at any of its locations. The inspection pointed out several inadequacies in Orbits operations.

1. The produced water pit at Gallinas wells #3 needs to be closed according to NMOCD Pit Closure guidelines.
2. Leaks and spills that have not been reported need to be submitted to NMOCD on a C-141 form for review, along with the accompanying risk assessment.
3. Open top tanks or lined pits greater than 16 feet in diameter need to be netted to prevent birds from getting into the produced water or oil. Unlined pits should be closed according to NMOCD guidelines.
4. Areas where flowlines have leaked need to be addressed in accordance with NMOCD rule 116.
5. Spills and leaks are not to be covered with fresh soil. They should be addressed according to NMOCD guidelines. A copy of the guidelines is attached.

Orbit has until January 7, 2000 to submit to the NMOCD a plan for dealing with these inadequacies. A copy of the field inspection report from the Department of Game and Fish is attached.

Sincerely

Chris Williams, District 1 Supervisor
NMOCD-Hobbs

CC:, Roger Anderson-NMOCD, Environmental Bureau Chief, Tess Monahan-AG's Office-
Tod W. Stevenson-Game & Fish, Lori Wrotenbery-NMOCD-Director

GOVERNOR
Gary E. Johnson



DIRECTOR AND SECRETARY
TO THE COMMISSION
Gerald A. Maracchini

STATE OF NEW MEXICO

DEPARTMENT OF GAME & FISH

Villera Building
P.O. Box 25112
Santa Fe, NM 87504

NOV 16 1999

Visit our Web Site home page at <http://www.gmfish.state.nm.us>
For basic information or to order free publications: 1-800-862-9310

STATE GAME COMMISSION

William H. Brininstool, Chairman
Jeri, NM

Bud Hettige
Las Cruces, NM

Steven C. Emory
Albuquerque, NM

Steve Padilla
Albuquerque, NM

Stephen E. Doerr
Portales, NM

Gail J. Cramer
Farmington, NM

George A. Ortega
Santa Fe, NM

November 9, 1999

Roger Anderson
Environmental Bureau Chief
Oil Conservation Division
2040 S. Pacheco
Santa Fe, NM 87505

RE: Oil Contamination on Department owned Prairie Chicken Areas
NMGF No. 6895

Dear Mr. Anderson:

I wanted to take this opportunity to thank you for meeting with Department of Game and Fish (Department) personnel on 7 October 1999 to inspect the problems associated with oil spills on State Game Commission owned Prairie Chicken Areas (PCA) in the Elida area in Roosevelt County. The specific areas inspected were Gallina Wells #3 and 5. The inspection also was attended by Wayne Price [Environmental Bureau, Oil Conservation Division (OCD)], Gary Wink (Deputy Inspector, OCD), Tess Monahan (Law Enforcement Investigator, Attorney General's Office), and two employees of the Department: Bill Hays (Supervisor Roswell District), and Amy Fisher (Assistant Chief, Conservation Services Division).

A. History of Problem

The participants reviewed the history of the oil spills in Gallinas Wells #3 and 5 and noted the following items:

1. OCD can trace the oil spills to Amoco and Mobil Oil.
2. Chris Williams, the District Supervisor in Hobbs wrote two to three letters to the current operator, Orbit Enterprises, over the last two years. OCD did not know if Orbit responded to these letters.
3. In 1997, the Department conducted a Lands Inventory of Department owned property; Bill Hays became involved and concerned about the extent of the problem on the prairie chicken areas.
4. In summer 1998, Nick Chavez, U. S. Fish and Wildlife Service (USFWS) agent from El Paso, witnessed Orbit Enterprises employees cleaning out a tank onto the ground.

5. In summer 1998, Bill Hays took photos of a dead kestrel covered with oil at Gallinas Well #5.
6. In summer 1998, students from Eastern New Mexico State University observed an Orbit hot oil tanker releasing oil on the main north/south road at Gallinas Wells #3.
7. In summer 1998, Wayne Price took a sample and PID reading of the above referenced spill; Wayne soon left the District to a position in Santa Fe.
8. Jeff Pederson, who oversees Department lands, researched his records within the last few weeks and found that the last written record of the Department granting access to an operator was in 1965.

B. Observations on 7 October 1999 Field Trip

Gallinas Wells #3

1. Numerous spills around tank battery
2. Produced water pit inadequately covered.
3. Two dead birds (identified as a dove and a nighthawk; see Section C below) in produced water pit; both covered with oil.
4. Dead raptor (identified as a barn owl, see Section C below) in shed, covered in oil.
5. Dozens of dead, unidentified frogs around tank battery and produced water pit.
6. Deer tracks by tank battery and produced water pit.
7. Open discharge removal pipe with leaking oil.

Gallinas Wells #5

1. From a pipeline in open field, oil leaked into the ground. When the weather is warm, the oil bubbles up to the surface and creates a wet oil slick. Deer tracks and foraged shinnery oak surrounded this spill.
2. Numerous areas where the operator apparently tried to cover oil spills with soil.
3. Two deep pits were recently excavated; unknown if spilled oil was removed or dirt was used for borrow material.

C. Identification of dead birds by USFWS

On 9 October 1999, USFWS Special Agent Greg Stover from Albuquerque collected the three dead birds we observed on the field trip and shipped them to Lubbock, Texas. Rob Lee, USFWS special agent in Lubbock, Texas (806-472-7273) identified them as migratory birds and raptors. The two birds found in the produced water pit were identified as a dove and a vesper sparrow. The bird found in the shed was identified as a barn owl. USFWS sent a citation dated 18 October 1999 to Orbit Enterprises for violations of the Migratory Bird Treaty Act (MBA).

D. Actions OCD can take

Based on our discussions during this field inspection, our understanding of the actions OCD will or can take are as follows:

1. OCD will check their records in Santa Fe to see if the operator has exemptions and has reported these spills.
2. If the operator has not reported these spills, OCD will write a letter of violation that stipulates that the produced water pit needs to be permitted or cleaned up. Bird deaths qualify the pit as a hazard and are a violation of state and federal laws.
3. The operator will have 15 days to respond with a clean-up plan.
4. OCD can issue a Compliance Order, setting the days to comply. The operator can be fined \$1,000/day for non-compliance.
5. OCD attempts to work with the operators rather than levy fines and has found that this policy generally works. OCD has only issued \$12,000 in fines since 1986.
6. If the operator is uncooperative, OCD can hold a hearing for OCD to plug the wells.
7. OCD can also bid out the clean up.
8. OCD has a reclamation fund financed by taxes on production that could be used to plug the wells and clean up spills such as those observed on this field trip. The fund accrues about \$24,000/month and currently stands at about \$250,000-\$300,000. However, clean up is expensive and could exceed available funds.
9. OCD agreed that the spills observed were "bad" but also acknowledged that many other sites are in much worse condition than we observed.
10. Considering the potential inability and/or unwillingness of the operator to clean up the spills, and the expense for OCD to do the actual clean-up, OCD may unofficially go to Amoco or Mobil to inquire if they are interested in financing the clean-up as a public relations gesture to benefit the recovery of the lesser prairie chicken.

The Department is deeply concerned about the damage oil spills are causing to Department owned PCAs. The PCAs were created for the conservation of the lesser prairie chicken, a species that has suffered significant declines in New Mexico. We are in the process of hiring two personnel to help manage the PCAs to facilitate the recovery of this species. Oil contamination threatens lesser prairie chicken recovery efforts and the welfare of all wildlife and wildlife habitat in these areas. We strongly urge OCD to take the appropriate action to stop further damage and mitigate current damage.

The Department is willing and prepared to work closely with OCD and the current and past operators to ensure that the State's wildlife resources are adequately protected from oil contamination. The Department would like to meet with you or one of your representatives before 15 December to review progress on this issue and to ensure that both of our agencies are taking appropriate actions to address current problems and

November 9, 1999

prevent future contamination. We also would appreciate a more comprehensive explanation of OCDs protocol to resolve contamination problems. Please contact me at 505-827-7882 or tstevenson@state.nm.us to set this meeting date. Bill Hays is also available at 505-624-6135 <bhays@state.nm.us> to answer questions you may have.

Sincerely,



Tod W. Stevenson, Chief
Conservation Services Division

TWS/AF/af

Xc: Lori Wrotenbery (Chairman OCD Commission and Director OCD)
Jami Bailey (OCD Commission and Director Oil and Gas Division, State Land Office)
Dr. Robert Lee (OCD Commission, Petroleum Recovery Research Center, New Mexico Tech)
Scott Brown (Assistant Director, NMGF)
Roy Hayes (Chief, SE Area Division, NMGF)
Barry Hale (Chief, Division of Wildlife, NMGF)
Lisa Fisher (Assistant Chief, Conservation Services Division, NMGF)
Amy Fisher (Assistant Chief, Conservation Services Division, NMGF)
Jeff Pederson (Department Lands Supervisor, NMGF)
Bill Hays (Supervisor Roswell District, NMGF)
Mark Watson (Terrestrial Habitat Specialist, NMGF)
Jim Stuart (Mining Habitat Specialist, NMGF)

GOVERNOR
Gary E. Johnson



DIRECTOR AND SECRETARY
TO THE COMMISSION
Gerald A. Maracchini

STATE OF NEW MEXICO

DEPARTMENT OF GAME & FISH

Villagra Building
P.O. Box 25112
Santa Fe, NM 87504

NOV 16 1999

Visit our Web Site home page at <http://www.gmfish.state.nm.us>
For basic information or to order free publications: 1-800-862-9310

STATE GAME COMMISSION

William H. Brininstool, Chairman
Jal, NM

Bud Hettinga
Las Cruces, NM

Steven C. Emery
Albuquerque, NM

Steve Padilla
Albuquerque, NM

Stephen E. Doerr
Portales, NM

Gail J. Cramer
Farmington, NM

George A. Ortega
Santa Fe, NM

November 9, 1999

Roger Anderson
Environmental Bureau Chief
Oil Conservation Division
2040 S. Pacheco
Santa Fe, NM 87505

RE: Oil Contamination on Department owned Prairie Chicken Areas
NMGF No. 6895

Dear Mr. Anderson:

I wanted to take this opportunity to thank you for meeting with Department of Game and Fish (Department) personnel on 7 October 1999 to inspect the problems associated with oil spills on State Game Commission owned Prairie Chicken Areas (PCA) in the Elida area in Roosevelt County. The specific areas inspected were Gallina Wells #3 and 5. The inspection also was attended by Wayne Price [Environmental Bureau, Oil Conservation Division (OCD)], Gary Wink (Deputy Inspector, OCD), Tess Monahan (Law Enforcement Investigator, Attorney General's Office), and two employees of the Department: Bill Hays (Supervisor Roswell District), and Amy Fisher (Assistant Chief, Conservation Services Division).

A. History of Problem

The participants reviewed the history of the oil spills in Gallinas Wells #3 and 5 and noted the following items:

1. OCD can trace the oil spills to Amoco and Mobil Oil.
2. Chris Williams, the District Supervisor in Hobbs wrote two to three letters to the current operator, Orbit Enterprises, over the last two years. OCD did not know if Orbit responded to these letters.
3. In 1997, the Department conducted a Lands Inventory of Department owned property; Bill Hays became involved and concerned about the extent of the problem on the prairie chicken areas.
4. In summer 1998, Nick Chavez, U. S. Fish and Wildlife Service (USFWS) agent from El Paso, witnessed Orbit Enterprises employees cleaning out a tank onto the ground.

5. In summer 1998, Bill Hays took photos of a dead kestrel covered with oil at Gallinas Well #5.
6. In summer 1998, students from Eastern New Mexico State University observed an Orbit hot oil tanker releasing oil on the main north/south road at Gallinas Wells #3.
7. In summer 1998, Wayne Price took a sample and PID reading of the above referenced spill; Wayne soon left the District to a position in Santa Fe.
8. Jeff Pederson, who oversees Department lands, researched his records within the last few weeks and found that the last written record of the Department granting access to an operator was in 1965.

B. Observations on 7 October 1999 Field Trip

Gallinas Wells #3

1. Numerous spills around tank battery
2. Produced water pit inadequately covered.
3. Two dead birds (identified as a dove and a nighthawk; see Section C below) in produced water pit; both covered with oil.
4. Dead raptor (identified as a barn owl, see Section C below) in shed, covered in oil.
5. Dozens of dead, unidentified frogs around tank battery and produced water pit.
6. Deer tracks by tank battery and produced water pit.
7. Open discharge removal pipe with leaking oil.

Gallinas Wells #5

1. From a pipeline in open field, oil leaked into the ground. When the weather is warm, the oil bubbles up to the surface and creates a wet oil slick. Deer tracks and foraged shinnery oak surrounded this spill.
2. Numerous areas where the operator apparently tried to cover oil spills with soil.
3. Two deep pits were recently excavated; unknown if spilled oil was removed or dirt was used for borrow material.

C. Identification of dead birds by USFWS

On 9 October 1999, USFWS Special Agent Greg Stover from Albuquerque collected the three dead birds we observed on the field trip and shipped them to Lubbock, Texas. Rob Lee, USFWS special agent in Lubbock, Texas (806-472-7273) identified them as migratory birds and raptors. The two birds found in the produced water pit were identified as a dove and a vesper sparrow. The bird found in the shed was identified as a barn owl. USFWS sent a citation dated 18 October 1999 to Orbit Enterprises for violations of the Migratory Bird Treaty Act (MBA).

D. Actions OCD can take

Based on our discussions during this field inspection, our understanding of the actions OCD will or can take are as follows:

1. OCD will check their records in Santa Fe to see if the operator has exemptions and has reported these spills.
2. If the operator has not reported these spills, OCD will write a letter of violation that stipulates that the produced water pit needs to be permitted or cleaned up. Bird deaths qualify the pit as a hazard and are a violation of state and federal laws.
3. The operator will have 15 days to respond with a clean-up plan.
4. OCD can issue a Compliance Order, setting the days to comply. The operator can be fined \$1,000/day for non-compliance.
5. OCD attempts to work with the operators rather than levy fines and has found that this policy generally works. OCD has only issued \$12,000 in fines since 1986.
6. If the operator is uncooperative, OCD can hold a hearing for OCD to plug the wells.
7. OCD can also bid out the clean up.
8. OCD has a reclamation fund financed by taxes on production that could be used to plug the wells and clean up spills such as those observed on this field trip. The fund accrues about \$24,000/month and currently stands at about \$250,000-\$300,000. However, clean up is expensive and could exceed available funds.
9. OCD agreed that the spills observed were "bad" but also acknowledged that many other sites are in much worse condition than we observed.
10. Considering the potential inability and/or unwillingness of the operator to clean up the spills, and the expense for OCD to do the actual clean-up, OCD may unofficially go to Amoco or Mobil to inquire if they are interested in financing the clean-up as a public relations gesture to benefit the recovery of the lesser prairie chicken.

The Department is deeply concerned about the damage oil spills are causing to Department owned PCAs. The PCAs were created for the conservation of the lesser prairie chicken, a species that has suffered significant declines in New Mexico. We are in the process of hiring two personnel to help manage the PCAs to facilitate the recovery of this species. Oil contamination threatens lesser prairie chicken recovery efforts and the welfare of all wildlife and wildlife habitat in these areas. We strongly urge OCD to take the appropriate action to stop further damage and mitigate current damage.

The Department is willing and prepared to work closely with OCD and the current and past operators to ensure that the State's wildlife resources are adequately protected from oil contamination. The Department would like to meet with you or one of your representatives before 15 December to review progress on this issue and to ensure that both of our agencies are taking appropriate actions to address current problems and

prevent future contamination. We also would appreciate a more comprehensive explanation of OCDs protocol to resolve contamination problems. Please contact me at 505-827-7882 or tstevenson@state.nm.us to set this meeting date. Bill Hays is also available at 505-624-6135 <bhays@state.nm.us> to answer questions you may have.

Sincerely,



Tod W. Stevenson, Chief
Conservation Services Division

TWS/AF/af

Xc: Lori Wrotenbery (Chairman OCD Commission and Director OCD)
Jami Bailey (OCD Commission and Director Oil and Gas Division, State Land Office)
Dr. Robert Lee (OCD Commission, Petroleum Recovery Research Center, New Mexico Tech)
Scott Brown (Assistant Director, NMGF)
Roy Hayes (Chief, SE Area Division, NMGF)
Barry Hale (Chief, Division of Wildlife, NMGF)
Lisa Fisher (Assistant Chief, Conservation Services Division, NMGF)
Amy Fisher (Assistant Chief, Conservation Services Division, NMGF)
Jeff Pederson (Department Lands Supervisor, NMGF)
Bill Hays (Supervisor Roswell District, NMGF)
Mark Watson (Terrestrial Habitat Specialist, NMGF)
Jim Stuart (Mining Habitat Specialist, NMGF)

OIL CONSERVATION DIVISION

**2040 South Pacheco
Santa Fe, NM 87505
(505) 827-7133
Fax: (505) 827-8177**



(PLEASE DELIVER THIS FAX)

To: CHRIS WILLIAMS

From: WAYNE PRIZE

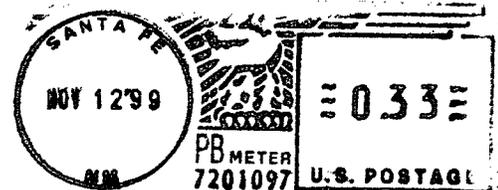
Date: 11/18/99

Number of Pages (Includes Cover Sheet) 5

Message: _____

**If you have any trouble receiving this, please call:
(505) 827-7133**

NEW MEXICO
DEPARTMENT OF GAME AND FISH
P.O. BOX 25112
SANTA FE, NEW MEXICO 87504



Roger Anderson
Environmental Bureau Chief
Oil Conservation Division
2040 S. Pacheco
Santa Fe, NM 87505

B7303-5472 37





Give to Share with Wildlife

New Mexico's non-game wildlife program.
See your state tax refund form and check out
our web site at www.gmfsh.state.nm.us
Click on the "Nongame" button.

The future of New Mexico's non-game wildlife hangs in the balance. With your support, wildlife species that receive no other funding will begin to receive the help and research they so desperately need.

You can help — contribute today and receive a free subscription to the SwW Update, published three times a year. **Make checks payable to 'Share with Wildlife.'**

My tax deductible contribution of \$_____ is enclosed.

Name _____

Address _____

City _____ State _____ Zip _____

Clip and mail to: Department of Game and Fish, Share with Wildlife, 141 E. DeVargas St., Santa Fe, NM 87501



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

DISTRICT I HOBBS
1625 N. French Drive, Hobbs, NM 88241
(505) 393-6161
FAX (505) 393-0720

Jennifer A. Salisbury
CABINET SECRETARY

September 1, 1999

Orbit Enterprises Inc.
P O Box 755
Hobbs, NM 88241

**RE: State BA # 1
Unit Letter A , Section 34, Township 7 South, Range 35 East
State BA # 2
Unit Letter H, Section 34, Township 7 South, Range 35 East**

Gentlemen:

Through routine inspection it has come to our attention that the above referenced well has been shut in for an extended period of time. A review of our records show that this well has not been temporarily abandoned. Producing wells cannot be shut in for longer than one year.

The following options are available regarding the future disposition of this well:

1. Restore the well to production.
2. Set plug, conduct mechanical integrity test, and request temporary abandoned status.
3. Submit a proposal to plug and abandon the well and proceed with plugging on a timely basis subsequent to District 1 approval.

To avoid further action, we request that you exercise one of the above options no later than November 30, 1999.

We request that you notify this office 24 hours prior to commencement of any operation in order to witness the field operations.

Very truly yours
OIL CONSERVATION DIVISION

Billy Prichard
Deputy Inspector, District 1

cc: Chris Williams
Gary Wink
File

Jennifer A. Salisbury
CABINET SECRETARY

April 28, 1999

Orbit Enterprises, Inc.
c/o Oil Reports & Gas Services, Inc.
P. O. Box 755
Hobbs, New Mexico 88241-0755

Re: Partin lease
UL B-sec 35-T7s-R32e
Federal A Battery
UL P-sec 24-T7s-R32e

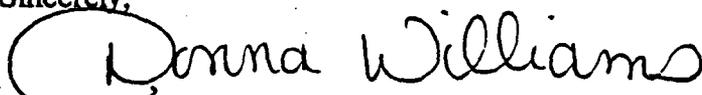
Gentlemen:

New Mexico Oil Conservation Division (NMOCD) representative inspected during routine housekeeping an unlined surface impoundment on the two locations referenced above.

At this time NMOCD is requesting that a pit closure and remediation plan be submitted for both locations, to our office. We require your response within 30 days of receipt of this notice.

To assist you in this matter, we are enclosing a copy of the NMOCD Guidelines for pit closures. 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

Cc: Wayne Price; Chris Williams;

**NEW MEXICO OIL CONSERVATION COMMISSION
FIELD TRIP REPORT**

Name Bill Prichard Date 4/21/99 Miles 284 District I
 Time of Departure 7 AM Time of Return 4 PM Car No. _____

In the space below indicate the purpose of the trip and the duties performed, listing wells or leases visited and any action taken.

Signature BEP New Dodge

| QUARTER | HOURS | FACILITY | CLASSIFICATION | DESCRIPTION |
|---------|-------|----------|----------------|---|
| | | | RUIZ | E of Tatum - Purvis - Houston 1-A (L 19 12 38) |
| | | | | Prog of rep to disposal - Testing Csg |
| | | | | Talk to Eric Nelson w/ SLO - Job cancelled for PXA marker removal |
| | | | | E of Crossroads - Visit w/ Bobby Lewis |
| | | | | S of Kenna - SW 1/4 Sec 4 T5 30E Site of oil pit |
| | | | | Took pictures & visit w/ Rancher |
| | | | HOP3 | S of Elida - Orbit Ent - Partin - (B 35 7 32) Inspect |
| | | | | Unlined Pit w/ Oil - Needs Remediation |
| | | | | S of Elida - Orbit Ent - Fed A Battery (P 24 7 32) |
| | | | | Unlined Pit w/ Oil - Needs Remediation |
| | | | HOP3 | SE of Elida - Yates - Burkland AAG #1 (C 14 7 33) |
| | | | | Prog of Plg Op - Run CIBP |

| | | |
|------------------|-----------------|----------------|
| <u>Mileage</u> | <u>Per Diem</u> | <u>Hours</u> |
| UIC <u>84</u> | UIC _____ | UIC <u>1</u> |
| RFA _____ | RFA _____ | RFA _____ |
| Other <u>200</u> | Other _____ | Other <u>7</u> |

TYPE INSPECTION PERFORMED

INSPECTION CLASSIFICATION

NATURE OF SPECIFIC WELL OR FACILITY INSPECTED

- H - Housekeeping
- P - Plugging
- C - Plugging Cleanup
- T - Well Test
- R - Repair/Workover
- F - Waterflow
- N - Mishap or Spill
- W - Water Contamination
- O - Other

- U - Underground Injection Control - Any inspection of or related to injection project, facility, or well or resulting from injection into any well. (SWD, Indry injection and production wells, water flows or pressure tests, surface injection equipment, plugging, etc.)
- R - Inspections relating to Reclamation Fund Activity
- O - Other - Inspections not related to injection or The Reclamation Fund

- D - Drilling
- P - Production
- I - Injection
- C - Combined prod. inj. operations
- S - SWD
- U - Underground Storage
- G - General Operation
- F - Facility of location

ORBIT ENTERPRISES, INC.

P. O. Box 476

Lovington, NM 88260-0476

Ph (505) 396-4914 fax (505) 396-2635

January 13, 1999

Chris Williams
Oil Conservation Division
P. O. Box 1980
Hobbs, NM 88241

Dear Mr. Williams:

Our production foreman, also, met with Michael Massey, Wayne Price and Bill Hayes on June 5, 1998 on the primary road on Gallinas well #3 (T7S, R32E, S26). We have no wells in T7S, R33E, S26 & S27, Gallinas well #5. They are probably referring to three spots on S28 that our production foreman looked at with them. One of these spots was less than four (4) barrels. The other two were old leaks from many years back. However, they were assured they would all be dug up and filled in with new dirt. One spot has been completed, and the other two are being worked on now.

We found one flow line leaking some gas. This has been repaired. All other flow lines have been walked, and no leaks were found. New signs are being made to replace the stolen ones, and will be up as soon as they are finished. We are continually cleaning up the old spills from years ago as time allows. We have been doing this on all locations since we purchased them. We have always worked to keep our leases as clean as possible, and have gone so far as to ask the BLM to inspect the work when they are in the area. If they find something before we do, it is immediately taken care of. I do not believe we should be considered a 'problem' producer.

Sincerely,



Joe Sanders

New Mexico Energy, Minerals and Natural Resources Department
Oil Conservation Division-District 1-Hobbs
P.O. Box 1980
Hobbs, New Mexico 88241
Ph: 505-393-6161 Fax: 505-393-0720

11/30/98

Bill C. Hays
Roswell District Wildlife Supervisor
1912 West Second Street
Roswell, New Mexico 88201

Dear Bill:

Enclosed is a copy of the letter I sent to Orbit Enterprises Inc. concerning the Gallinas Wells area. Sorry it took me so long to get this going. Since, we last talked I lost my environmental specialist to Santa Fe. I'll keep you informed on the response I receive from Orbit.

Sincerely



Chris Williams
District Supervisor-District 1-Hobbs

New Mexico Energy, Minerals and Natural Resources Department
Oil Conservation Division-District 1
P.O. Box 1980
Hobbs, NM 88241
Ph: 505-393-6161 Fax: 393-0720

11/25/98

Joe Sanders, President
Orbit Enterprises Inc.
613 W. Ave. D
Lovington, NM 88260

Dear Mr. Sanders:

Recently, Game and Fish personnel came to the New Mexico Oil Conservation Division office in Hobbs to discuss potential environmental problems on land owned by the Game and Fish Department (Gallinas Wells lease). I am attaching a copy of the letter received by this office from Game and Fish.

Please respond to this office by January 15, 1999 on how Orbit Enterprises plans to address concerns Game and Fish has mentioned. Also, please file with the NMOCD office in Hobbs the leak and spill reports that Orbit has submitted before. Attached is the NMOCD form for the reporting of leaks and spills along with a copy of the C-141 form to be used for the reporting of leaks and spills. On the back of the form is a copy of the rule that applies.

Inspections of the leases in the area denoted deficiencies in compliance with NMOCD Rule 103 -Signs on Wells. Please review Orbits leases to make sure the proper identification is on each well. A letter is being drafted to other operators in the NMOCD district 1 to review their leases for proper compliance to Rule 103.

Sincerely



Chris Williams
District 1 Supervisor-Hobbs