

BW - 14

**PERMITS,
RENEWALS,
& MODS**

CLOSED



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

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

April 19, 1999

CERTIFIED MAIL
RETURN RECEIPT NO. Z 357 870 124

J.S. Ward & Son, Inc.
104 South Fourth Street
Artesia, New Mexico 88210-2195

Attention: Mr. Gary Sims

Re: **Bond No. 58 82 64**
\$10,000 One-Well Plugging Bond
to the State of New Mexico
#529 Brine Extraction Discharge Plan BW-14(formerly DP-360)
330' FSL and 1650' FEL
Sec 30-Ts17s-R32e,
Lea County, New Mexico

Dear Mr. Sims:

The New Mexico Oil Conservation Division hereby approves the cancellation of the above-referenced \$10,000 One-Well Plugging Bond No. 58 82 64 and releases Gulf Insurance Company of any liability.

Sincerely,

A handwritten signature in cursive script that reads "Rand Carroll".

Rand Carroll,
Legal Council

RC/wp

cc: **OCD Hobbs Office**
Gulf Insurance Company



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

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

April 19, 1999

CERTIFIED MAIL
RETURN RECEIPT NO. Z 357 870 123

Mr. Mike Butts
I & W Incorporated
P.O. Box 98
Loco Hills, New Mexico 88255

Re: Discharge Plan BW-14 (formerly DP-360)
I&W 529 Brine Station
Lea County, New Mexico

Dear Mr. Butts:

The New Mexico Oil Conservation Division (NMOCD) is in receipt of I&W's closure report dated March 30, 1999 for the above referenced facility. **The NMOCD hereby approves closure of the facility and terminates I&W's Discharge Plan BW-14.**

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

If you have any questions, please contact Wayne Price of my staff at (505-827-7155).

Sincerely Yours,

Roger Anderson-
Environmental Bureau Chief

cc: OCD Hobbs District



ARTESIA
(505) 746-4214
1 (800) 748-1972

CARLSBAD
(505) 885-6663
1 (800) 658-2739

P.O. BOX 98
LOCO HILLS, NEW MEXICO 88255

LOCO HILLS
(505) 677-2111
1 (800) 748-1972

LOVINGTON
(505) 396-3331
1 (800) 748-2084

March 30, 1999

Mr. Wayne Price
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Re: Discharge Plan BW-14
I & W 529 Brine Station
Sec 30, T 17S, R 32E
Lea County, New Mexico

Subject: Site Closure Report and Release of Bond No. 58 82 64

Dear Mr. Price:

After plugging the 529 Brine Well, all equipment was removed from location. All fluids used in plugging were hauled to disposal. The location was leveled, ripped and reseeded according to BLM instructions.

The BLM has inspected the location and accepted relinquishment of the lease and terminated their bond No. 58 82 65. A copy of the BLM decision is attached.

Mr. Johnny Robinson, of the Hobbs district OCD office, has inspected the location and approved. He said he would contact you in Santa Fe.

As all requirements have been met, would you please close out Discharge Plan BW-14 (formerly DP-360) and release bond No. 58 82 64?

If you need any further information, please call me at (505) 677-2111. Thank you for your help in this matter.

Sincerely,

Michael R. Butts

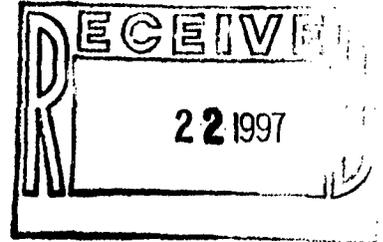
Michael R. Butts
Vice President & General Manager

Enclosures - 4



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Carlsbad Resource Area Headquarters
620 E. Greene St.
P. O. Box 1778
Carlsbad, New Mexico 88221-1778



IN REPLY REFER TO:
3509 (06787)
NMNM 53332

AUG 21 1997

CERTIFIED—RETURN RECEIPT REQUESTED
P 363 627 664

DECISION

I & W, Inc.
P. O. Box 98
Loco Hills, New Mexico 88255

:
:
:
:
:

Sodium

Relinquishment Accepted
Bond Terminated

The relinquishment filed May 22, 1997 by I & W, Inc. on Federal Sodium Lease NMNM 53332, is hereby accepted effective June 30, 1997, pursuant to regulations in 43 CFR 3509.1-2.

NMNM 53332 T. 17 S., R. 32 E., NMPM,
sec. 30: Lots 3, 4, E $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$.

Lea County, New Mexico
Containing 321.930 acres.

Furthermore, Individual Bond No. 58-82-65, in the amount of \$5,000.00, with I & W, Inc. as principal, and Gulf Insurance Co. as surety, is hereby terminated effective June 30, 1997.

The relinquished lease is subject to audit in the future by the Minerals Management Service, Royalty Management Program.


Gary Bowers
Area Manager

cc:
Gulf Insurance Company
P. O. Box 1771
Dallas, Texas 75221-1771

J. S. Ward & Son, Inc.
Attention: S. Gary Sims
101 S. Fourth St.
Artesia, New Mexico 88210

Minerals Management Service
Royalty Management Program
Attention: Cindy Prien, DMD
P. O. Box 25165, MS 3153
Denver, Colorado 80225-0165

Price, Wayne

From: Williams, Donna
Sent: Friday, March 12, 1999 11:23 AM
To: Price, Wayne
Subject: I & W

Wayne,

Johnny went out to the site yesterday and then called Mike Butts, Mike met Johnny out at the site and right away got a back hole out there and started cleaning up the area i.e. the 6" pipe sticking up from the ground. Johnny says it looks good and is ready for P&A clean-up approval. My only hesitation now is that Gary wants a C-103 stating when they plugged the well - P&A report. I'm not sure but they may have given on to the Feds already and they may have signed off on it? We just don't have any paper work. Do we need to worry about that or not?
Donna



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

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

Price, Wayne

From: Price, Wayne
Sent: Monday, March 08, 1999 5:58 PM
To: Williams, Donna
Cc: 'Chris Williams'
Subject: I&W Brine ST. 529 bw-14

ATT: Donna:

The following attachment is a letter I sent I&W. I have ask them to call you and set up an inspection. I recommend you take one of the field inspectors with you. This site should be OK, but would like to have a filed report.

Thanks!



Bw-14clo.wor



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

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87506
(505) 827-7131

March 8, 1999

CERTIFIED MAIL
RETURN RECEIPT NO. P 288 259 102

Mr. Mike Butts
I & W Incorporated
P.O. Box 98
Loco Hills, New Mexico 88255

Re: Discharge Plan BW-14 (formerly DP-360)
I&W 529 Brine Station
Lea County, New Mexico

Subject: Bond No. 58 82 64
\$10,000 One-Well Plugging Bond
to the State of New Mexico
#529 Brine Extraction
330' FSL and 1650' FEL
Sec 30-Ts17a-R32e,
Lea County, New Mexico

And; Site Closure Report.

Dear Mr. Butts:

New Mexico Oil Conservation Division (NMOCD) understands that I&W's Brine Well has been plugged and the associated facility referenced above has been closed. On June 28, 1991 NMOCD sent I&W a letter (copy enclosed) requesting certain information, item 6. Closure Plan specifically requesting a proposal for closure which commits to those actions in the guidelines VLF.5. As of this date NMOCD has not received this information. Please note in order for NMOCD to issue approval of the closure and release the associated bond, NMOCD requires the following:

1. Please address the three items under the guidelines VLF.5. 1,2&3. A copy of the guidelines have been enclosed. Please send documentation to support your claim. If you have an approval from the surface owner i.e. BLM please submit. Also pictures would be helpful.
2. Please contact the NMOCD District office Ms. Donna Williams (505-393-6161 ext. 113) to schedule an inspection of the facility.

If you require any further information or assistance please do not hesitate to write or call me at (505-827-7155).

Sincerely Yours,

Wayne Price-Environmental Bureau

cc: OCD Hobbs Office
Dorothy Phillips-OCD Santa Fe

attachments-2



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

NMOCD INTER-OFFICE CORRESPONDENCE

TO: Chris Williams-NMOCD District I Supervisor

From: Wayne Price-Environmental Engineer *Wayne Price*

Date: October 16, 1998

Reference: I&W Brine Station on 529
sw/4 se/4 sec 30-Ts17s-R32

Subject: P&A and bond release

Comments:

Please find enclosed a copy of the BLM plugging report for the above location. They have ceased brine operations and are asking for the bond to be released. Please look this over and let me know if this procedure meets the Districts plugging requirements.

Thanks!

attachments-2

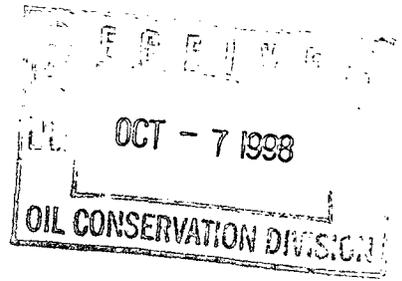
W.P.

J. S. Ward & Son, Inc.



101 South Fourth Street
(505) 746-2796
FAX (505) 746-4244
Artesia, New Mexico
88210-2195

Insurance
Bonds



October 5, 1998

State of New Mexico
Energy, Minerals & Natural Resources Department
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505-5472

Attention: Mrs. Dorothy Phillips

Re: I & W, Inc.
Bond No. 58 82 64
\$10,000 One-Well Plugging Bond
to the State of New Mexico
#529 Brine Extraction
330' FSL and 1650' FEL, Sec. 30,
T-17-S, R-32E, Lea County, New
Mexico

Dear Mrs. Phillips:

The principal has informed us that they have plugged and abandoned the well under the captioned bond. If your records concur, may we please have termination of liability at your earliest convenience.

Very truly yours,

J. S. Ward & Son, Inc.

By *Alley Jones*

SGS:emb

cc: I & W, Inc.
Post Office Box 98
Loco Hills, New Mexico 88211-0098
Attention: Mr. Mike Butts

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Oil Cons. Division
P.O. Box 1980
Hobbs, NM 88240

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or entry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

Oil Well Gas Well Other

2. Name of Operator

I & W Inc.

3. Address and Telephone No.

Box 98, Loco Hills, NM 88255

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec 30 T-17-S R-32-S SW 1/4 SE 1/4

5. Lease Designation and Serial No.

NM 53332

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Brine Station #529

9. API Well No.

10. Field and Pool, or Exploratory Area

11. County or Parish, State

Lea, NM

12. CHECK APPROPRIATE BOX(es) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> notice of intent	<input checked="" type="checkbox"/> Abandonment
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input type="checkbox"/> Other
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form)

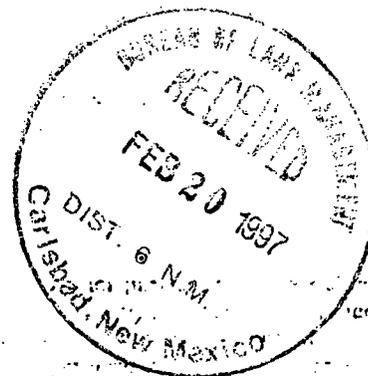
13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

- 1) Spot 210 SX cmt, plug @ 1100' W.O.C, Tga cement top @ 885'
- 2) Spot 215 SX cement from 885' to surface Set PA marker
- 3) Job completed 02-03-97

RECEIVED

FEB 21 1997

BLM
ROSWELL, N.M.



14. I hereby certify that the foregoing is true and correct

Signed

Raymond M. Johnson

Title

Supervisor

Date

2-4-97

(This space for Federal or State office use)

Approved by

W. J. Kingston

Title

MINING ENGINEER

Date

5-5-97

Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See instruction on Reverse Side

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

June 28, 1991

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

CERTIFIED MAIL
RETURN RECEIPT NO. P-327-278-125

Mr. Lowell Irby
I & W Incorporated
P. O. Box 98
Loco Hills, New Mexico 88255

RE: Discharge Plan BW-14 (formerly DP-360)
I&W 529 Brine Station
Lea County, New Mexico

*Phones make
Brutts 9-10-91.
He said he'd get
something in
ASAP. Still in
the process of negotiations
with Conoco for
selling well.*

Dear Mr. Irby:

On August 27, 1985, the ground water discharge plan, BW-14 for the I&W 529 Brine Station located in Section 30, Township 17 South, Range 32 East, NMPM, Lea County, New Mexico, was approved by the Director of the Environmental Improvement Division (EID). This discharge plan was required and submitted pursuant to Water Quality Control Commission (WQCC) regulations and was approved for a period of five years. The approval expired on August 27, 1990. Authority to administer the brine program was transferred from the EID, back to the Oil Conservation Division (OCD) in 1989 with staffing approved in 1990. Please note the new discharge plan number (BW-14), formerly DP-360, which will be the permanent designation used in all future correspondence.

Although your facility is currently inactive, you need to renew your discharge plan. If your facility is sold, the discharge plan and all of its commitments will be transferred with the facility to the new owner. Since your discharge plan has expired, please submit your application for renewal of plan approval within sixty days of receipt of this letter. Please indicate whether you have made, or intend to make, any changes in your discharge system, and if so, please include these modifications in your application for renewal. To assist you in preparation of your renewal application, I have enclosed an application form and a copy of the OCD's Guidelines for Preparation of Ground Water Discharge Plans at Brine Extraction Facilities, revised May 1991, and a copy of the Water Quality Control Commission Regulations.

The OCD visited your operation of February 4, 1991, as part of an extensive multifacility inspection trip that week. A representative of I&W Inc. (Mr. Johnny Holt) accompanied the OCD staff during the inspection. The following comments are based on observations during the OCD site visit on February 4, 1991, and an additional requirements detailed in the guidelines. Please address these comments in your discharge plan renewal application.

1. Surface Facilities

The condition of your surface facilities is unacceptable to the OCD. Although the 529 Brine Station is currently inactive, commitments must be made to upgrade the facility prior to restart of operations.

At least one of your three empty brine storage tanks is corroded and would leak if filled with fluids. If you plan to use any of these tanks in the future you must demonstrate to the OCD that they have mechanical integrity and do not leak; otherwise you must replace them. All brine storage tanks must be bermed to hold 1 1/3 the volume of either the largest tank or all interconnected tanks.

Your spill collection system which consists of a sloped terrace and an unlined catchment pit is unacceptable. All brine pits which contain standing fluids are required to be lined and have a positive leak detection system, unless they have been granted a specific exemption. The probability of your facility obtaining an exemption is doubtful since the exemption proposed by a facility to your immediate west was denied.

Your brine loading area must be upgraded to keep spilled brine off of the ground surface. Containment of spilled brine at your loading area should include pads and curbs where appropriate.

Please submit a plan which addresses the above times. Before the OCD can approve your discharge plan renewal they must have a commitment that the proposed modifications will be completed prior to restart of operations.

2. Mechanical Integrity Testing

Pursuant to revised OCD guidelines for discharge plans at brine facilities, all wells must be pressure tested (open-hole) to 500 psi for 4 hours on an annual basis. A pressure test isolating the casing from the formation using either a bridge plug or a packer must be conducted at least once every 5 years or during well workovers. The results from a pressure test isolating the casing from the formation is required prior to the restart of operations at the I&W 529 Brine Station. Note that an OCD representative must be on site to witness all pressure tests and we request 10 days before the test to allow us to make arrangements. Submit a proposal for testing and ensuring the mechanical integrity of the well. Also, submit information on any buried brine pipelines including age and specification of the lines.

3. Transfer of Commitment

Notwithstanding the transfer of jurisdiction of brine wells to OCD, all prior commitments to EID concerning reporting and notification remain in effect. Note that all unauthorized discharges (ie. major leaks and spills), need to be reported to the OCD within 48 hours of the event (WQCC Rule 5-208). Provide a commitment to report all unauthorized discharges within 48 hours of the event.

4. Volumes of Injection Fluids and Brine

The OCD requires a quarterly report listing, by month, of the volume of fluids injected and produced for comparison to detect underground losses. The OCD has no volume reports on file for the I&W 529 Brine Station. Submit a proposal and schedule for reporting injection fluid and brine production volumes. Also, submit the total volume of brine produced to date. This information is necessary to evaluate subsidence potential at the I&W 529 Brine Station.

5. Brine Analysis

The OCD requires periodic analyses of produced brine. The last brine analyses that the OCD has on file for I&W 529 Brine Station is dated January 22, 1987. Commit to an analysis of the produced brine within 60 days of restart of operations. Analysis should be for concentrations of Total Dissolved Solids, Sodium, Calcium, Potassium, Magnesium, Bromide, Carbonate/Bicarbonate, Chloride, and Sulfate.

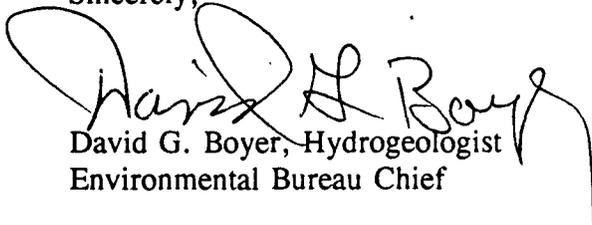
6. Closure Plan

The revised OCD guidelines for discharge plan at brine facilities require a general closure plan for actions to be taken when the facility is inactive. Submit a proposal for closure which commits to those actions in the guidelines, Section VI.F.5.

Mr. Lowell Irby
June 28, 1991
Page -4-

Addressing the above items in your application for renewal of your discharge plan will accelerate the review and response time of your application. Note that the completed and signed application form must be submitted with your discharge plan renewal request. If you have any questions, please do not hesitate to contact Kathy Brown at (505) 827-5824.

Sincerely,



David G. Boyer, Hydrogeologist
Environmental Bureau Chief

DGB/KMB/sl

Enclosures

cc: OCD Hobbs Office



MEMORANDUM OF MEETING OR CONVERSATION

<input checked="" type="checkbox"/> Telephone 677-2111	<input type="checkbox"/> Personal	Time 3:00 P.m	Date June 17, 1991
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<u>Originating Party</u> K. Brown OGD Santa Fe	<u>Other Parties</u> Mike Butts - General Manager
---	--

Subject I & W 529 Brine Station
DP-360 ⇒ BW-14 Facility Status
(Expired 8-27-90)

Discussion Facility is no longer in use. Trying to ~~sell~~ the well. Can't use the brine for drilling muds because of the high Magnesium content. Conoco is a possible purchaser. Would use the brine for workover fluids. Well is currently shut-in and tanks (lined with h/dos) are empty. Will get back to Mike and let him know what needs to be done for expired DP.
* Jack Case, former Vice President, sold out his interest in the company. Current owner is Mr. Lowell Irby.

Conclusions or Agreements

Distribution

Signed Kathy Brown

INVENTORY OF SOLUTION MINING WELLS -- OIL CONSERVATION DIVISION, 1991

I. OPERATOR/LOCATION INFORMATION

Operator: I & W Lowell Irby - Owner
Address: P.O. Box 98 Mike Butts - General Manager
Loco Hills, NM 88255 Phone: 677-2111
Facility 529 Brine Station
T. 175 R. 32 Sec. 30 SW 1/4 of SE 1/4 Unit O
County: Lea
Purpose of well (brine supply, LPG storage, potash dissolution) _____
Brine supply

II. DRILLING/SITING INFORMATION

Contractor: Ashmun & Hilliard (Carper Federal #1-30)
Date drilling started July 1964 Date drilling completed Aug 1964
Reentered Nov. 1982
Drilling method Rotary
Ground Surface Elevation 3882' KB Elevation 3895' (KB 13')
Total depth of hole 8177' (TD re-entered 2025')
Attach schematic of well, include open hole interval, perforations, etc.
Type of drilling fluid chem gel, caustic
Describe all casing tests performed to date _____
10-82: before & after perf/squeeze - tested 8 5/8" from 0 to 950'
@ 1000# for 30 minutes.
3-6-89: 90# for 1 1/2 hr.

CASING, TUBING AND CEMENTING RECORD

From	To	Size of Hole	Size of Casing	Weight per Foot	Sacks of Cement	Estimated Top of cmt.
0'-	302'		13 ³ / ₈ "	48 #/ft	300	top
0-	4241'	7 ⁷ / ₈ "	8 ⁵ / ₈ "	32 #/ft J-55	550 sx - 950' 11#2 perf - Surface + squeeze	
0-	1300' (originally @ 1600')	7 ⁷ / ₈ "	2 ³ / ₈ "	7.7 #/ft J-55		

Is site within 1/2 mile of another well? Is so, explain. 2 D/A wells due S in Sec 31. 1 producing well to SW (sec 31) NE/4 of NW/4 completed in Greyburg (~3900') oil.

Type of well-head equipment _____

Comments (include problems encountered while drilling, loss of circulation, deviation of hole from vertical, centralizers, used, tools lost or stuck, fracturing techniques used, etc.) Original well was wildcat - D/A. Reentered Nov. 1982; drilled out cement to 950' plug; perfed @ 900' and squeezed cement to surface; drill cement to plug @ 2025'; perf salt from 1100' to 1300' and 1400' to 1600'. Ran 1600' tubing, then pulled tubing to set @ 1300'.

III. FORMATION INFORMATION

Formation Record

From	To	Thickness	Formation (name, description)
0'	60'	60'	Alluvium (some caliche)
60'	430'	370'	Red beds, clay, anhydrite/gyp stringers
430'	810'	380'	R Santa Rosa Fm ss, red beds, sh
810'	1010'	200'	Perm. Rustler Anhydrite
1010'	1845'	835'	Perm. Salado Salt
1845'			Perm. Castile (Cowden Anhydrite Fm.)

Logs (specify type) Gamma & Sonic

Identify where logs are on file Copy of log @ Santa Fe office
in binder file (D.D.)

IV. AQUIFER INFORMATION

Aquifers in Immediate Area

From	To	Aquifer Description	Amount of Water entering hole	Quality of Water
450' to 600' (EID estimate)		Santa Rosa	(No Specifics)	426-3680 ppm (EID estimate)

Wells in T18S, R31E, Sec 1, 12 produce from R Santa Rosa DTW 450' TD 600'
 T18S, R32E, Sec 7 produce from Alluvium DTW 83' TD 100'
 (NE) T17S, R32E Sec 1, 2, 3, 11, 12 " " Ogallala DTW 50-730' TD 140-270'

Windmill S of Brne Station
 T18S, R32E, Sec 5 TDS 1450 ppm
 CI < 500 ppm

Note: If water quality analysis are available please attach.*

Source of aquifer description state engineer, State Mines Report

Source of water level and quality data _____

Depth water first encountered during drilling N/A

Direction of water gradient _____

Explain any evidence of water contamination Background well analysis
due by 11/1/85; submitted 3/21/86 ⇒ 1450 ppm TDS, < 500 ppm CI
located T18S, R32E, Sec 5.

V. PRODUCTION/BRINE STORAGE INFORMATION

Method of production (describe fully) _____

Was well used previously for some purpose other than brine supply _____
If so, explain _____

Use of brine _____

Source of injection water (be specific) From City of Carlsbad via
Double Eagle Water Line - metered.

Date of first production December 1982

Volume of brine produced to date _____

Weight of salt removed to date _____

Calculated size and shape of cavity to date _____

Explain any evidence of subsidence and any subsidence monitoring _____

Brine storage facilities (describe) Steel tanks, 2-750 bbl $\frac{1}{2}$

1-1500 bbl. No ponds on location.

Explain how brine ^{tanks are} storage pit is being monitored for leakage Not being

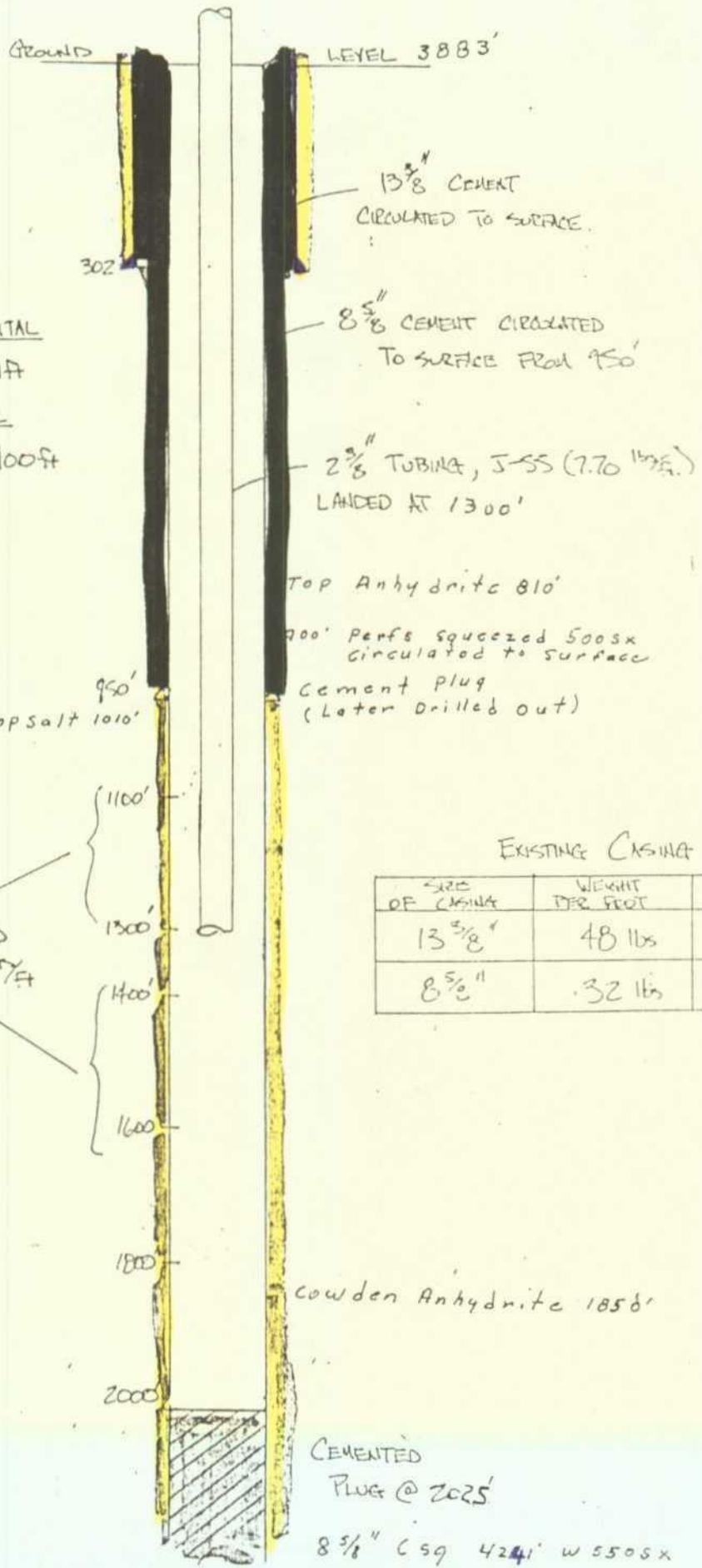
monitored for leaks. Have spill collection pond (unlined)

built 3/86. Have background well data from well in

T105, R32E, Sec 5

Explain brine loading procedures _____

Explain fresh water loading procedures _____



HORIZONTAL
29mm \approx 1ft

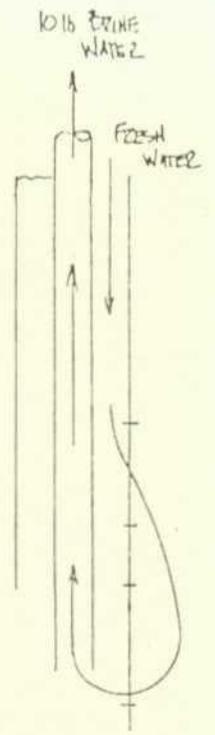
VERTICAL
10mm \approx 100ft

EXFOCATED @ 2" / ft

EXISTING CASING

SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH
13 5/8"	48 lbs	302'
8 5/8"	32 lbs	2025' c/o

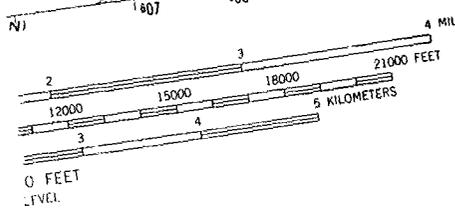
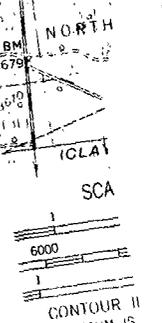
Flow Diagram



Squeeze Cement

Primary Cement

Revised NPL
3-6-85



ROAD CLASSIFICATION
 Medium-duty ——— Light-duty
 Unimproved dirt
 U.S. Route
 State Ro



THE REPRODUCTION OF

THE

FOLLOWING

DOCUMENT (S)

CANNOT BE IMPROVED

DUE TO

THE CONDITION OF

THE ORIGINAL

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN DUPLICATE*

(See other in-
structions on
reverse side)

Form approved.
Bureau No. 42-R355.5.

5. LEASE DESIGNATION AND SERIAL NO.

LC 028410 (b)

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Federal-Carper

9. WELL NO.

1-30

10. FIELD AND POOL, OR WILDCAT

Wildcat

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA

Sec. 30, T-17-S, R-32-E

12. COUNTY OR PARISH

Lea

13. STATE

New Mexico

15. DATE SPUDDED

6-13-64

16. DATE T.D. REACHED

8-5-64

17. DATE COMPL. (Ready to prod.)

18. ELEVATIONS (DF, RKB, RT, GR, ETC.)*

3882' (GR)

19. ELEV. CASINGHEAD

20. TOTAL DEPTH, MD & TVD

8176'

21. PLUG, BACK T.D., MD & TVD

22. IF MULTIPLE COMPL., HOW MANY*

23. INTERVALS DRILLED BY

ROTARY TOOLS

CABLE TOOLS

All

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)*

25. WAS DIRECTIONAL SURVEY MADE

Yes

26. TYPE ELECTRIC AND OTHER LOGS RUN

Induction-Electric, Gamma Ray-Sonic

27. WAS WELL CORED

No

28. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
13 3/8"	48#	318.32'	17 1/2"	300 sx + 2% calcium Chloride	None
8 5/8"	32#	4241	11 3/4"	650 sx + 10% gel + 10% salt	None

29. LINER RECORD

30. TUBING RECORD:

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)

31. PERFORATION RECORD (Interval, size and number)

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED

33.* PRODUCTION:

DATE FIRST PRODUCTION	PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)	WELL STATUS (Producing or shut-in)

DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO.
None							

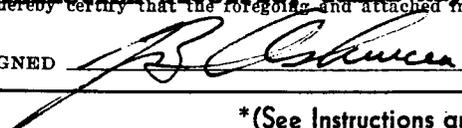
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)

TEST WITNESSED BY

35. LIST OF ATTACHMENTS

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED 

TITLE Partner

DATE 8-10-64

*(See Instructions and Spaces for Additional Data on Reverse Side)

INSTRUCTIONS

General: This form is designed for submitting a complete and correct well completion report and log on all types of lands and leases to either a Federal agency or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office. See instructions on items 22 and 24, and 33, below regarding separate reports for separate completions.

If not filed prior to the time this summary record is submitted, copies of all currently available logs (drillers, geologists, sample and core analysis, all types electric, etc.), formation and pressure tests, and directional surveys, should be attached hereto, to the extent required by applicable Federal and/or State laws and regulations. All attachments should be listed on this form, see item 35.

Item 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

Item 16: Indicate which elevation is used as reference (where not otherwise shown) for depth measurements given in other spaces on this form and in any attachments. **Items 22 and 24:** If this well is completed for separate production from more than one interval zone (multiple completion), so state in item 22, and in item 24 show the producing interval, or intervals, top(s), bottom(s) and name(s) (if any) for only the interval reported in item 33. Submit a separate report (page) on this form, adequately identified, for each additional interval to be separately produced, showing the additional data pertinent to such interval.

Item 29: "Sacks Cement": Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool.

Item 33: Submit a separate completion report on this form for each interval to be separately produced. (See instruction for items 22 and 24 above.)

37. SUMMARY OF POROUS ZONES:
SHOW ALL IMPORTANT ZONES OF POROSITY AND CONTENTS THEREOF; CORED INTERVALS; AND ALL DRILL-STEM TESTS, INCLUDING DEPTH INTERVAL TESTED, CUSHION USED, TIME TOOL OPEN, FLOWING AND SHUT-IN PRESSURES, AND RECOVERIES

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.
			No important porosity zones were encountered No cores were taken and no Drill Stem Tests were run.

38.

GEOLOGIC MARKERS

NAME	MEAS. DEPTH	TOP	TRUE VERT. DEPTH
Yates	2220		Same
Queen	3195		"
San Andres	3980		"
Bone Springs	6695		"



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

December 6, 1989

Bond
exp - 8/27/90

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Mike Butts
529 Brine Station
P. O. Box 98
Loco Hills, New Mexico 88255

RE: Delegation of Responsibilities Brine Manufacturing Operations

Dear Mr. Butts:

On June 13, 1989, the Water Quality Control Commission (WQCC) transferred the responsibility for the administration and enforcement of Commission regulations at brine manufacturing operations, including all brine production wells, holding ponds and tanks, from the Environmental Improvement Division (EID) to the Oil Conservation Division (OCD). The OCD has jurisdiction over all manufactured brine once it is transported, used or disposed of off brine plant premises for use in or directly related to oil and gas operations regulated by OCD. OCD regulates brine injection through its Class II Underground Injection Control (UIC) Program if the brine is used in the drilling for or production of oil and gas. EID shall regulate brine injection through its UIC Program if the brine is used for other purposes.

Brine production facilities that were transferred to OCD's jurisdiction must operate pursuant to an approved and current discharge plan. The discharge plan renewal process will be continued by OCD Environmental Bureau Staff. Approximately eight (8) months before the expiration date of an approved discharge plan, the discharger will be notified of the pending expiration of the plan. The discharge plan review process can, depending on circumstances, take several months. If the holder of an approved discharge plan submits a renewal application at least 180 days before discharge plan expiration, and the discharger is in compliance with his approved plan on the date of expiration, then the existing plan will not expire until the renewal application has been approved or disapproved.

Mr. Mike Butts
December 6, 1989
Page -2-

Guidelines to aid you in determining what will be required for the renewal of your discharge plan are being prepared. When the guidelines are finalized, they will be supplied to each operator of a brine production facility.

The OCD requires that any person, firm corporation or association that is in ownership of an oil, gas, or service well in the State of New Mexico shall furnish the Division with a surety bond in an amount prescribed in the OCD regulations. The current bond for well less than 5000 feet deep in Chaves, Eddy, Lea and Roosevelt Counties is \$5000. I am enclosing the OCD bond forms for your use. All surety bonds previously submitted to the OCD did not include brine wells. Those surety bonds submitted to the EID must be changed to the OCD. Once the proper bond forms are received and approved, all other sureties and bonds can be cancelled.

If you have any questions, please do not hesitate to contact me at (505) 827-5884.

Sincerely,

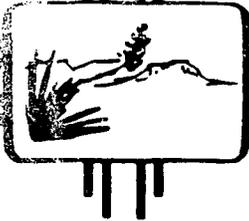


Roger C. Anderson
Environmental Engineer

RCA/sl

Enclosures

CC: Artesia District Office
Hobbs District Office



New Mexico and Environment Department

CAROL L. MUTH
Secretary

MICHAEL J. BURKHART
Deputy Secretary

RICHARD MITZELFELT
Director

April 3, 1989

Mike Butts
529 Brine Station
P. O. Box 176
Artesia, NM 88210

Dear Mr. Butts:

Thank you for your cooperation and assistance during our pressure test of your 529 Brine Station facility on March 6th.

This pressure test was performed in partial fulfillment of the mechanical integrity requirements found in Part 5-204 of the New Mexico Water Quality Control Commission Regulations. Results showed no leakage from your 529 Brine Station facility.

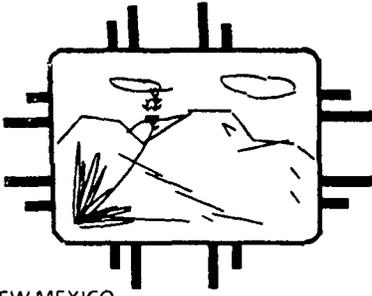
If you have any questions, please feel free to call me at 827-0027.

Sincerely,

A handwritten signature in cursive script that reads "John Parker".

John Parker
Water Resource Specialist
Ground Water Section

JP/pr



NEW MEXICO
HEALTH AND ENVIRONMENT
DEPARTMENT

ENVIRONMENTAL IMPROVEMENT DIVISION
Harold Runnels Bldg.-1190 St. Francis Drive
Santa Fe, New Mexico 87503

Richard Mitzelfelt
Director

GARREY CARRUTHERS
Governor
CARLA L. MUTH
Secretary
MICHAEL J. BURKHART
Deputy Secretary

December 14, 1988

Mike Butts
529 Brine Station
P.O. Box 176
Artesia, New Mexico 88210

Dear Mr. Butts:

The Underground Injection Control staff of the New Mexico Environmental Improvement Division Ground Water Section would like to thank you for your cooperation during our recent inspection of 529 Brine Station brine facility. A copy of the inspection form is attached for your reference.

Deficiencies noted during the inspection are as follows:

1. Spillage of brine and produced waters noted. Facility should be free of ponded brine or produced waters, facility should be inspected frequently, and spillage cleaned up when detected.
2. Middle brine storage tank has leakage. Leaks in tank should be repaired or tank should be replaced.
3. Spill collection system needs to be cleaned.

Thank you for your continued cooperation. Should you have any questions feel free to contact me (827-2902) or John Parker (827-0027).

Sincerely,

Kevin Lambert
Hydrologist
Ground Water Section - UIC Program

KL/mw

Enclosure

No. of Samples	Ion
/	Na
/	K
/	Ca
/	Mg
/	Cl
/	HCO3
/	CO3
/	SO4
/	TDS
/	NO3+ NO2
/	NH3
/	kjeld N
/	As
/	Ba
/	Cd
/	CN
/	Cr
/	F
/	Pb
/	Hg
/	Se
/	Ag
/	U
/	V
/	Ra 226
/	Ra 228
/	Cu
/	Fe
/	Mn
/	Phenols
/	Zn
/	Al
/	B
/	Co
/	Mo
/	Ni
/	pH
/	Conduct.

FIELD TRIP REPORT
GROUND WATER SECTION

County Eddy/Lea

SLD USER CODES
Ground Water: 59300
NO₃, HC, & Toxics: 59600
UIC: 59500

FACILITY VISITED
Name of Facility: 20 Brine Facilities of Climax Chemical
Location: Carlsbad/Hobbs in Southeast NM
Discharge Plan Number: DP- See Below
Type of Operation: Brine Production / Chemical Manufacturing

ENVIRONMENTAL IMPROVEMENT DIVISION FIELD VISIT
EID Inspector(s): Lambert
Date of Inspection or Visit: 12/5-8/88
Discharger's Representative Present During EID Visit:

Name: _____
Title or Position: _____
Purpose of Visit:
a. Evaluation of Proposed Discharge Plan _____
b. Compliance Inspection of Discharge with Approved Plan _____
c. Other (specify) _____

Inspection Activities During Field Visit:
a. Inspection of Facilities or Construction (specify)
b. Sampling of Effluents (give sampling locations)
c. Sampling of Ground Water (give names or locations of wells)
Sampled M.W. at Marathon
d. Evaluation of geology, soils, water levels or other physical characteristics of the location (specify)
e. Other (specify)

Observations and Information Obtained during the Visit:
The 20 Brine Facilities of Climax are listed below by DP#. See Individual File for specifics

ACTION REQUIRED				
#	#	#	#	#
318	323	354	370	298
319	324	355	371	426
320	325	360	372	
321	326	361	394	
322	351	369	401	

BRINE STATION INSPECTION FORM

DATE 12/6 1988 ¹²⁰⁸ EID INSPECTOR Lambert
FACILITY 529 Brine Station LOCATION _____
FACILITY REP ON SITE Mike Butts COUNTY LEA/Eddy

I & W Trucking
WELL OPERATION valved for reversal to clean salt buildup

WELL IS INJECTING: THROUGH ANNULUS THROUGH TUBING _____
SOURCE OF FRESH WATER Double Eagle Pipeline
TRACE INJECTION/PRODUCTION LINES Underground
WELL HEAD PRESSURE 35 PSIG PUMP PRESSURE _____ PSIG
LEAKS AROUND WELL OR PUMP None

STORAGE AREA

FOR PONDS:
GENERAL LINER APPEARANCE _____

AMOUNT OF FREEBOARD _____
ANY SIGN OF OVERFLOW OR LEAKS _____
LEAK DETECTION SYSTEM FLUIDS DRY _____

FOR TANKS:
GENERAL APPEARANCE 2 tanks OK 1 tank (middle) leaking
LABELED PLAINLY YES NO _____
BERMED TO PREVENT RUNOFF YES NO _____ starting 12/2/88
CHECK CONTENTS TO ASSURE PROPER FLUID/LABLE MATCH _____

NUMBER OF TANKS FOR BRINE 3 FRESH WATER _____
middle tank leaking needs repair, will replace

LOADING AREA

PROPERLY GRADED AND BERMED TO CONTAIN SPILLAGE YES NO _____
ANY EVIDENCE OF RECENT SPILLAGE YES NO _____
DOES FACILITY HAVE A SPILL COLLECTION SYSTEM YES NO _____
ANY EVIDENCE OF OIL SPILLING/DUMPING YES NO _____

MINOR brine spills & produced water spills
MONITORING WELLS all drains to collection behind tanks system

DEPTH _____ FT STATIC WATER LEVEL _____ FT BELOW CASING
SAMPLED THIS VISIT YES NO _____ TEMP _____ EC _____

COMMENTS Overall OK Would recommend regrading loading area & cleanup collection system from tank leak
And Replace middle tank fittings 1/4"

Good candidate for 2/89
MIT



Post Office Box 968
Santa Fe, New Mexico 87504-0968

ENVIRONMENTAL IMPROVEMENT DIVISION

Michael J. Burkhart
Director

GARREY CARRUTHERS
Governor

LARRY GORDON
Secretary

CARLA L. MUTH
Deputy Secretary

December 31, 1987

Jack Case
529 Brine Station
I & W, Inc.
P.O. Box 176
Artesia, NM 88210

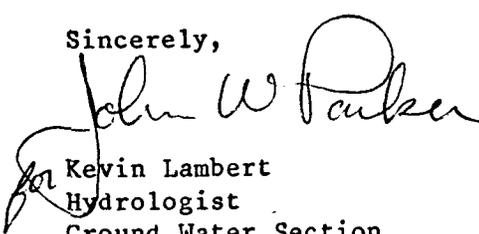
Dear Mr. Case:

The Underground Injection Control staff of the New Mexico Environmental Improvement Division Ground Water Section would like to thank you for your cooperation during our recent inspection of 529 Brine Station brine facility. A copy of the inspection form is attached for your reference. Deficiencies noted during the inspection are as follows:

1. Leakage in loading manifold from brine distribution lines. Leak should be repaired and loading area spill collection system needs improvement.
2. Spill containment behind tank farm needs maintenance.

Thank you for your continued cooperation. Should you have any questions feel free to contact me (827-2902) or John Parker (827-0027).

Sincerely,


for Kevin Lambert
Hydrologist
Ground Water Section

KL:JP:egr

Enclosure

BRINE STATION INSPECTION FORM

DATE 12/1 1987 EID INSPECTOR Lambert/Parker
FACILITY 529 Brine Station LOCATION St Rd 529
FACILITY REP ON SITE None COUNTY L.A.

WELL OPERATION

1 well system
WELL IS INJECTING: THROUGH ANNULUS THROUGH TUBING
SOURCE OF FRESH WATER Pipeline water
TRACE INJECTION/PRODUCTION LINES Buried line

WELL HEAD PRESSURE _____ PSIG PUMP PRESSURE _____ PSIG
LEAKS AROUND WELL OR PUMP None

No info present at site to indicate pressure

STORAGE AREA

FOR PONDS:
GENERAL LINER APPEARANCE _____

AMOUNT OF FREEBOARD _____
ANY SIGN OF OVERFLOW OR LEAKS _____
LEAK DETECTION SYSTEM FLUIDS DRY

FOR TANKS:
GENERAL APPEARANCE Good - small leaks from middle tank
LABELED PLAINLY YES NO
BERMED TO PREVENT RUNOFF YES NO Need to do maintenance
CHECK CONTENTS TO ASSURE PROPER FLUID/LABLE MATCH ON ~~berming~~ berming
NUMBER OF TANKS FOR BRINE 3 FRESH WATER _____

LOADING AREA

PROPERLY GRADED AND BERMED TO CONTAIN SPILLAGE YES NO
ANY EVIDENCE OF RECENT SPILLAGE YES NO
DOES FACILITY HAVE A SPILL COLLECTION SYSTEM YES NO
ANY EVIDENCE OF OIL SPILLING/DUMPING YES NO
Leak at loading area in piping brine/salt crust
Need to repair

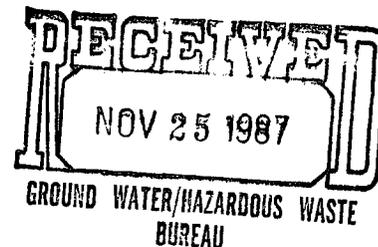
MONITORING WELLS

DEPTH _____ FT STATIC WATER LEVEL _____ FT BELOW CASING
SAMPLED THIS VISIT YES NO TEMP _____ Ec _____

COMMENTS Need to work on improving loading area
spill collection system - graded, + berming, repair
line leaks, and improve spill containment
Call discharger and notify of loading area problems



LOCO HILLS, NEW MEXICO 88255
November 20, 1987



E. I. D. Ground Water
P. O. Box 986
Santa Fe, New Mexico 87504-0968

Attention: Kevin Lambert

Re: 529 Brine Station
Lea County, N. M.
NM-53332

Dear Sir:

The amount of brine produced from September 1, 1986 through August 31, 1987 was 47,381 barrels.

The amount of fresh water injected into the brine well was 49750 barrels.

The water was injected at 150 pounds of pressure at the well head.

I hope this covers everything that you need, and thank you for your consideration in this matter.

Very truly yours,

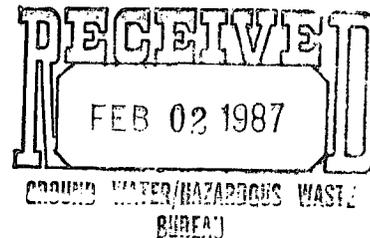
Jack Case
Vice President

JC: plb



ARTESIA, NEW MEXICO - 88210

January 28, 1987



E. I. D. Ground Water
P. O. Box 986
Santa Fe, New Mexico 87504-0968

Attention: Kevin Lambert

Re: 529-Brine Station
Lea County, N. M.
NM-53332

Dear Sir:

Enclosed is an analysis of the brine from the 529 brine station.

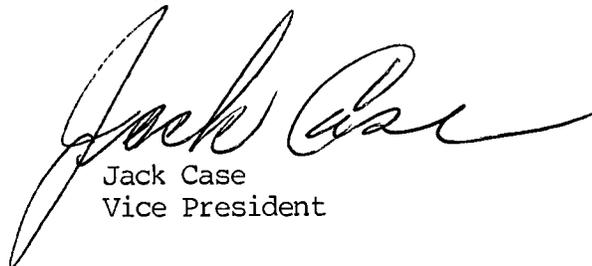
The amount of brine produced from September 1, 1985 through August 31, 1986 was 76089 barrels.

The amount of fresh water injected into the brine well was 78419 barrels.

This water was injected at 150 pounds of pressure at the well head.

I hope this covers everthing that you need to know, and thank you for your consideration in this matter.

Very truly yours,



Jack Case
Vice President

JC:plb
Enc. 1

HALLIBURTON DIVISION LABORATORY
HALLIBURTON SERVICES
MIDLAND DIVISION
ARTESIA, NEW MEXICO 88210
LABORATORY WATER ANALYSIS

No. W4-87

To I & W Inc.
P. O. Box 176
Artesia, NM 88210

Date January 22, 1987

This report is the property of Halliburton Company and neither it nor any part thereof nor a copy thereof is to be published or disclosed without first securing the express written approval of laboratory management; it may however, be used in the course of regular business operations by any person or concern and employees thereof receiving such report from Halliburton Company.

Submitted by _____ Date Rec. January 22, 1987

Well No. _____ Depth _____ Formation _____

County Lea Field _____ Source ⁵²⁹ Brine Water Station

Resistivity 0.05 @ 65°

Specific Gravity 1.207

pH 6.5

Calcium (Ca) 952 *MPL

Magnesium (Mg) 25,423

Chlorides (Cl) 191,000

Sulfates (SO₄) Heavy

Bicarbonates (HCO₃) 122

Soluble Iron (Fe) Small

Remarks: _____ *Milligrams per liter

Rocky Chambers
Respectfully submitted,

Analyst: Rocky Chambers - Special Operator
CC:

HALLIBURTON COMPANY

NOTICE

This report is limited to the described sample tested. Any user of this report agrees that Halliburton shall not be liable for any loss or damage, whether it be to act or omission, resulting from such report or its use.

BRINE STATION INSPECTION FORM

DATE 12/9 1986 EID INSPECTOR Lambert, Koschal Baker, Johnson
FACILITY 529 Brine Station LOCATION Maljamar T17S R32E
FACILITY REP ON SITE Jack Case COUNTY Lea Sec 30
DP-360 Not onsite

WELL OPERATION

WELL IS INJECTING: THROUGH ANNULUS THROUGH TUBING
SOURCE OF FRESH WATER ? Caprock Water / City Water
TRACE INJECTION/PRODUCTION LINES

WELL HEAD PRESSURE PSIG PUMP PRESSURE PSIG
LEAKS AROUND WELL OR PUMP None

Need some well head protection

STORAGE AREA

FOR PONDS:
GENERAL LINER APPEARANCE

AMOUNT OF FREEBOARD
ANY SIGN OF OVERFLOW OR LEAKS
LEAK DETECTION SYSTEM FLUIDS DRY

FOR TANKS:

GENERAL APPEARANCE Look good
LABELED PLAINLY YES NO
BERMED TO PREVENT RUNOFF X YES NO
CHECK CONTENTS TO ASSURE PROPER FLUID/LABLE MATCH

NUMBER OF TANKS FOR BRINE 3 FRESH WATER

LOADING AREA

PROPERLY GRADED AND BERMED TO CONTAIN SPILLAGE X YES NO
ANY EVIDENCE OF RECENT SPILLAGE YES X NO
DOES FACILITY HAVE A SPILL COLLECTION SYSTEM YES X NO
ANY EVIDENCE OF OIL SPILLING/DUMPING YES X NO

Need to work on spill collection at loading area

MONITORING WELLS

DEPTH FT STATIC WATER LEVEL FT BELOW CASING
SAMPLED THIS VISIT YES NO TEMP Ec

COMMENTS

SIEGENTHALER & GRAHAM

ATTORNEYS & COUNSELORS AT LAW

212 SOUTH FOURTH STREET

POST OFFICE DRAWER Z

ARTESIA, NEW MEXICO 88211-0657

(505) 746-9881

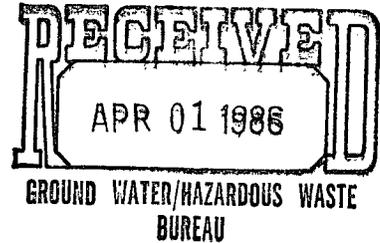
GEORGE A. GRAHAM, JR.

Dorsett C. Bennett II

WILLIAM M. SIEGENTHALER
OF COUNSEL

March 31, 1986

Environmental Improvement Division
P. O. Box 968
Santa Fe, NM 87504-0968



ATTENTION: Ms. Paige Morgan

Re: 529 Brine Station

Dear Ms. Morgan:

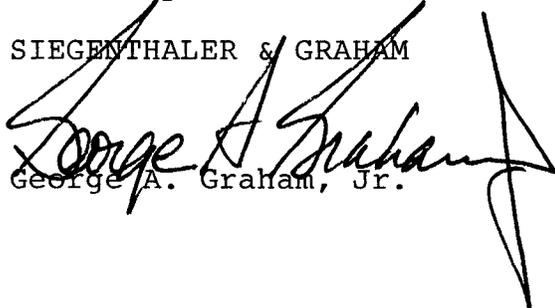
Enclosed is the water analysis report from a windmill south of 529 Brine Station. Its location, to be specific, is 1.2 miles west of Walker Federal West, which is located in Section 5-T18S-R32E, 660' FSL 560' FWL.

The catchment pit and terracing has been completed and I will furnish you pictures as soon as I can obtain some.

Best regards.

Sincerely,

SIEGENTHALER & GRAHAM


George A. Graham, Jr.

GAG:pao

Enclosure

HALLIBURTON DIVISION LABORATORY
HALLIBURTON SERVICES
MIDLAND DIVISION
ARTESIA, NEW MEXICO 88210
LABORATORY WATER ANALYSIS

No. W195-86

To Mr. Jack Case
I & W, Inc.
P. O. Box 176
Artesia, NM 88210

Date March 26, 1986

This report is the property of Halliburton Company and neither it nor any part thereof nor a copy thereof is to be published or disclosed without first securing the express written approval of laboratory management; it may however, be used in the course of regular business operations by any person or concern and employees thereof receiving such report from Halliburton Company.

Submitted by _____ Date Rec. _____
Well No. _____ Depth _____ Formation _____
County _____ Field _____ Source _____

Resistivity	8.6 @ 68°		
Specific Gravity	1.001		
pH	7.0		
Calcium (Ca)	56		*MPL
Magnesium (Mg)	67		
Chlorides (Cl)	Less than 500		
Sulfates (SO ₄)	Nil		
Bicarbonates (HCO ₃)	214		
Soluble Iron (Fe)	Nil		
Total Dissolved Solids	1,450		

Remarks:

*Milligrams per liter

Rocky Chambers
Respectfully submitted,

Analyst: Rocky Chambers - Field Engineer
cc:

HALLIBURTON COMPANY

NOTICE

This report is limited to the described sample tested. Any user of this report agrees that Halliburton shall not be liable for any loss or damage, whether it be to act or omission, resulting from such report or its use.

TONY ANAYA
GOVERNOR

DENISE D. FORT
DIRECTOR



STATE OF NEW MEXICO

ENVIRONMENTAL IMPROVEMENT DIVISION

P.O. Box 968, Santa Fe, New Mexico 87504-0968
(505) 984-0020

February 5, 1986

Jack Case, Vice-President
I & W, Inc.
P.O. Box 176
Artesia, New Mexico 88210

Dear Mr. Case:

In the discharge plan DP-360 for 529 Brine Station, which was approved on August 27, 1985, you made certain commitments including an agreement to carry out a number of monitoring and reporting requirements. One of these was that you would submit to the EID by November 1, 1985 a chemical analysis of well water chosen to represent background quality of the water tapped by wells in your area. This requirement was discussed in my letter to Ernie Hegwer of December 21, 1984, and again in my letter to you of April 15, 1985, and was included in a summary of your monitoring commitments which was attached to your discharge plan approval letter (copy of summary attached).

Failure to honor any aspect of your discharge plan is a violation of Section 3-104 of the Water Quality Control Commission regulations and of the New Mexico Water Quality Act. Through the courts, EID has sought and received financial penalties against operators who have failed to abide by the monitoring commitments in their discharge plans. To avoid being in jeopardy of such a legal remedy, please submit the required water quality information to this office within 45 days of the date of this letter. In addition, please provide photographs of the emergency catchment pit and "terrace" which were to have been installed ~~to upgrade the surface facilities at the brine station.~~

If you have any questions, I can be reached at 827-2901.

Sincerely,

Paige Grant Morgan
~~Water Resource Specialist~~
Ground Water Section

PGM/mp

cc: Garrison McCaslin, EID District IV Manager
George A. Graham

DISCHARGE PLAN NUMBER: 360

Original DP: x

SIC NUMBER: _____

Renewal: _____

Modification: _____

Date Received: 9/27/84

NAME OF FACILITY: 529 Brine Station

ADDRESS OF FACILITY: I & W Inc. / PO Box 176 / Artesia, NM 88210

ALTERNATE OR PAST NAME OF FACILITY: Ernie Hegwer

CITY OR CLOSEST TOWN: Maljamar

COUNTY: Lea TWP: 17S RGE: 32E SEC: 30

CONTACT PERSON: Case, Jack
last first

ADDRESS OF CONTACT PERSON: as above

TELEPHONE NUMBER: 677-2111

TYPE OF FACILITY: brine extraction well and surface storage facility

MEANS OF DISCHARGE (lagoon, leach field, other -specify): injection well, steel tanks

REVIEWER: Morgan, Paige
last first

DATE APPROVED: 8/27/85 DATE OF EXPIRATION: 8/27/90

MONITORING REQ: (Comment, if necessary, on back)

SAMPLING SITE & ID	STORET CODE	PARAMETER(S)	DATE DUE
"background well"		major ions and nitrate	11/1/85
produced brine		" " " "	on or before 8/27/86
brine well		cement bond log	condition of renewal
" "		operating pressure	retain records for inspection by EID

SEND REPORTS TO: Ground Water Section
EID: Ground Water/Hazardous Waste Bureau
P.O. Box 968
Santa Fe, NM 87504-0968

SAMPLING
SITE & ID

STORET
CODE

PARAMETER(S)

DATE DUE

<i>metered injection and sales</i>		<i>volume of water injected, volume of brine produced</i>	<i>annually, Sept. 1</i>

COMMENTS:

FOR EID USE ONLY

STATUS OF DP:

Active _____
Withdrawn _____
Expired, Not Renewed _____

Inactive: _____
Not Yet Approv: _____

TONY ANAYA
GOVERNOR

DENISE D. FORT
DIRECTOR



STATE OF NEW MEXICO

ENVIRONMENTAL IMPROVEMENT DIVISION

P.O. Box 968, Santa Fe, New Mexico 87504-0968
(505) 984-0020

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

August 27, 1985

Jack Case, Vice President
I&W Inc.
PO Box 176
Artesia, NM 88210

Re: Approval of Discharge Plan DP-360.

Dear Mr. Case:

The discharge plan DP-360 for the 529 Brine Station, located in the SW /4 SE /4 Section 30, T17S R32E, Lea County, New Mexico, is hereby approved. The approved discharge plan consists of:

- 1) the plan prepared by the former owner of the 529 Brine Station, Mr. Ernie Hegwer, dated September 27, 1984;
- 2) your letters to EID staff member Paige Morgan of March 13, June 17, and July 24, 1985; and
- 3) the plugging and abandonment bond submitted to EID on August 21, 1985 by your attorney George Graham.

The discharge plan was submitted pursuant to Section 5-101.B.3. of the New Mexico Water Quality Control Commission regulations. It is approved pursuant to Section 3-109. Please note subsections 3-109.E. and 3-109.F. which provide for possible future amendment of the plan. Please be advised that the approval of this plan does not relieve you of liability should your operation result in actual pollution of surface or ground waters which may be actionable under other laws and/or regulations.

The monitoring and reporting shall be as specified in the discharge plan and supplements thereto. These requirements are summarized on the attached sheet. Any inadvertent omissions from this summary of a discharge plan monitoring or reporting requirement shall not relieve you of responsibility for compliance with that requirement.

Please note that Section 3-104 of the regulations requires that "When a plan has been approved, discharges must be consistent with the terms and conditions of the plan."

Pursuant to subsection 3-109.G.4., this plan approval is for a period of five years. This approval will expire on August 27, 1990, and you should submit an application for renewed approval in ample time before that date.

Thank you for your cooperation during this discharge plan review.

Sincerely,

Richard Perkins / PC

Richard Perkins
Acting Bureau Chief
Ground Water/Hazardous Waste Bureau

RP:PGM:pgm

cc: George A. Graham, Jr. - Siegenthaler & Graham
John Guinn, EID District IV Manager

P 612 426 546

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

* U.S.G.P.O. 1983-403-517	Sent to	Jack Case, V.P.
	Street and No.	St W, Inc.
	P.O., State and ZIP Code	P.O. Box 176
	Postage	Artesia, N.M.
	Certified Fee	88210
	Special Delivery Fee	
	Restricted Delivery Fee	
	Return Receipt Showing to whom and Date Delivered	
	Return receipt showing to whom, Date, and Address of Delivery	
	TOTAL Postage and Fees	\$
PS Form 3800, Feb. 1982	Postmark or Date	

DISCHARGE PLAN NUMBER: 360

SIC NUMBER: _____

Original DP: x
 Renewal: _____
 Modification: _____
 Date Received: 9/27/84

NAME OF FACILITY: 529 Brine Station

ADDRESS OF FACILITY: I & W Inc. / PO Box 176 / Artesia, NM 88210

ALTERNATE OR PAST NAME OF FACILITY: Ernie Hegwer

CITY OR CLOSEST TOWN: Maljamar

COUNTY: Lea TWP: 17S RGE: 32E SEC: 30

CONTACT PERSON: Case, Jack
last first

ADDRESS OF CONTACT PERSON: as above

TELEPHONE NUMBER: 677-2111

TYPE OF FACILITY: brine extraction well and surface storage facility

MEANS OF DISCHARGE (lagoon, leach field, other -specify): injection well, steel tanks

REVIEWER: Morgan, Paige
last first

DATE APPROVED: 8/27/85 DATE OF EXPIRATION: 8/27/90

MONITORING REQ: (Comment, if necessary, on back)

SAMPLING SITE & ID	STORET CODE	PARAMETER(S)	DATE DUE
"background well"		major ions and nitrate	11/1/85
produced brine		" " " "	on or before 8/27/86
brine well		cement bond log	condition of renewal
" "		operating pressure	retain records for inspection by EID

SEND REPORTS TO: Ground Water Section
 EID: Ground Water/Hazardous Waste Bureau
 P.O. Box 968
 Santa Fe, NM 87504-0968

E I D B U C K S L I P

CHECK ONE:

LETTER TO I&W Inc.
for Conrad's signature

MEMO TO _____

PRESS RELEASE

OTHER

SUBJECT: IP approval

DRAFTED BY: Morgan 8/26/85
(Date)

CONCURRENCES:

NAME:	INITIAL	DATE REC'D	DATE APPROVED
<u>Maxine Good</u> Sect. Mgr.	<u>MSK</u>	<u>8/27/85</u>	<u>8/27/85</u>
<u>Conrad, Actg.</u> Bur. Chief	<u>PC</u>	<u>8/27/85</u>	<u>8/27/85</u>
<u>Richard Holland</u> Dep. Dir.	_____	_____	_____
<u>Denise Fort</u> Director	_____	_____	_____

FINAL DECISION NEEDED BY 8/27/85 BECAUSE that is
(date)

The date stipulated in I&W's Assurance of Discontinuance for EID to approve/deny the IP

COMMENTS BY DRAFTER OR REVIEWER(S):

straightforward bind well plan. P&A bond in excess of requirements.

SIEGENTHALER & GRAHAM

ATTORNEYS & COUNSELORS AT LAW

212 SOUTH FOURTH STREET

POST OFFICE DRAWER Z

ARTESIA, NEW MEXICO 88211-0657

(505) 746-9881

GEORGE A. GRAHAM, JR.

WILLIAM M. SIEGENTHALER
OF COUNSEL

RECEIVED

August 21, 1985

AUG 23 1985

Environmental Improvement Division
P. O. Box 968
Santa Fe, NM 87504-0968

GROUND WATER/HAZARDOUS WASTE
BUREAU

ATTENTION: Ms. Paige Morgan

Re: Discharge Plan DP-360 for
529 Brine Station

Dear Ms. Morgan:

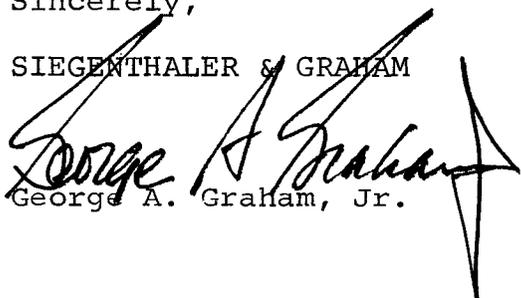
Enclosed is plugging bond for 529 Brine Station in the sum of
\$10,000.00.

I believe that this is the last requirement other than the water
sample from one of the wells south of 529 Brine Station, as set
out in I & W's letter to you dated July 24, 1985.

Best regards.

Sincerely,

SIEGENTHALER & GRAHAM


George A. Graham, Jr.

GAG:pao

Enclosure

STATE OF NEW MEXICO
ONE-WELL PLUGGING BOND

FOR CHAVES, EDDY, LEA, MCKINLEY, RIO ARRIBA, ROOSEVELT,
SANDOVAL, AND SAN JUAN COUNTIES ONLY

BOND NO. A-R-71385-72
(For Use of Surety Company)

AMOUNT OF BOND \$10,000.00

COUNTY Lea

NOTE: For wells less than 5,000 feet deep, the minimum bond is \$5,000.00*
For wells 5,000 feet to 10,000 feet deep, the minimum bond is \$7,500.00*
For wells more than 10,000 feet deep, the minimum bond is \$10,000.00

* Under certain conditions, a well being drilled under a \$5,000.00 or \$7,500.00 bond may be permitted to be drilled as much as 500 feet deeper than the normal maximum depth, i.e., a well being drilled under a \$5,000.00 bond may be permitted to go to 5,499 feet, and a well being drilled under a \$7,500.00 bond may be permitted to go to 7,999 feet (See Rule 101)

File with Oil Conservation Division, P.O. Box 2088, Santa Fe 87501

KNOW ALL MEN BY THESE PRESENTS:

That I & W, INC., ~~an individual~~ ~~(a partnership)~~
(a corporation organized in the State of New Mexico, with its principal office in the city of Artesia, State of New Mexico, and authorized to do business in the State of New Mexico), as PRINCIPAL, and AMERICAN EMPLOYERS' INSURANCE COMPANY, a corporation organized and existing under the laws of the State of Massachusetts, and authorized to do business in the State of New Mexico, as SURETY, are held firmly bound unto the State of New Mexico, for the use and benefit of the Oil Conservation Division / and to the Environmental Improvement Division of New Mexico pursuant to Section 65-3-11, New Mexico Statutes Annotated, 1953 Compilation, as amended, in the sum of \$10,000.00 Dollars lawful money of the United States, for the payment of which, well and truly to be made, said PRINCIPAL and SURETY hereby bind themselves, their successors and assigns, jointly and severally, firmly by these presents.

The conditions of this obligation are such that:

WHEREAS, The above principal has heretofore or may hereafter enter into oil and gas leases / or brine extraction lease, or carbon dioxide (CO₂) gas leases, or helium gas leases with the State of New Mexico; and

WHEREAS, The above principal has heretofore or may hereafter enter into oil and gas leases / or brine extraction lease, or carbon dioxide (CO₂) gas leases, or helium gas leases on lands patented by the United States of America to private individuals, and on lands otherwise owned by private individuals; and

WHEREAS, The above principal, individually, or in association with one or more other parties, has commenced or may commence the drilling of one well not to exceed a depth of 5,000 feet, to prospect for and produce oil or gas, or carbon dioxide (CO₂) gas or helium gas, or does own or may acquire, own or operate such well, or such well started by others on land embraced in said State oil and gas leases, / or brine extraction lease, or carbon dioxide (CO₂) leases, or helium gas leases, and on land patented by the United States of America to private individuals, and on land otherwise owned by private individuals, the identification and location of said well being 330' FSL and 1650' FEL

(Here state exact legal subdivision by 40-acre tract or lot)

Section 30, Township 17 (~~North~~)(South), Range 32 (East)(~~West~~), N.M.P.M.
County, New Mexico.

NOW, THEREFORE, If the above bounden principal and surety or either of them or their successors or assigns, or any of them, shall plug said well when dry or when abandoned in accordance with the rules, regulations, and orders of the Oil Conservation Division of New Mexico in such way as to confine the oil, gas, and water in the strata in which they are found, and to prevent them from escaping into other strata;

THEN, THEREFORE, This obligation shall be null and void; otherwise and in default of complete compliance with any and all of said obligations, the same shall remain in full force and effect.

SIGNED and sealed this 8th day of August, 1985.

PRINCIPAL

SURETY

P.O. Box 176
Artesia, N. M. 88210

101 South Fourth Street
Artesia, N.M. 88210

Address

Address

By

By

Signature

Attorney-in-Fact

Title

(Note: Principal, if corporation, affix corporate seal here.)

(Note: Corporate surety affix corporate seal here.)

ACKNOWLEDGEMENT FORM FOR NATURAL PERSONS

STATE OF _____)
COUNTY OF _____) ss.

On this _____ day of _____, 19____, before me personally appeared _____, to me known to be the person (persons) described in and who executed the foregoing instrument and acknowledged that he (they) executed the same as his (their) free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the day and year in this certificate first above written.

Notary Public

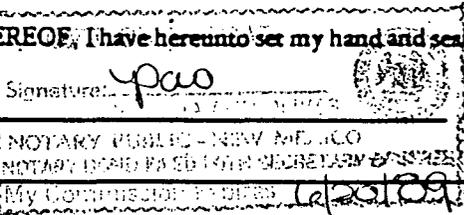
My Commission expires _____

ACKNOWLEDGEMENT FORM FOR CORPORATION

STATE OF New Mexico)
COUNTY OF Eddy) ss.

On this 8th day of August, 1985, before me personally appeared JACK CASE to me personally known who, being by me duly sworn, did say that he is Vice-President of T & W, Inc. and that the foregoing instrument was signed and sealed on behalf of said corporation by authority of its board of directors, and acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the day and year in this certificate first above written.



Notary Public

My Commission expires _____

ACKNOWLEDGEMENT FORM FOR CORPORATE SURETY

STATE OF New Mexico)
COUNTY OF Eddy) ss.

On this 8th day of August, 1985, before me appeared Charlene M. Ward, to me personally known, who, being by me duly sworn, did say that he is Attorney-in-Fact of American Employers' Insurance Company and that the foregoing instrument was signed and sealed on behalf of said corporation by authority of its board of directors, and acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the day and year in this certificate first above written.

Patricia Ann Sloan
Notary Public

My Commission expires 9-18-88

(Note: Corporate surety attach power of attorney.)

APPROVED BY:

OIL CONSERVATION COMMISSION OF NEW MEXICO

By _____

Date _____

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the AMERICAN EMPLOYERS' INSURANCE COMPANY, a corporation duly organized and existing under the laws of the Commonwealth of Massachusetts, and having its principal office in the City of Boston, Massachusetts, hath made, constituted and appointed, and does by these presents make and constitute and appoint **J. S. Ward, John C. Knight, Charlene M. Ward and Lessie M. Donaghey** all of Artesia, New Mexico

and each of them its true and lawful Attorney-in-Fact, to make, execute, seal and deliver for and on its behalf as surety any and all bonds or undertakings

and the execution of such bonds or undertakings in pursuance of these presents, shall be binding upon said Company as fully and amply, to all intents and purposes, as if such bonds were signed by the President, sealed with the corporate seal of the Company, and duly attested by its Secretary, hereby ratifying and confirming all the acts of said Attorney-in-Fact pursuant to the power herein given. This Power of Attorney is made and executed pursuant to and by authority of the following resolutions adopted by the Board of Directors of the AMERICAN EMPLOYERS' INSURANCE COMPANY at a meeting duly called and held on the twenty-seventh day of July, 1972:

Resolved: That the President, or any Vice-President, or any Assistant Vice-President, may execute for and in behalf of the company any and all bonds, recognizances, contracts of indemnity, and all other writings obligatory in the nature thereof, the same to be attested when necessary and the seal of the company affixed thereto by the Secretary, or any Assistant Secretary; and that the President, or any Vice-President, or Assistant Vice-President, may appoint and authorize an Attorney-in-Fact to execute on behalf of the company any and all such instruments and to affix the seal of the company thereto; and that the President, or any Vice-President, or any Assistant Vice-President, may at any time remove, any such Attorney-in-Fact and revoke all power and authority given to any such Attorney-in-Fact.

Resolved: That Attorneys-in-Fact may be given full power and authority to execute for and in the name and on behalf of the company any and all bonds, recognizances, contracts of indemnity, and all other writings obligatory in the nature thereof, and any such instrument executed by any such Attorney-in-Fact shall be as binding upon the company as if signed by the President and sealed and attested by the Secretary, and, further, Attorneys-in-Fact are hereby authorized to verify any affidavit required to be attached to bonds, recognizances, contracts of indemnity, and all other writings obligatory in the nature thereof, and are also authorized and empowered to certify to a copy of any of the by-laws of the company as well as any resolution of the Directors having to do with the execution of bonds, recognizances, contracts of indemnity, and all other writings obligatory in the nature thereof, and to certify copies of the Power of Attorney or with regard to the powers of any of the officers of the company or of Attorneys-in-Fact.

This power of attorney is signed and sealed by facsimile under the authority of the following Resolution adopted by the Directors of the AMERICAN EMPLOYERS' INSURANCE COMPANY at a meeting duly called and held on the twenty-seventh day of July, 1972:

"Resolved: That the signature of the President, or any Vice-President, or any Assistant Vice-President, and the signature of the Secretary or any Assistant Secretary and the Company Seal may be affixed by facsimile to any power of attorney or to any certificate relating thereto appointing Attorneys-in-Fact for purposes only of executing and attesting any bond, undertaking, recognizance or other written obligation in the nature thereof, and any such signature and seal where so used, being hereby adopted by the company as the original signature of such officer and the original seal of the company, to be valid and binding upon the company with the same force and effect as though manually affixed."

IN WITNESS WHEREOF, the AMERICAN EMPLOYERS' INSURANCE COMPANY, has caused these presents to be signed by its Vice-President and its corporate seal to be hereto affixed, duly attested by its Secretary on this 7th day of January 19 82



AMERICAN EMPLOYERS' INSURANCE COMPANY

Attest: Raymond M. Defosse
Raymond M. Defosse - Secretary

By: John M. Garrett
John M. Garrett - Vice-President

COMMONWEALTH OF MASSACHUSETTS
COUNTY OF SUFFOLK SS.

On this 7th day of January 19 82, before me personally came John M. Garrett, Vice-President, and Raymond M. Defosse, Secretary of the AMERICAN EMPLOYERS' INSURANCE COMPANY, to me personally known to be the individuals and officers described in and who executed the preceding instrument, and they acknowledge the execution of the same, and being by me duly sworn, severally and each for himself depose and sayeth, that they are the said officers of the Company aforesaid, and that the seal affixed to the preceding instrument is the corporate seal of said Company and that the said corporate seal and their signatures as such officers were duly affixed and subscribed to the said instrument by the authority and direction of the said Company.



Joseph H. Dinan, Jr.
Joseph H. Dinan, Jr. - Notary Public
(My Commission expires February 11, 1988)

CERTIFICATE

I, the undersigned, Assistant Secretary of the AMERICAN EMPLOYERS' INSURANCE COMPANY, a Massachusetts Corporation, do hereby certify that the foregoing power of attorney is in full force and has not been revoked; and furthermore, that the Resolutions of the Board of Directors set forth in the power of attorney are now in force.

Signed and sealed at the City of Boston. Dated this 8th day of August 19 85



Andrejs J. Grots
Andrejs J. Grots - Assistant Secretary

TONEY ANAYA
GOVERNOR

DENISE D. FORT
DIRECTOR



STATE OF NEW MEXICO

ENVIRONMENTAL IMPROVEMENT DIVISION

P.O. Box 968, Santa Fe, New Mexico 87504-0968
(505) 984-0020

August 9, 1985

Jack Case, Vice President
I&W Inc.
PO Box 176
Artesia, NM 88210

Dear Mr. Case:

Your letter of July 24th completed the terms of your discharge plan, with the exception of a plugging bond. I spoke with your attorney, George Graham, on August 8th and he assured me that we would be receiving a copy of your \$10,000 plugging and abandonment bond very soon. When it arrives, assuming all is in order, I will recommend approval of the discharge plan for 529 Brine Station.

When do you plan to install the surface facilities (emergency catchment pit and "terrace") at the brine station? Steve Sares and I will be in Loco Hills on August 21st and would be interested in looking at any construction at that time.

Sincerely,

Paige Grant Morgan
Water Resource Specialist

PGM:pgm

cc: John Guinn, EID District IV Manager



ARTESIA, NEW MEXICO - 88210

RECEIVED

JUL 29 1985

July 24, 1985

GROUND WATER/HAZARDOUS WASTE
BUREAU

Environmental Improvement Division
P. O. Box 968
Santa Fe, NM 87504-0968

ATTENTION: Ms. Paige Morgan

Re: Discharge Plan DP-360 for
529 Brine Station

Dear Ms. Morgan:

This will confirm our telephone conversation of 7-23-85 in which it was my understanding that we have agreed as follows:

1. Concerning the plugging bond, in the event it becomes necessary to plug the well at 529 Brine Station, the plug will be a solid plug from approximately 2,025 feet (bottom of the well) to the top and the plugging will be accomplished with the cavity filled with brine. I & W will furnish a plugging bond in the amount of \$10,000.

2. I & W will obtain a water sample from one of the windmills to the south of 529 Brine Station, have it analyzed and furnish the results to you by November 1, 1985.

Concerning the drainage from the pad, it is incorrect that the pad slopes toward the highway, therefore, the drainage plan as submitted in my letter to you dated June 17, 1985, will be accomplished.

Sincerely,

I & W, INC.

Jack Case

JC:pao

7/23/85.

Called Jack Case - 677-2111 - to discuss
submittal of June 17, 1985.

1. Under Facility Design: in ~~diagram~~ ^{plot plan} attached
to letter, caliche pad is sloped toward
highway ^(north). I asked how they expected a
spill catchment located ~~west~~ ^{south} of the
loading area to receive any spills. He
said the plot plan is in error: slope
is actually to south. He will send
in corrected plot plan.

2. Under Site Characteristics: he will have
analysis in to EID on or before November
1, 1985. Will send written commitment to
that effect.

3. Under P&A: will take out a bond in
his name & send us copy.

Will send in a commitment to plug
the well completely with cement on
abandonment.

Larry Morgan



THE REPRODUCTION OF

THE

FOLLOWING

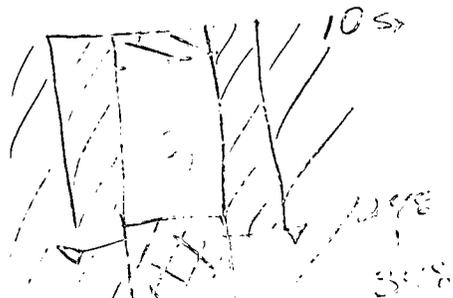
DOCUMENT (S)

CANNOT BE IMPROVED

DUE TO

THE CONDITION OF

THE ORIGINAL



0
135

3m... tiche

red... sh.

580

red sandy sh.

660

red... sh.

820

anhydrite

100' ... 500' ... sh.

950 - 1050' ... 1015' ... salt

1058

2030

2030

5-209. B. ... well shall be plugged
in ~~with~~ a manner which will not
allow the movement of fluids
through the well leak out of
the injection zone or between
other zones of ground water.

Water was encountered at 505-560'
again 1015-1058'

waterflood in area - changes
pressure relationships & amounts
of water in fms.
safest pro techniques to plug
entire shaft.

a number of brine wells have chosen to
locate near an old oil well that was

inadequately plugged - are going to
have to limit operations so they
do not cause movement of brine
through old wellbore with widely
separated plugs.

When old p & a well reentered, plugs
have frequently disappeared. Safer to
go w/ complete shaft plugged



ARTESIA, NEW MEXICO - 88210

RECEIVED

JUN 21 1985

June 17, 1985

GROUND WATER/HAZARDOUS WASTE
BUREAU

Environmental Improvement Division
P. O. Box 968
Santa Fe, NM 87504-0968

ATTENTION: Ms. Paige Morgan

Re: Discharge Plan DP-360 for
529 Brine Station

Dear Ms. Morgan:

This letter is a response to your April 15, 1985 comments concerning 529 Brine Station Discharge Plan.

1. WELL CONSTRUCTION:

Though we do not agree that a cement bond log would serve any real practical purpose and that our present method of continuous pressure checking is much preferable, we would agree to run such a log on the lower 200 to 300 feet of the well. OK

2. FACILITY DESIGN:

In connection with the paragraph concerning analyzing the brine periodically, we will, within one (1) year of receiving the discharge plan approval, provide an analysis of the brine which will include not only calcium, magnesium, bicarbonate, chloride, sulfate, but also potassium, sodium, nitrate and total dissolved solids.

In connection with the caliche pad and the emergency spill catchment, I & W will construct such catchment at the Brine Station, which will catch any truck overflow. It will be diverted into the catchment according to the plans which are attached hereto. Our plan is to pump out the emergency pit on a regular basis and to construct it with a plastic liner.

*Caliche pad
to be constructed
to catch any truck
overflow & to pump
out the emergency
pit on a regular basis.*

3. SITE CHARACTERISTICS:

We will collect a sample from one of the wells listed under this paragraph as soon as possible and have it analyzed and furnish you with a report. *specify date*

4. MONITORING:

We would agree to the monitoring and pressure testing as set out in paragraph ⁴a of your letter of 12-21-84, as well as the other conditions set out and as revised in your letter dated 4-15-85. *OK*

5. PLUGGING AND ABANDONMENT:

I have talked to the Bureau of Land Management concerning plugging and abandonment, and I am advised verbally that the Bureau of Land Management would, at the time plugging and abandonment of the well was necessary, they would, at that time, approve the plugging procedures. They have, at the present time, Hegwer's bond in the sum of \$5,000.00, which they felt was adequate. *is a bond...*

529 Brine Station well is an injection well where fresh water is injected into the salt formation which is not water-bearing and then returned to the surface as brine. I & W would, upon abandonment, plug the well in a manner which would prevent the movement of fluids through the well bore out of the injection zone or between other zones of ground water. It would propose that should the well be plugged and abandoned, I & W would:

1. Prior to the placement of the plugs, circulate mud in the well to reach a state of static equilibrium

2. At 950', set a 100' Class C cement plug, allow to set for approximately six (6) hours, and then tag the plug, i.e. check to assure that the cement has remained in place. *is a bond...*

3. Set another plug at 348' to 248', wait the same period of time, and tag, etc.

4. Set a 10 sack plug at the surface.

5. The cement for the plugs would be placed in location by the pump and plug method through tubing.

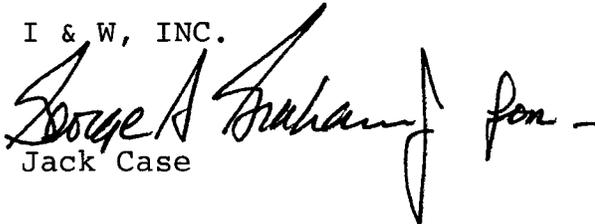
I have checked with persons in the business who are familiar with this type of operation and they feel that this

Environmental Improvement Division
June 17, 1985
Page 3

could be accomplished for approximately \$5,000 (low side) to \$7,500 (high side).

Sincerely,

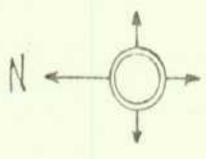
I & W, INC.

 -
Jack Case

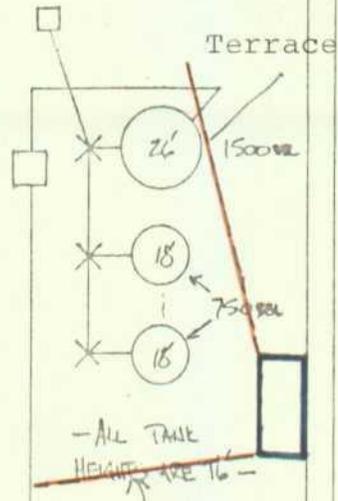
JC:pao

Enclosure:
Catchment Diagram

AERIAL VIEW
OF BRINE 529



HWY 529



625'

Terrace approx.
25' west of
west tank

— Catchment
8'x30' - 5' deep
plastic-lined

— Terrace
(slope toward
catchment)

2" UPSET TUBING
FROM DOUBLE END

- COLICHE PAD
SLOPED 4" TOWARDS
HWY 529 -

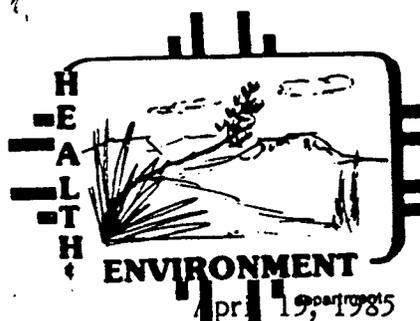


1" = 25'

225'

TONEY ANAYA
GOVERNOR

DENISE D. FORT
DIRECTOR



STATE OF NEW MEXICO

ENVIRONMENTAL IMPROVEMENT DIVISION

P.O. Box 968, Santa Fe, New Mexico 87504-0968
(505) 984-0020

Jack Case
I and W, Inc.
PO Box 176
Artesia, NM 88210

Re: March 13th submittal of information related to DP-360 for 529 Brine Station

Dear Mr. Case:

Thank you for your response to my letter of December 21, 1984, in which I asked for some additional information to be submitted to complete the discharge plan for your brine facility. My comments on your submittal follow.

1. Well Construction.

Your explanation of the construction and tubular goods used in the brine well, and the logs and other materials submitted to illustrate the text, are very adequate. Thank you.

With regard to your remark that "...there are no fresh water aquifers, at least in the traditional sense, in the area": the regulations of the Water Quality Control Commission (WQCC) are set up to protect "...all ground water of the state of New Mexico which has an existing concentration of 10,000 mg/l or less TDS, for present and potential future use as domestic and agricultural water supply..." (Section 3-101.A.). The information I have been able to obtain from the published literature corroborates the information submitted in your report: there has been very little development of water supplies west-southwest of the Mescalero Ridge; nonetheless, the alluvium and the Santa Rosa Fm. in your area are transmissive and contain some water, albeit probably quite highly mineralized. Therefore, the EID has a mandate to see that the ground water in the area is protected from contamination.

With regard to your contention that it is unnecessary to run a cement bond log in the brine well: when you set a packer on the casing and pressure-test the casing alone, you receive no information on the soundness of the cement seal in the casing-borehole annulus, which is all that would prevent movement of brine in the annulus when the whole system is under pressure during brine production. When you pressure up on the entire system for a pressure test such as the one witnessed by the EID in November, it is conceivable that brine could migrate some distance through channels in the cement and still the system would show no significant pressure drop. Yet over time the opportunity would exist for brine to migrate to other formations and to attack and corrode the casing from the "back side", setting up the situation for a major failure of the

well. For all its inaccuracies, the cement bond log appears to be the best means by which to assess the potential for such problems in a well.

Please note that a cement bond log need not be run immediately, but is a requirement of renewal of this plan, five years after approval. It would be advisable to run the log when you need to enter the well for some other purpose, so that you need not pull the tubing just to run the log. Also, since the area of concern is mainly the lower 2-300 feet, it would be acceptable to run the log for that distance only, if that would be less expensive.

2. Facility Design.

Please note: the analysis of the brine for the following parameters need only be submitted once, within one year of receiving discharge plan approval: calcium, potassium, magnesium, sodium, bicarbonate, chloride, sulfate, nitrate, and total dissolved solids. (The underlined parameters are those that were missing from Mr. Hegwer's submitted reports.)

The caliche pad, as you describe it and as noted during the EID site visit in November, appears adequate to prevent spilled brine from seeping directly into the sand on which the facility is constructed. However, it was also evident during the EID site visit that surface flows from the facility were sometimes routed into the arroyo behind the brine station. This is not an acceptable practice. Please provide an emergency spill catchment at the brine station and submit plans that demonstrate that any truck overflow would be diverted into the catchment. It has been the experience at a number of brine stations that spillage of this type is fairly common. If you plan to pump out the emergency pit on a regular basis, a caliche or other semi-permeable liner may be acceptable; if you plan to let the fluids in the pit evaporate, a more complete barrier to infiltration will be required. A semi-buried stock tank may be a reasonable solution.

3. Site Characteristics.

You misunderstood my remark with regard to the need for background water quality information. I did not say that the 529 Brine Station had been implicated as a source of ground water contamination; I explained that if in the future such a situation were to arise, it would be important to have some data on background water quality in the area in order to investigate the charge.

There is a water well indicated on the USGS "Maljamar" 15-minute topographic map in T18S R 32E Sec. 5 SW/4 NW /4, and a windmill shown in the SE /4 SE/4 SE/4 Sec. 1, T18S R 31E, in addition to the wells named to you by the State Engineer. Please obtain a sample from one of these wells, if possible. Collection of the sample and the parameters to analyze for are discussed in my letter to Mr. Hegwer of December 21, 1984.

4. Monitoring.

In the third paragraph in my 12/21/84 letter, please substitute:

"If there is a drop in presssure of greater than 5 psi on the casing-tubing annulus..."

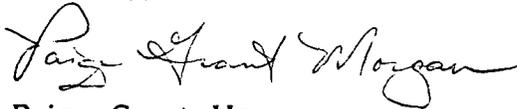
I believe this constitutes a more accurate description of what would occur in the event of a casing leak.

5. Plugging and abandonment.

I look forward to receiving your plugging and abandonment plan incorporating the requirements of the Bureau of Land Management. However, please be aware that no plan will be approvable by EID unless it conforms to the terms of Section 5-209.B. of the WQCC regulations.

Thank you for your efforts at completing an approvable discharge plan for this facility. I hope to receive your response to this letter by June 27, 1985, as specified in your Assurance of Discontinuance. When I do, I hope to complete any further negotiations on this discharge plan by telephone so that EID can meet the August 27th deadline for approval (or disapproval) of this plan.

Sincerely,



Paige Grant Morgan
Water Resource Specialist

cc: John Guinn, EID District IV Manager
George A. Graham, Jr.

m 5/22

TONY ANAYA
GOVERNOR

DENISE D. FORT
DIRECTOR



STATE OF NEW MEXICO

ENVIRONMENTAL IMPROVEMENT DIVISION
P.O. Box 968, Santa Fe, New Mexico 87504-0968
(505) 984-0020

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

April 9, 1985

Jack Case, Vice President
529 BRINE STATION
I & W, Inc.
P.O. Box 176
Artesia, NM 88210

Dear Mr. Case:

Enclosed is a copy of the public notice pertaining to your proposed discharge which was issued by this division pursuant to New Mexico Water Quality Control Commission Regulations, Section 3-108.

If you have any questions, please do not hesitate to contact me at the above address and telephone number (ext. 279).

Sincerely,

Maxine S. Goad
Program Manager
Ground Water Section

MSG:jba

Enclosure

PS Form 3800, Feb. 1982 ★ U.S.G.P.O. 1983-403-517

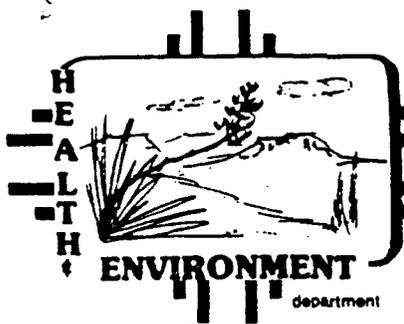
Sent to	Jack Case
Street and No.	P.O. Box 176
P.O. State and ZIP Code	Artesia, NM 88210
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to whom and Date Delivered	
Return receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date	

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)

P 612 425 084

TONEY ANAYA
GOVERNOR

DENISE D. FORT
DIRECTOR



STATE OF NEW MEXICO

ENVIRONMENTAL IMPROVEMENT DIVISION

P.O. Box 968, Santa Fe, New Mexico 87504-0968
(505) 984-0020

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

April 9, 1985

Lea County Commissioners
Lea County Courthouse
Lovington, NM 88260

Board of County Commissioners:

Enclosed is a public notice which includes notice of proposed discharge plan(s) for one or more operations located in your county.

If you have any questions, please do not hesitate to contact me at the address and telephone number given above.

Sincerely,

Maxine S. Goad
Program Manager
Ground Water Section

MSG:jba

Enclosure

PS Form 3800, Feb. 1982 * U.S.G.P.O. 1983-403-517

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to whom and Date Delivered	
Return receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date	

Sent to: *Lea County Courthouse*
 Street and No.: *Lea County Courthouse*
 P.O. State and ZIP Code: *Lovington, NM 88260*

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)

P 612 425 096

April 8, 1985

TO BE PUBLISHED ON OR BEFORE APRIL 17, 1985

PUBLIC NOTICE
NEW MEXICO ENVIRONMENTAL IMPROVEMENT DIVISION

Notice is hereby given that pursuant to New Mexico Water Quality Control Commission Regulations, the following proposed discharge plans have been submitted for approval to the Director of the New Mexico Environmental Improvement Division, P.O. Box 968, Crown Bldg., Santa Fe, New Mexico 87504-0968; telephone (505) 984-0020.

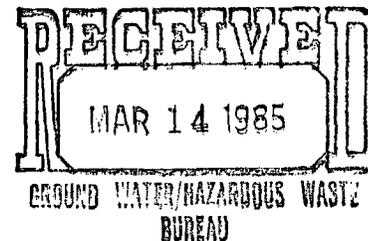
(DP-380) BARRERA DAIRY, Lorenzo A. Barrera, Owner, HC#2, Box 4, Arrey, New Mexico 87930 proposes to discharge approximately 3500 gallons per day of effluent from the dairy milking parlor and washroom located in the NE $\frac{1}{4}$, SW $\frac{1}{4}$, Section 11, T17S, R5W in Sierra County, New Mexico. The dairy will milk 80 to 100 cows twice per day, and the effluent will be discharged through two lined lagoons to 8 to 10 acres of cropland. The ground water beneath the site is at a depth of approximately 60 feet with a total dissolved solids content ranging from 300-400 mg/l.

(DP-360) 529 BRINE STATION, I & W, Inc., P.O. Box 176, Artesia, NM 88210. A discharge plan for this existing brine extraction well and associated facilities was received by the EID from Mr. E.L. Hegwer and notice of its receipt duly published on or before October 25, 1984. I & W, Inc. subsequently purchased the brine station from Mr. Hegwer. The discharge plan for the facility is still under review. (The facility is allowed to operate while a discharge plan is being prepared and reviewed, under the terms of an Assurance of Discontinuance granted by the Water Quality Control Commission.) The brine well and associated facilities are located in the SW $\frac{1}{4}$ SE $\frac{1}{4}$, Section 30, T17S, R32E in Lea County, New Mexico. Brine is produced by injecting fresh water, purchased from the Double Eagle Corporation, into salt beds 1100' to 1300' below the land surface and returning brine to the surface. Production averages 286 barrels per day and ranges from 1000 to 18,340 barrels per month. Chloride concentrations of the brine are 97,000 to 204,000 mg/l. Brine is stored in three steel tanks with a total capacity of 3000 barrels from which it is pumped to trucks for sale. Ground water most likely to be affected by this operation is contained within the Santa Rosa sandstone at a depth of 450 to 600 feet. This water has TDS concentrations ranging from 426 to 3680 mg/l.

(DP-379) NELSON HART ENTERPRISES, Rt. 2, Box 307A, Humphrey Road, Clovis, NM 88101 proposes to discharge 10,000 to 12,000 gallons per day of thin stillage and 850 gallons per day of cooling water, boiler blowdown, and wash water from an ethanol production plant located near Clovis in NW $\frac{1}{4}$ of Section 15, T2N, R36E, Curry County, New Mexico. The discharge will go through lined storage lagoons and then be sold as cattle feed and fertilizer when a market exists. Otherwise, the discharge will be used to irrigate 13 acres of land adjacent to



ARTESIA, NEW MEXICO - 88210



March 13, 1985

Environmental Improvement Division
P. O. Box 968
Santa Fe, New Mexico 87504-0968

ATTENTION: Ms. Paige Morgan

Re: Discharge Plan DP-360 for 529 Brine Station

Dear Ms. Morgan:

This letter is a response to your comments concerning 529 Brine Station and the Discharge Plan submitted by Mr. Hegwer.

1. WELL CONSTRUCTION:

In order to clarify the casing questions raised in subparagraphs a and b, I have submitted a revised attachment number 1 which I think will be somewhat more clear than the original attachment 1. Originally, when the well was drilled, the surface casing (13-3/8) and the downhole casing from 950' and below were cemented in, i.e. there was cement between the outside of the casing and the bore hole. Between the 13-3/8 and the 8-5/8 casing there was no cement, and between the well casing and the bore hole there was no cement from the surface to 950'. The diagram shows that the cement plugs were drilled out to the 950' plug. Perforations were then made at 900' and the cement as set forth in the submittal was then circulated into the space between the formation and the surface, thus filling the cavity between the well casing and the formation to the surface. This squeezing, as it is called, is indicated by the green on the enclosed attachment with the primary or original cement which was used in the drilling is indicated in yellow. The cement used to cement in the casing from 950' to the surface is called "squeeze cement", i.e. where the casing is perforated and cement is circulated through the perforations into a cavity between the casing and the formation in order to prevent leakage as well as to steady the casing. Squeezing is done at a time subsequent to the original operation. This plan of operation is normal in the area and was approved by the BLM in the mining plan which was submitted.

The nearest water well is some 2 miles away. The indications from looking at Plate #2 in the Geology and Ground Water Conditions in Southern Lea County, New Mexico, is that there are no fresh water aquifers, at least in the traditional sense, in the area. There is, of course, the possibility of locating water in the area, but the water aquifers are spotty at best.

It is our opinion, based upon consultation with Mr. Raymond Lamb, a geologist with a great deal of experience in this area of New Mexico, that the heavy duty casing, plus being squeezed with the additional cement, is more than adequate to protect against any leakage.

With reference to the tubing, I would like to clarify the discrepancy between the diagram and the submittal. The casing was perforated from 1100' to 1300' and from 1400' to 1600'. Mr. Hegwer originally had the tubing set at 1600', but it was determined that the brine was too saturated, therefore, the tubing was raised to 1300'.

I am enclosing the correct log for this particular well, which is the Ashman and Hilliard Carper Federal #1-30, which I believe will more clearly set out the information concerning that particular well.

Concerning paragraph c, the 8-5/8 casing is 32 pounds per foot heavy duty, high grade casing (J-55).

Concerning paragraph d, your requirement for a cement bond log does not seem to be indicated in this particular situation. The cement bond log is a method of determining whether or not the casing is bonded with the surrounding formation and will not indicate the condition of casing nor will it indicate whether or not there are leaks or their location in the pipe. Cement bond logs are not generally considered that reliable. The metering of the water in and out of the system is the best method of determining leakage and is superior to logging. Metering, along with the pressure test, will show any leaking. Whether or not the cement has bonded to the formation would be irrelevant to whether or not any leakage is occurring. Our present system is a continuous checking and is much preferable to an expensive unreliable cement bond log.

2. FACILITY DESIGN:

Concerning subparagraph a, we will add sodium, potassium, nitrate and TDS in addition to the present water analysis which Mr. Hegwer has been submitting.

The dimensions of the caliche pad, as I understand the plat and from talking to Mr. Hegwer, who told me that they had actually measured the pad, is 625' x 225'. The pad was constructed at the time the original oil well was drilled and caliche was hauled in, as I understand it, by the previous driller.

3. SITE CHARACTERISTICS:

Concerning subparagraph a, this facility has never been implicated as a source of ground water contamination.

I am enclosing the well log from Well No. 18.31.12.411, which would be located in Section 12, Township 18 South, Range 31 East, which would be next section west of Section 7-18S-32E, the only well log available in that area.

Concerning subparagraph c, to our knowledge, there has never been a heavy overland flow of water after a storm. As you may recall, the location of the Brine Station is in a more or less elevated position and, therefore, would appear to not be susceptible to flooding, in any event. Our inquiries and information are that there has never been such a flow as would affect the site itself.

Concerning subparagraph d, I am informed by both the Oil Conservation Division and the Bureau of Land Management that they do not have any plugging records for two dry holes south of the facility and which are located in Section 31. I am, however, enclosing the records of the well immediately to the southwest of 529, which the Oil Conservation Division did have. Apparently, this well was reworked and is now producing.

4. MONITORING:

We would agree to the monitoring and pressure testing as set out in subparagraph a of this section, as well as the other conditions set out therein.

5. PLUGGING AND ABANDONMENT:

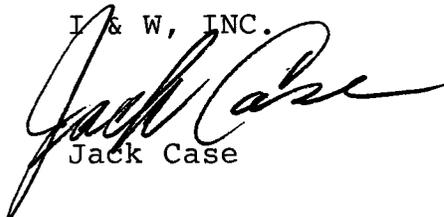
We are presently awaiting the plugging and abandonment requirements from the Bureau of Land Management, at which time we will submit a plan which conforms to the requirements of the Bureau of Land Management, which I assume will be acceptable to the EID.

Environmental Improvement Division
March 13, 1985
Page 4

Thank you very much. Best regards.

Sincerely,

I & W, INC.



Jack Case

JC:pao

Enclosures:

Revised Attachment 1

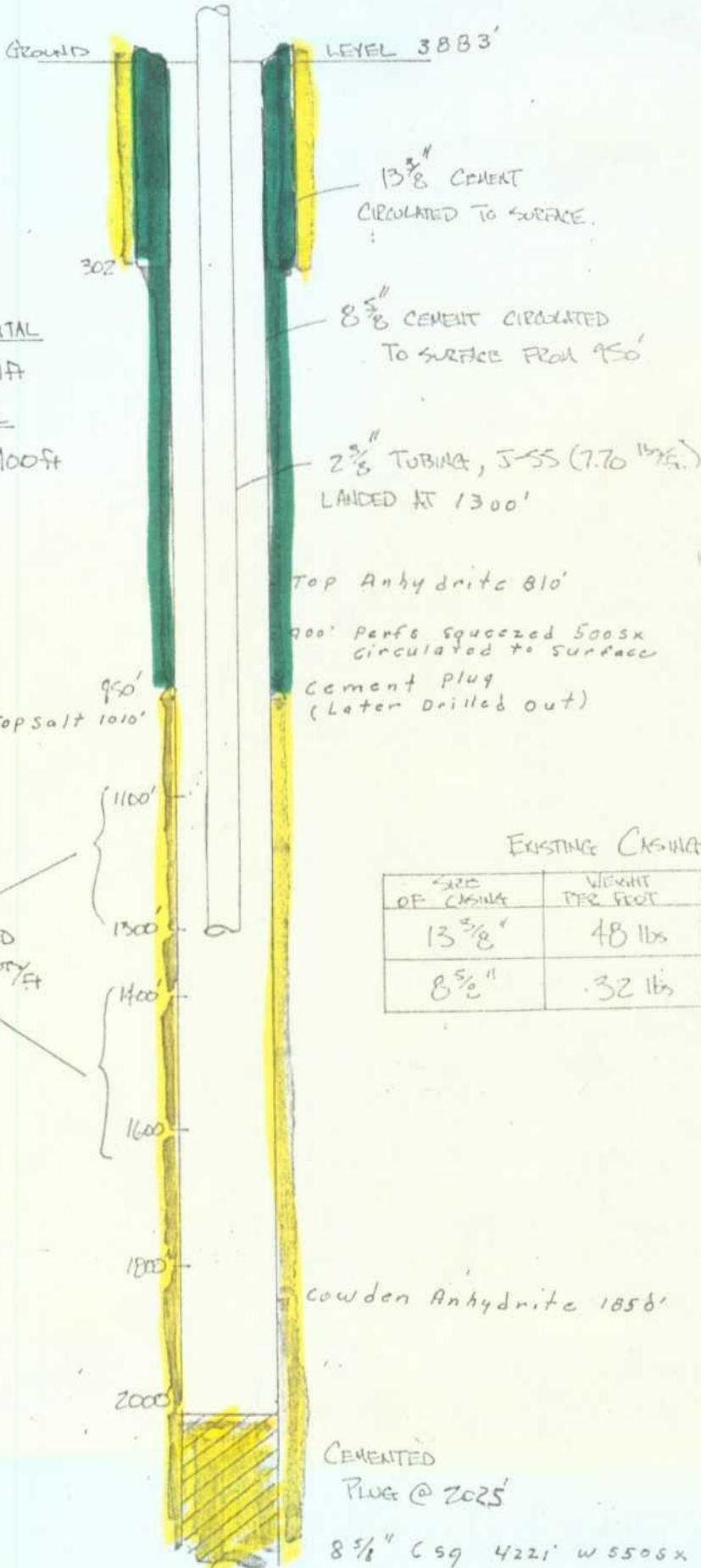
Well log for Ashman & Hilliard Carper Federal #1-30

USGS plat of the area

Water well log 18.31.12.411

Plate #2

OCD records for MCA Unit No. 219 (formerly Carper drilling
Company Simon B No. 7)



HORIZONTAL

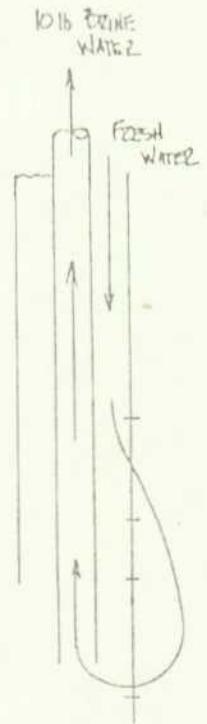
29m \approx 1A

VERTICAL

10m \approx 100ft

EXFOCATED
@ 2 1/2" / FT

Flow Diagram



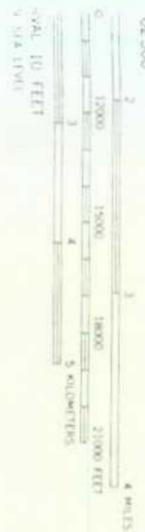
EXISTING CASING

SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH
13 5/8"	48 lbs	302'
8 5/8"	.32 lbs	2025' C/O

 Squeeze Cement
 Primary Cement

Revised NRL
3-6-85

AT MAP ACCURACY STANDARDS
SER 25, COLORADO OR WASHINGTON 25, D. C.
AND SYMBOLS IS AVAILABLE ON REQUEST



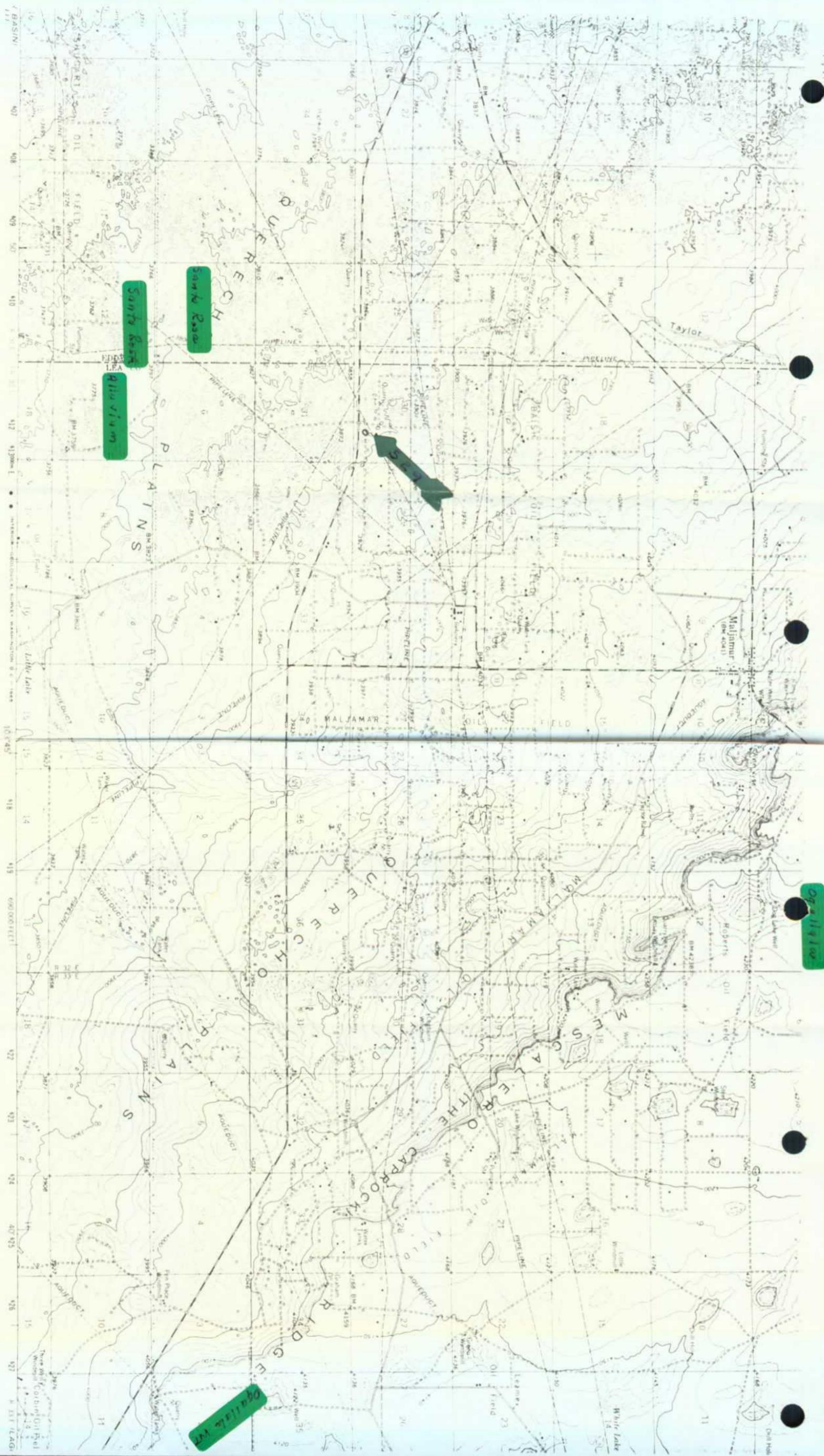
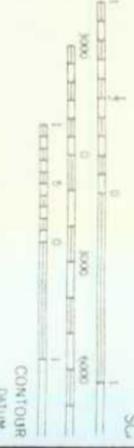
MALLAMAR, N. MEX.
1963
AMS 5049 14 - 51 SHEET 4781

ROAD CLASSIFICATION
Medium duty ——— Light duty
Unimproved dirt ——— State Route
U.S. Route

Mapped, edited, and published by the Geological Survey
Control by USGS and USCGS
Photometry by photogrammetric methods from aerial photographs
taken 1957. Topography by plane-table surveys 1962
Datum projection: 1927 North American datum
10,000 foot grid based on New Mexico coordinate system east zone
1000 meter Universal Transverse Mercator grid ticks
zone 13, shown in blue
Fine red dashed lines indicate selected fence lines

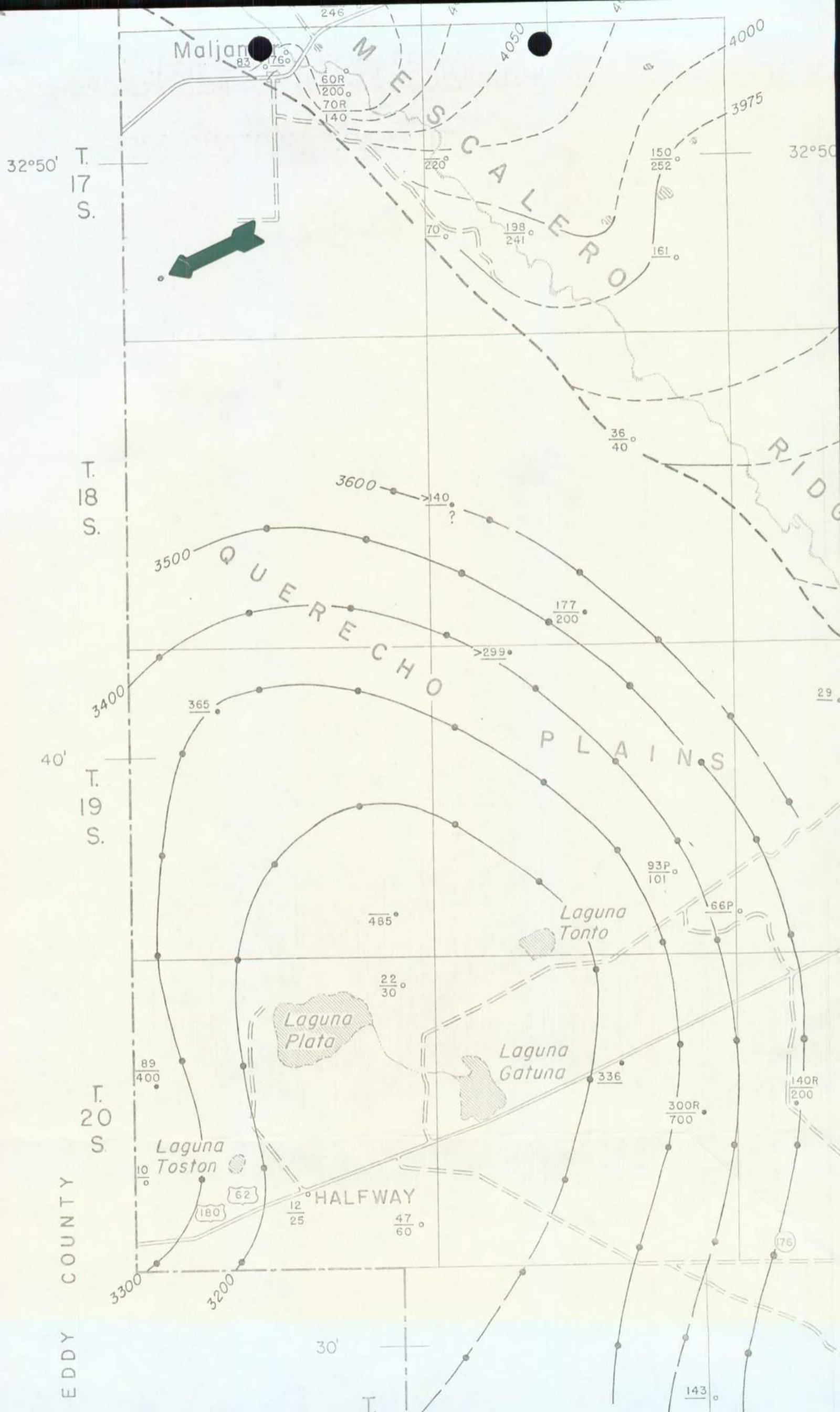


THIS MAP COMPLETES WITH
FOR SALE BY U.S. GEOLOGICAL SURVEY,
A FOLDER DESCRIBING TOPOGRAPHIC



Quilich

Quilich



NUMBER OF COPIES RECEIVED	
DISTRIBUTION	
SANTA FE	
FILE	
U.S.G.S.	
LAND OFFICE	
TRANSPORTER	OIL
	GAS
PRODUCTION OFFICE	
OPERATOR	

NEW MEXICO OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

CERTIFICATE OF COMPLIANCE AND AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS

FORM C-110
(Rev. 7-60)

FILE THE ORIGINAL AND 4 COPIES WITH THE APPROPRIATE OFFICE

Company or Operator **Continental Oil Company** Lease **MCA Unit Battery 1** Well No. **219**

Unit Letter **G** Section **31** Township **17** Range **32** County **Lea**

Pool **Maljamar** Kind of Lease (State, Fed, Fee) **Federal**

If well produces oil or condensate give location of tanks Unit Letter **L** Section **30** Township **17** Range **32**

Authorized transporter of oil or condensate
Texas-New Mexico Pipe Line Company Address (give address to which approved copy of this form is to be sent)
Box 1510, Midland, Texas

Is Gas Actually Connected? Yes No

Authorized transporter of casing head gas or dry gas Date Connected _____ Address (give address to which approved copy of this form is to be sent)
Continental Oil Company
Maljamar Gasoline Plant No. 60 **Box 427, Hobbs, N. M.**

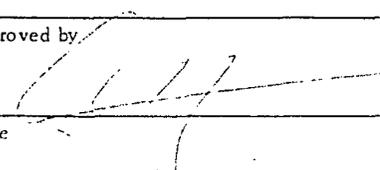
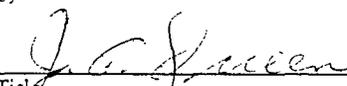
If gas is not being sold, give reasons and also explain its present disposition:

REASON(S) FOR FILING (please check proper box)

New Well Change in Ownership
Change in Transporter (check one) Other (explain below)
Oil Dry Gas **Change in well designation and operator**
Casing head gas . Condensate..

Remarks
This well was formerly the Carper Drilling Company Simon B No. 7. Effective with the unitization of the MCA on 5-1-63, it was renumbered MCA Unit No. 219.

The undersigned certifies that the Rules and Regulations of the Oil Conservation Commission have been complied with.
Executed this the 1st day of May, 19 63.

OIL CONSERVATION COMMISSION	By
Approved by 	
Title	Asst. District Superintendent
Title	Continental Oil Company
Date	Box 427, Hobbs, N. M.

REQUEST FOR (OIL) - (GAS) ALLOWABLE

This form shall be submitted by the operator before an initial allowable will be assigned to any completed Oil or Gas well. Form C-104 is to be submitted in QUADRUPPLICATE to the same District Office to which Form C-101 was sent. The allowable will be assigned effective 7:00 A.M. on date of completion or recompletion, provided this form is filed during calendar month of completion or recompletion. The completion date shall be that date in the case of an oil well when new oil is delivered into the stock tanks. Gas must be reported on 15.025 psia at 60° Fahrenheit.

Artesia, New Mexico 3-3-58

(Place) (Date)

WE ARE HEREBY REQUESTING AN ALLOWABLE FOR A WELL KNOWN AS:

Carper Drilling Co., Inc. Simon, Well No. 7B, in NE 1/4 NW 1/4,

(Company or Operator) (Lease)

C, Sec. 31, T. 17, R. 32, NMPM, Maljamar Pool

Unit Letter

Lea

County Date Spudded 2-3-50 Date Drilling Completed 3-29-50

Elevation 3872 Total Depth 4038 PBD 3951

Please indicate location:

D	C	B	A
	x		
E	F	G	H
L	K	J	I
M	N	O	P

Top Oil/Gas Pay 3872 Name of Prod. Form. Greyburg

PRODUCING INTERVAL -

Perforations 3941-43, 3916-18, 3900-10, 3882-94, 3872-76

Open Hole Depth 3955 Casing Shoe Depth 3853 Tubing

OIL WELL TEST -

Natural Prod. Test: 0 bbls. oil, bbls water in hrs, min. Size

Test After Acid or Fracture Treatment (after recovery of volume of oil equal to volume of load oil used): 40 bbls. oil, 50 bbls water in 24 hrs, min. Size

GAS WELL TEST -

Natural Prod. Test: MCF/Day; Hours flowed Choke Size

Method of Testing (pitot, back pressure, etc.):

Test After Acid or Fracture Treatment: MCF/Day; Hours flowed

Choke Size Method of Testing:

Acid or Fracture Treatment (Give amounts of materials used, such as acid, water, oil, and sand): 250 MCA 10,000 lbs. crude using 1 1/2" sd. per gal; 500# FL fluid loss material

Casing Tubing Date first new Press. 1800 oil run to tanks 2-20-58

Oil Transporter Continental Oil Co., Ponca City, Okla.

Gas Transporter

Tubing, Casing and Cementing Record

Size	Feet	Size
10 3/4	31	30
8 5/8	1058	100
5 1/2	3989	275
2" tbg.	3853	

Remarks:

I hereby certify that the information given above is true and complete to the best of my knowledge.

Approved: Carper Drilling Company, Inc. (Company or Operator)

OIL CONSERVATION COMMISSION

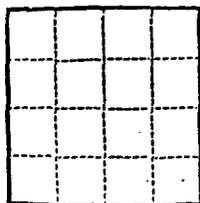
By: [Signature] (Signature)

Title: Vice-President

Send Communications regarding well to:

Name: Carper Drilling Company, Inc.

Address: Artesia, New Mexico



(SUBMIT IN TRIPLICATE)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Land Office Las Cruces

Lease No. 029410-B

Unit _____

4 17 05

SUNDRY NOTICES AND REPORTS ON WELLS

NOTICE OF INTENTION TO DRILL		SUBSEQUENT REPORT OF WATER SHUT-OFF	
NOTICE OF INTENTION TO CHANGE PLANS		SUBSEQUENT REPORT OF SHOOTING OR ACIDIZING	
NOTICE OF INTENTION TO TEST WATER SHUT-OFF		SUBSEQUENT REPORT OF ALTERING CASING	
NOTICE OF INTENTION TO RE-DRILL OR REPAIR WELL		SUBSEQUENT REPORT OF RE-DRILLING OR REPAIR	
NOTICE OF INTENTION TO SHOOT OR ACIDIZE		SUBSEQUENT REPORT OF ABANDONMENT	
NOTICE OF INTENTION TO PULL OR ALTER CASING		SUPPLEMENTARY WELL HISTORY	
NOTICE OF INTENTION TO ABANDON WELL			
Work over old well	X		

(INDICATE ABOVE BY CHECK MARK NATURE OF REPORT, NOTICE, OR OTHER DATA)

"Simon"

December 17, 1957

Well No. 7-B is located 660 ft. from N line and 1980 ft. from W line of sec. 31

NE/4 NW/4 31 17S 32 E NMPM
(1/4 Sec. and Sec. No.) (Twp.) (Range) (Meridian)
Maljamar Lea New Mexico
(Field) (County or Subdivision) (State or Territory)

The elevation of the derrick floor above sea level is 387? ft.

DETAILS OF WORK

(State names of and expected depths to objective sands; show sizes, weights, and lengths of proposed casings; indicate mudding jobs, cementing points, and all other important proposed work)

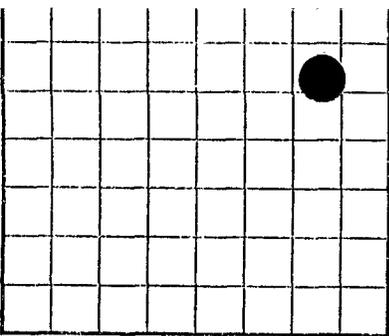
We propose to go back in this well, run a production string and cement with 100 sax, then perforate and sand frac the zone from 3854'-3925'. We placed a cement plug at time of abandonment from T.D. of 4038' back to 3963'. We do not intend to disturb this plug.

I understand that this plan of work must receive approval in writing by the Geological Survey before operations may be commenced.

Company Carper Drilling Company, Inc.

Address Carper Building
Artesia, New Mexico

By _____
Title Vice-President



LEASE OR PERMIT TO PROSPECT

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

LOG OF OIL OR GAS WELL

Cable tool hole

Company Carper Drilling Company, Inc. Address Carper Bldg., Artesia
 Lessor or Tract Simon Field Delaware State California
 Well No. 74 Sec. 31 T. 17S R. 32E Meridian 111W County Los Angeles
 Location 660 ft. {N.} of 1 Line and 1400 ft. {E.} of 1 Line of Sec. 31 Elevation 3772
(Derrick floor relative to sea level)

The information given herewith is a complete and correct record of the well and all work done thereon so far as can be determined from all available records.

Signed _____

Date May 5, 1950 Title Vice-President

The summary on this page is for the condition of the well at above date.

Commenced drilling Feb. 3, 1950 Finished drilling March 29, 1950

OIL OR GAS SANDS OR ZONES

(Denote gas by G)

No. 1, from <u>3872</u> to <u>3876</u>	No. 4, from <u>3916</u> to <u>-18</u>
No. 2, from <u>3882</u> to <u>-94</u>	No. 5, from <u>3941</u> to <u>-43</u>
No. 3, from <u>3900</u> to <u>-10</u>	No. 6, from _____ to _____

IMPORTANT WATER SANDS

No. 1, from <u>565</u> to <u>580</u>	No. 3, from <u>4033</u> to <u>4033</u>
No. 2, from <u>1015</u> to <u>1018</u>	No. 4, from _____ to _____

CASING RECORD

Size casing	Weight per foot	Threads per inch	Make	Amount	Kind of shoe	Cut and pulled from	Perforated		Purpose
							From—	To—	
<u>10-3/4</u>	<u>47.5</u>	<u>8</u>	<u>WELLS</u>	<u>3989</u>	<u>111W</u>	<u>3916</u>	<u>3943</u>		
<u>8-5/8</u>	<u>24</u>	<u>8</u>	<u>WELLS</u>	<u>3989</u>	<u>111W</u>	<u>3916</u>	<u>3918</u>		
<u>8-1/2</u>	<u>13</u>	<u>8</u>	<u>WELLS</u>	<u>3989</u>	<u>111W</u>	<u>3900</u>	<u>-10</u>		
						<u>3882</u>	<u>-94</u>		
						<u>3872</u>	<u>-76</u>		

MUDDING AND CEMENTING RECORD

Size casing	Where set	Number sacks of cement	Method used	Mud gravity	Amount of mud used
<u>10-3/4</u>	<u>31</u>	<u>30</u>	<u>ly hand</u>		
<u>8-5/8</u>	<u>1058</u>	<u>50</u> (in cement at 111W)	<u>WELLS</u>		
<u>8-1/2</u>	<u>3882</u>	<u>275</u> (of 50 sacks)	<u>WELLS</u>		

PLUGS AND ADAPTERS

Heaving plug—Material _____ Length _____ Depth set _____
 Adapters—Material _____ Size _____

SHOOTING RECORD

Size	Shell used	Explosive used	Quantity	Date	Depth shot	Depth cleaned out

FOLD MARK

Cable logs were used from _____ feet to _____ feet, and from _____ feet to _____ feet

DATE: _____

The production for the first 24 hours was _____ barrels of fluid of which _____ % was oil; _____ % emulsion; _____ % water; and _____ % sediment Gravity, °Bé. _____

If gas well, cu. ft. per 24 hours _____ Gallons gasoline per 1,000 cu. ft. of gas _____

Rock pressure, lbs. per sq. in. _____

EMPLOYEES

_____, Driller _____, Driller
 _____, Driller _____, Driller

FORMATION RECORD

FROM-	TO-	TOTAL FEET	FORMATION
0	135	135	Surface sand & caliche
135	565	430	Red bed
565	580	15	Brown sand (2 bailers water)
580	660	80	Red sandy shale
660	820	160	Red beds & red rock
820	960	140	Anhydrite
960	995	35	Broken anhydrite and red shale
995	1015	20	Salt
1015	1058	43	Shale & salt (Increase in water 1018')
1058	2030	972	Salt
2030	2255	225	Anhydrite
2255	2470	215	Anhydrite & shale
2470	3220	750	Anhydrite
3220	3250	30	Red sand
3250	3355	105	Anhydrite
3355	3385	30	Lime
3385	3520	135	Anhydrite
3520	3590	70	Red rock, red shale & anhydrite
3590	3609	19	Gray lime
3609	4033	424	Lime
4033	4033	5	White sandy lime (1/2 bailer of water per hr.)
Total depth		4033'	

Sample analysis by H. H. Kinney attached

(OVER)

FORMATION RECORD—CONTINUED

FOOTER WITH COMMENTS

TOP OF OIL OR GAS WELL



Telephone Personal Time 10:30 a.m. Date 02-25-85

Originating Party	Other Parties
George Graham, atty for 529 Drive	

Subject request for extension of a week in responding to my request for further dp info.

Discussion Mr. Graham said he had not yet received some information on well logs which I had requested but was sure he could have the response in to me in a week. I said that would be fine.

Conclusions or Agreements

Distribution

Signed *Judy Morgan*

P 612 423 463

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

PS Form 3800, Feb. 1982
* U.S.G.P.O. 1983-403-517

Sent to <i>Jack Case</i>	
Street and No. <i>P.O. Box 176</i>	
P.O., State and ZIP Code <i>Orleans NM 88240</i>	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to whom and Date Delivered	
Return receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date	



STATE OF NEW MEXICO

ENVIRONMENTAL IMPROVEMENT DIVISION

P.O. Box 968, Santa Fe, New Mexico 87504-0968
(505) 984-0020

DENISE D. FOR
DIRECTOR

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

December 21, 1984

Jack Case, Vice-President
I&W, Inc.
P.O. Box 176
Artesia, NM 88210

RE: Discharge Plan DP-360 for 529 Brine Station

Dear Mr. Case:

You have inherited the draft discharge plan prepared by Mr. Ernie Hegwer when he was owner of 529 Brine Station. Please respond to the following comments on the plan. These issues must be resolved before I can recommend to the EID Director that this discharge plan be approved. Your references for what is required in a discharge plan for an in situ extraction well are the enclosed regulations and outline.

1. Well construction.

- a. I note that this is a re-entered oil well. I further note that the surface casing ends at 302 feet, whereas the nearest water wells to your facility produce water from the Santa Rosa Formation between 450 and 600 feet below land surface. Hence the fresh water aquifers above the salt are protected by one cemented string of casing, not two. This inclines me to scrutinize the operation of this well more carefully than if there were that added protection for fresh-water aquifers.
- b. Your text says that the 8 5/8" casing was perforated at 900 feet and cement circulated to surface; the drawing in Attachment No. 1 indicates 950 feet. The text says that the tubing is landed at 1300 feet, the sketch shows it as 1800 feet. The text reports that the 8 5/8" casing is perforated in the salt zone at 1100 to 1300 feet; the sketch shows additional perforations between 1400 and 1600 feet. The Schlumberger log in Attachment No. 4 is for a well located in the center of Section 30, not for the subject brine well, which is close to the south line of the section. Please reconcile this contradictory information.

- c. What is the grade of your 8 5/8" casing?
 - d. Please commit to running a cement bond log in this well between the date on which this discharge plan is approved and the date on which you apply for renewed approval of the discharge plan for this facility. Renewal of your discharge plan will be contingent in part on submittal of a satisfactory CBL.
2. Facility Design.
- a. Mr. Hegwer used to have his brine analyzed periodically. On the next occasion that you have an analysis performed, but no later than one year from the date that this discharge plan is approved, please submit a report to us of the following constituents in addition to those in the analyses attached to the discharge plan: sodium, potassium, nitrate and TDS. This additional information is necessary in order to construct a "fingerprint" of the brine.
 - b. What are the dimensions of the caliche pad indicated in Attachment No. 3? What is its function? How was it constructed - was it simply excavated into existing caliche or was caliche used as a paving material?
3. Site characteristics.
- a. It is necessary to provide us with some information on water quality in the area around the 529 Brine facility. Please note that this is for your protection as well as for general ground water protection purposes: if your facility was ever to be implicated as a source of ground water contamination, it would be important to have some data on background water quality in the area in order to investigate the charge.

I recommend that you request from the State Engineer a copy of the well logs for the wells in Section 1, T18S, R31E, and Section 7, T18S, R32E, to which James Wright referred in his letter to Ernie Hegwer of May 22, 1984 (Attachment No. 5). Also, please attempt to obtain water samples from those wells and have them analyzed for major anions and cations, nitrate and total dissolved solids (TDS). A gallon sample from each well would be more than sufficient to run these analyses. Please collect the samples in clean containers, cap them tightly, keep them cool and deliver them to a laboratory as soon as possible. When you submit this information to us, please include a precise location of the wells from which the samples were taken.

- b. For your information, the kind of data we are looking for with regard to vertical and lateral limits of adjacent ground water (section III.C.1. of the attached outline) is contained in a book by Nicholson and Ciebsch, called Geology and Ground Water Conditions in Southern Lea County, New Mexico, published by the NM Institute of

Mining and Technology in 1961. This is the source that I am using to assess the accuracy of the information presented in this discharge plan. Since this information is easily available to me in this case, I will not require that you include it in your discharge plan; but please be aware that it must be addressed in order for a discharge plan to be complete.

- c. Please provide some further information to demonstrate the lack of flooding potential at your site. I recognize that you are not in or near a watercourse. But there are numerous swales around your facility which appear as though they may catch runoff - is there ever a heavy overland flow after a major storm? This, too, would constitute flooding potential.
- d. Please obtain the plugging records from OCD for the two dry holes in Section 31, south of your facility, and provide us with copies of same.

4. Monitoring.

- a. A comparison of inflow and outflow is not a certain way to determine that the brine well is sound. Pressure tests and pressure monitoring are much more reliable means of detecting leaks.

Mr. Hegwer committed to monitoring the pressure on both tubing and annulus in this brine well. Will you agree to the same arrangement? Under "Contingency Plans" (page 5 of the discharge plan), he also committed to contacting the "proper authorities" "...if contamination should occur". Rather than waiting for a proven case of contamination as a result of leakage from this brine well, please submit a statement to the following effect:

If there is a change in pressure of greater than 5 psi on the annulus or tubing during operation of the well, you will shut down until you can check the reading with another gauge. If the reading is confirmed within 5 psi, then you will conduct a pressure test, as described below.

If the pressure test confirms that there is a leak in the casing or damage to the formation, you will remain shut down and contact the Ground Water Section of EID to determine how to proceed to mitigate any ground water damage.

The pressure test will be conducted as follows: fill the cavity, casing and tubing with brine or water. Pressure up to at least $1\frac{1}{2}$ times your normal operating pressure - in your case, at least 250 psi, if you plan to operate with the same pressure used by Mr. Hegwer. Attach a pressure recorder with a scale appropriate to the length of time and pressure at which the test is run, and hold the test pressure for at least two hours. Alternatively, if you pressure up to normal operating pressure or less, record the test for at least

Jack Case
December 21, 1984
Page 4

eight hours. A steady decline in pressure will be interpreted as a casing leak, and the well shall be shut down until you have demonstrated that the problem has been repaired.

Thank you for your efforts at conducting a pressure test on your well for us to witness on November 29, 1984. Due to the difficulty in raising the pressure to greater than 155 psi, and the non-availability of an appropriate pressure recorder to record the test at lower pressure, I find that the test was inconclusive; however, no problems with the well were indicated during the 1½ hours that we witnessed the test.

5. Plugging and abandonment.

The Water Quality Control Commission regulations require that the plan for plugging and abandonment of an injection well facility be approved as part of the discharge plan, not at the time when the operator is about to close out operations (Section 5-209). Please submit a plugging and abandonment plan which includes leaving the salt cavity full of brine, and cementing the well from the bottom of the casing to the surface with cement. Please demonstrate that the bond submitted pursuant to Section 5-120.B.17 is for an amount sufficient to carry out your approvable P & A plan.

Please contact me if I can help to clarify any of the above remarks. I will look forward to receiving your response to these comments no later than February 27, 1985, as specified in your Assurance of Discontinuance. Thank you for your cooperation in arranging a pressure test and completing the discharge plan for this facility.

Sincerely,

Steve Dicks for Paige Morgan

Paige Grant Morgan
Water Resource Specialist
Ground Water Section

PGM:jba

cc: John Guinn, EID District IV, Roswell
George A. Graham, Jr., Siegenthaler & Graham, Artesia

Enclosures

REPORT TO: Morgan/Sares
 Ground Water & Hazardous Waste Bureau
 Environmental Improvement Division
 Health & Environment Department
 P.O. Box 968 - Crown Building
 Santa Fe, NM 87504-0968

LAB NUMBER WE 5897
 DATE RECEIVED 11/30/84
 DATE REPORTED 12/16/85
 Initials
 SLD USER CODE NUMBER 58500

Well Location Address 529 Brine Station
 Point of Collection rt. 529, Loco Hills, NM Brine tank

Well Owner/User I & W Inc

Number of People Drinking Water from Well 0

Collected 11/29/84 1458 By Morgan/Sares EIO
 Date Time Name Agency

Well Depth — pH 6.37

Water Level — Conductivity (Uncorrected) — umho/cm

Taste? Odor? Color? Collectors Remarks Temperature 16°C °C

Brine Sample Conductivity at 25°C — umho/cm

PROJECT: Co 27.8

From —, A-H₂SO₄ Sample: From F, NA Sample: Date Analyzed

- Nitrate-N⁺ — mg/l
- Nitrite-N —
- Ammonia-N — mg/l
- Chemical oxygen demand — mg/l
-

- Calcium 557 mg/l 1/30
- Potassium 12587 mg/l 12/17
- Magnesium 3135 mg/l 2/5
- Sodium 92747 mg/l 12/17
- Bicarbonate 160.7 mg/l 1/14
- Chloride 255650 mg/l 1/17
- Sulfate 23314 mg/l 1/4
- Total Solids 335116 mg/l 1/2
-

- From —, A-HNO₃ Sample:
- ICAP Scan
 - Metals by AA (Specify)

This form accompanies 1 sample(s) marked as follows to indicate field treatment:

- NF: Whole sample (no filtration).
- F: Filtered in field with 0.45u membrane filter
- A-H₂SO₄: Acidified with 2 ml conc H₂SO₄/l
- A-HNO₃: Acidified with 5ml conc HNO₃/l
- NA: No acid added

RECEIVED
 8911291A5813 1985
 LIQUID WASTE/GROUND WATER
 SURVEILLANCE

ASSURANCE OF DISCONTINUANCE

WHEREAS, I & W., Inc., has purchased from Mr. Ernie L. Hegwer the brine extraction well and associated facilities located in SW $\frac{1}{4}$ SE $\frac{1}{4}$ Section 30, Township 17 South, Range 32 East, N.M.P.M., Lea County, New Mexico; and

WHEREAS, on April 10, 1984, Mr. Hegwer and the Water Quality Control Commission ("Commission") entered into an Assurance of Discontinuance whereby Mr. Hegwer was allowed to continue to operate said brine extraction well while proceeding with all diligence to prepare and secure an approved Discharge Plan; and

WHEREAS, no contamination of drinking water sources is believed to be occurring as a result of operating said brine well; and

WHEREAS, I & W, Inc., intends to operate said brine well in the same manner as Mr. Hegwer, and commits to the Commission to proceed with all diligence to prepare and secure an approved Discharge Plan; and

WHEREAS, I & W, Inc., as a condition of the transfer of ownership of the brine well, has adopted the proposed discharge plan submitted by Mr. Hegwer to the Environmental Improvement Division (EID) on September 27, 1984, five months before it was required under the terms of his Assurance, such that the period during which I & W, Inc., is in operation without an approved discharge plan will be less than that time granted to Mr. Hegwer under his Assurance; and, as an indication of their commitment to comply with Commission regulations, I & W, Inc., has purchased a plugging and abandonment bond in the amount of Five Thousand and No/100-----(\$5,000.00 dollars):

THEREFORE, the Commission and I & W, Inc., deem it appropriate to enter into this Assurance of Discontinuance.

I & W, Inc., assure the Commission the follows:

1. ASSURANCE: I & W, Inc., shall undertake to secure an approved discharge plan according to the scheduled set forth in paragraph 2. When an approved discharge plan is secured, I & W, Inc., shall operate consistent with the terms of said discharge plan.

2. SCHEDULE OF COMPLIANCE:

A. The EID shall provide comments to I & W, Inc., on the discharge plan submitted by Mr. Hegwer

on or before November 27, 1984.

B. I & W, Inc., shall respond to EID's comments

on or before February 27, 1985.

C. EID shall complete review of materials submitted under Paragraph 2.B and shall provide comments on same to I & W, Inc.,

on or before April 27, 1985.

D. I & W, Inc., shall respond to EID's comments submitted under Paragraph 2.C.

on or before June 27, 1985.

E. EID Director's approval or disapproval of the Discharge Plan Application begun by Mr. Hegwer and completed by I & W, Inc.; expiration date of this Assurance to be concurrent with the EID Director's approval/disapproval, promulgated

on or before August 27, 1985.

If a public hearing is scheduled by the EID Director pursuant to Section 3-108 of the Commission's Regulations, all deadlines in Paragraph 2.D through 2.E shall be 45 days later.

3. MUTUAL COOPERATION: I & W, Inc., and the EID shall mutually cooperate in accomplishing on a timely basis the matters contemplated by the

Assurance. In this respect, direct communication among I & W, Inc., and EID personnel is encouraged.

4. EXTENSIONS FOR GOOD CAUSE: It is expressly agreed and understood by the parties hereto that events not reasonably foreseeable on the date of execution of this Assurance may occur which will make it impossible or extremely difficult for I & W, Inc., to comply in a timely fashion with those compliance dates set forth in numbered paragraph 2. In the event such unforeseen events do occur, I & W, Inc., may apply to the Commission for an extension for an additional reasonable period of time to comply with such tasks in numbered paragraph 2. The additional reasonable period of time, if granted, shall in all cases be governed by the relevant circumstances.

5. ENFORCEMENT: The Commission shall not undertake enforcement against I & W, Inc., for the continuation of current discharges occurring during the pendency of this Assurance without first giving I & W, Inc., 15 days prior written notice by the Director that I & W, Inc., is in violation of the terms of this Assurance. This paragraph shall not preclude appropriate action by the Director or the Commission under section 74-6-11 N.M.S.A. 1978.

Failure of I & W, Inc., to comply with any condition of this Assurance of Discontinuance shall be actionable as a violation of the Water Quality Act and of this Assurance under sections 74-6-5 & 10 N.M.S.A. 1978, as applicable.

Nothing in this Assurance of Discontinuance shall relieve I & W, Inc., from this responsibility for complying with all the provisions of the Water Quality Act, the regulations promulgated thereunder or any other provision of law except as otherwise specifically provided herein.

6. VALIDITY OF THIS ASSURANCE: This Assurance supersedes the Assurance negotiated between Mr. Ernie Hegwer and the Commission on April 10, 1984. The discharge plan which is produced under the terms of this Assurance is valid only when signed by a person legally entitled to act as owner of the well. If another party purchases the well from I & W, Inc., they may not operate until they have secured an approved discharge plan or until they have negotiated an Assurance with the Commission.

7. NO ADMISSION: The terms, execution and any conduct in accordance herewith shall not constitute an admission of any kind by I & W, Inc., relating to matters under the Water Quality Act, Commission regulations, or any other matters relating to health or environment.

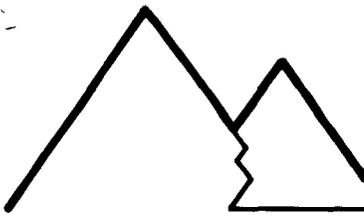
There were two originals of this A of O.

① One given to Frances Gonzalez for WQCC files

*② One sent to
George A. Graham, Jr.
Siegenthaler & Graham
P.O. Drawer Z*

Artesia, NM 88211-0657

One copy was given to Louis Rose for Legal Bureau files.



LEE WILSON & ASSOCIATES
ENVIRONMENTAL PLANNING • RESOURCE MANAGEMENT

October 30, 1984

State of New Mexico
Environmental Improvement Division

We request a copy of Discharge Plan 360 for Brine 529 Station.
Please bill us for the copying costs.

Thank you,

Carole Cristiano

RECEIVED

NOV 20 1984

GROUND WATER/HAZARDOUS WASTE
BUREAU

*Copies
made & picked
up by Company*

SIEGENTHALER & GRAHAM

ATTORNEYS & COUNSELORS AT LAW

212 SOUTH FOURTH STREET

POST OFFICE DRAWER Z

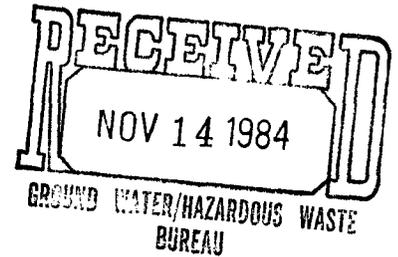
ARTESIA, NEW MEXICO 88211-0657

(505) 746-9881

GEORGE A. GRAHAM, JR.

WILLIAM M. SIEGENTHALER
OF COUNSEL

November 12, 1984



Mrs. Paige Morgan
Environmental Improvement Division
Water Quality Control Commission
P. O. Box 968
Santa Fe, New Mexico 87504-0968

Re: I & W, Inc., a New Mexico corporation
Assurance of Discontinuance

Dear Mrs. Morgan:

On October 31, 1984, I forwarded to you I & W's Assurance of Discontinuance with the request that we be placed on the Water Quality Control Commission agenda on November 20th. I have not received word from you and I am assuming that we are on the agenda, but I would appreciate a notice and some information as to where the meeting will take place.

Thank you very much. Best regards.

Sincerely,

SIEGENTHALER & GRAHAM


George A. Graham, Jr.

GAG:pao



<input checked="" type="checkbox"/> Telephone	<input type="checkbox"/> Personal	Time	Date 11/13/84
---	-----------------------------------	------	---------------

Originating Party <i>Larry Grant Morgan</i>	Other Parties <i>George Graham</i>
--	---------------------------------------

Subject *revisions on A of D*

Discussion *Called to point out changes he would need to make on the Assurance for I & W since the sale had already gone through (see changes in red pen on one Xerox copy of A of D). Also informed him of location of Commission meeting.*

Conclusions or Agreements

Distribution

Signed *Larry Morgan*



STATE OF NEW MEXICO

Paige Grant

WATER QUALITY CONTROL COMMISSION

CONSTITUENT AGENCIES:

Environmental Improvement Division
State Engineer & Interstate Stream Commission
Game and Fish Department
Oil Conservation Division
Department of Agriculture
State Park & Recreation Division
Soil and Water Conservation Division
Bureau of Mines and Mineral Resources
Member-at-Large

MEMORANDUM

November 6, 1984

TO: NM Water Quality Control Commission Members
FROM: Denise Fort, Chairperson, Water Quality Control Commission
SUBJ: Proposed Agenda* for November 20, 1984, Water Quality Control
Commission Meeting, Room 323, Capitol Building, Santa Fe, NM
at 9 a.m.

-
1. Approval of Agenda.
 2. Review and approval of the minutes of October 9, 1984 and October 17, 1984 Water Quality Control Commission meeting.
 3. Discussion and action on proposed modifications to the Assurance of Discontinuance with Climax Chemical Company.
 4. Discussion and action on a proposed Assurance of Discontinuance for I. and W. Inc. regarding their brine disposal well.

Note: The Commission had approved an Assurance with Ernie Hegwer for the same facility, and Mr. Hegwer has sold the facility to I. and W. Inc. which has requested changes to the existing assurance.

5. Discussion and action on proposed amendments to the salinity section (Section 1-102.K.) of the "Water Quality Standards for Interstate and Intrastate Streams in New Mexico."
6. Report on litigation.

fmg

*The Commission is not confined to the items listed on the agenda. Other items may be considered that are not listed on the agenda.

ERNIE L. HEGWER
OWNER - OPERATOR

529

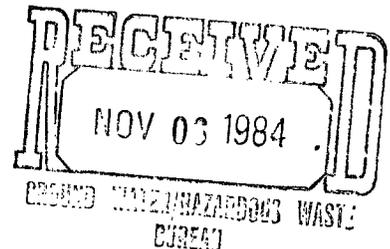
BRINE STATION

P.O. BOX 1637
HOBBS, NEW MEXICO 88241-1637

(505) 392-3571
HOBBS

(505) 676-2737
MALJAMAR

November 1, 1984



Mr. Thomas D. Golden
Chief, Mining Unit
United States Department of the Interior
Bureau of Land Management
P.O. Box 1449
Santa Fe, New Mexico 87504-1449

Dear Mr. Golden:

On October 30, 1984 Ernie L. Hegwer sold and transferred to I & W, Inc. Sodium Lease No. NM 53332. I & W Inc. desires to become operator of the mining operation relieving Ernie L. Hegwer as operator. Please advise I & W Inc. of the proper procedure to become operator of the mining operation.

Thank you for your assistance in this matter.

Sincerely,

Ernie L. Hegwer

Ernie L. Hegwer

ELH/sh

CC: I & W Inc.
P.O. Box 176
Artesia, NM 88210

Environmental Improvement Division
Paige Morgan
P.O. Box 968
Santa Fe, New Mexico 87504-0968

ERNIE L. HEGWER
OWNER - OPERATOR

529

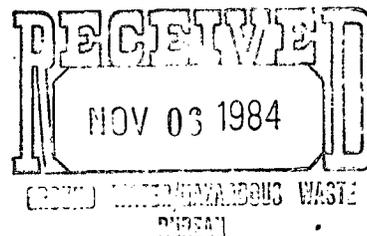
BRINE STATION

P.O. BOX 1637
HOBBS, NEW MEXICO 88241-1637

(505) 392-3571
HOBBS

(505) 676-2737
MALJAMAR

November 1, 1984



Mr. George Graham
Attorney at Law
P.O. Drawer Z
Artesia, New Mexico 88211-0657

Re: Sale of 529 Brine

Dear George:

Find enclosed request to the B.L.M. for change of operator on the 529 Brine Station.

Also,, I called Paige Morgan with the EID in Santa Fe and she advised me that a letter from you requesting a hearing before the Commissioners to obtain an Assurance of Discontinuance which would supersede mine would be the proper procedure for I & W to follow.

Please advise if I can be of further assistance.

Sincerely,

Ernie L. Hegwer

Ernie L. Hegwer

ELH/sh

CC: Paige Morgan
Environmental Improvement Division
P.O. Box 968
Santa Fe, New Mexico 87504-0968

I & W Inc.
P.O. Box 176
Artesia, New Mexico 88210

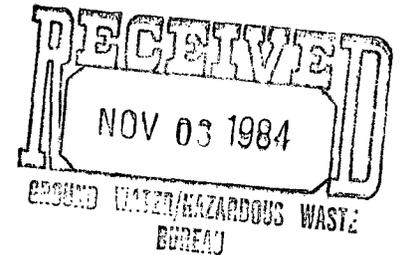
SIEGENTHALER & GRAHAM

ATTORNEYS & COUNSELORS AT LAW
212 SOUTH FOURTH STREET
POST OFFICE DRAWER Z
ARTESIA, NEW MEXICO 88211-0657
(505) 746-9881

GEORGE A. GRAHAM, JR.

WILLIAM M. SIEGENTHALER
OF COUNSEL

October 31, 1984



Mrs. Paige Morgan
Environmental Improvement Division
Water Quality Control Commission
P. O. Box 968
Santa Fe, New Mexico 87504-0968

Re: I & W, Inc., a New Mexico corporation
Assurance of Discontinuance

Dear Mrs. Morgan:

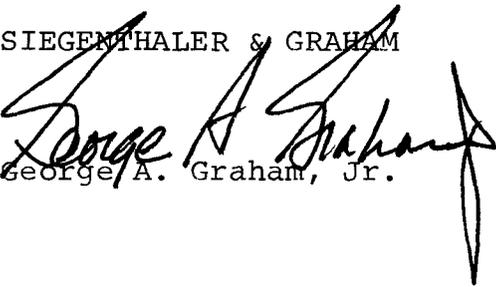
In accord with your letter dated October 26, 1984, I have drafted an Assurance of Discontinuance which I believe meets with your requirements. It has been executed by Mr. Jack Case on behalf of the corporation.

Please place I & W on the Water Quality Control Commission agenda for November 20th.

Thank you very much. Best regards.

Sincerely,

SIEGENTHALER & GRAHAM


George A. Graham, Jr.

GAG:pao

Enclosure

ASSURANCE OF DISCONTINUANCE

WHEREAS, I & W., Inc., intends to purchase from Mr. Ernie L. Hegwer the brine extraction well and associated facilities located in SW $\frac{1}{4}$ SE $\frac{1}{4}$ Section 30, Township 17 South, Range 32 East, N.M.P.M., Lea County, New Mexico; and

WHEREAS, on April 10, 1984, Mr. Hegwer and the Water Quality Control Commission ("Commission") entered into an Assurance of Discontinuance whereby Mr. Hegwer was allowed to continue to operate said brine extraction well while proceeding with all diligence to prepare and secure an approved Discharge Plan; and

WHEREAS, no contamination of drinking water sources is believed to be occurring as a result of operating said brine well; and

WHEREAS, I & W, Inc., intends to operate said brine well in the same manner as Mr. Hegwer, and commits to the Commission to proceed with all diligence to prepare and secure an approved Discharge Plan; and

WHEREAS, I & W, Inc., as a condition of the transfer of ownership of the brine well, will become proprietor of the proposed discharge plan submitted by Mr. Hegwer to the Environmental Improvement Division (EID) on September 27, 1984,

five months before it was required under the terms of his Assurance, such that the period during which I & W, Inc., is in operation without an approved discharge plan will be less than that time granted to Mr. Hegwer under his Assurance; and, as an indication of their commitment to complying with Commission regulations, I & W, Inc., has purchased a plugging and abandonment bond in the amount of Five Thousand and No/100-----
-----(\$5,000.00 dollars):

THEREFORE, the Commission and I & W, Inc., deem it appropriate to enter into this Assurance of Discontinuance.

I & W, Inc., assure the Commission as follows:

1. ASSURANCE: I & W, Inc., shall secure an approved discharge plan according to the schedule set forth in paragraph 2. When approved discharge plan is secured, I & W, Inc., shall operate consistent with the terms of said discharge plan.

2. SCHEDULE OF COMPLIANCE:

A. The EID shall provide comments on the discharge plan submitted by Mr. Hegwer to I & W, Inc.,
on or before November 27, 1985.

B. I & W, Inc., shall respond to EID's comments
on or before February 27, 1985.

C. EID shall complete review of materials submitted under Paragraph 2.B and shall provide comments on same to I & W, Inc.,
on or before April 27, 1985.

D. I & W, Inc., shall respond to EID's comments submitted under Paragraph 2.C.
on or before June 27, 1985.

E. EID Director's approval or disapproval of the Discharge Plan Application begun by Mr. Hegwer and completed by I & W, Inc.; expiration date of this Assurance to be concurrent with the EID Director's approval/disapproval, promulgated
on or before August 27, 1985.

If a public hearing is scheduled by the EID Director pursuant to Section 3-108 of the Commission's Regulations, all deadlines in Paragraph 2.D through s.F shall be 45 days later.

3. MUTUAL COOPERATION: I & W, Inc., and the EID shall mutually cooperate in accomplishing on a timely basis the matters contemplated by this Assurance. In this respect, direct communication among I & W, Inc., and EID personnel is encouraged.

4. EXTENSIONS FOR GOOD CAUSE: It is expressly agreed and understood by the parties hereto that events not reasonably foreseeable on the date of execution of this Assurance may occur which will make it impossible or extremely difficult for I & W, Inc., to comply in a timely fashion with those compliance dates set forth in numbered paragraph 2. In the event such unforeseen events do occur, I & W, Inc., may apply to the Commission for an extension for an additional reasonable period of time to comply with such tasks in numbered paragraph 2. The additional reasonable period of time, if granted, shall in all cases be governed by the relevant circumstances.

5. ENFORCEMENT: The Commission shall not undertake enforcement against I & W, Inc., for the continuation of current discharges occurring during the pendency of this Assurance without first giving I & W, Inc., 15 days prior written notice by the Director that I & W, Inc., is in violation of the terms of this Assurance. This paragraph shall not preclude appropriate

action by the Director or the Commission under section 74-6-11 N.M.S.A. 1978.

Failure of I & W, Inc., to comply with any condition of this Assurance of Discontinuance shall be actionable as a violation of the Water Quality Act and of this Assurance under section 74-6-5-10 N.M.S.A. 1978, as applicable.

Nothing in this Assurance of Discontinuance shall relieve I & W, Inc., from the responsibility for complying with all the provisions of the Water Quality Act, the regulations promulgated thereunder or any other provision of law except as otherwise specifically provided herein.

6. VALIDITY OF THIS ASSURANCE: This Assurance supercedes the Assurance negotiated between I & W, Inc., and the Commission on April 10, 1984. The discharge plan which is produced under the terms of this Assurance is valid only when signed by a person legally entitled to act as owner of the well. If the transfer of ownership has not been consummated by August 27, 1985, the well shall not be operated until the transfer of ownership is complete. If another party purchases the well from I & W, Inc., they may not operate until they have secured an approved discharge plan or until they have negotiated an Assurance with the Commission.

7. NO ADMISSION: The terms, execution and any conduct in accordance herewith shall not constitute an admission of any kind by I & W, Inc., relating to matters under the Water Quality

Act, Commission regulations, or any other matters relating to health or environment.

Signed and acknowledged this 31st day of October, 1984.

I & W, Inc.

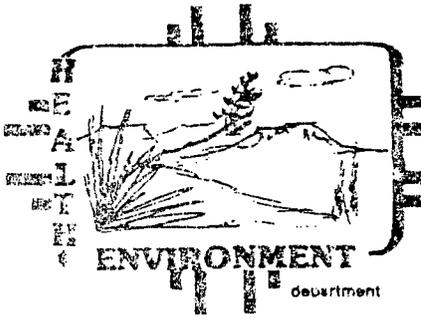
By: Jack Case
Jack Case, Vice-President

STATE OF NEW MEXICO)
) ss.
COUNTY OF EDDY)

The foregoing instrument was acknowledged before me this 31st day of October, 1984, by Jack Case, Vice-President of I & W, Inc., a New Mexico corporation, on behalf of said corporation.

Kicki Morgan
Notary Public

TONEY ANAYA
GOVERNOR



STATE OF NEW MEXICO

ENVIRONMENTAL IMPROVEMENT DIVISION

Denise Font, Director

October 26, 1984

George Graham, Attorney
Seigenthaler & Graham
P.O. Drawer Z
Artesia, NM 88210

Dear Mr. Graham,

Enclosed you will find a draft of an Assurance for your client, I. & W., Inc.. Please let me know if you see any problems with it. It needs to be redrafted, signed by your client before a notary, and returned to me by November 6, 1984, in order to be placed on the agenda for the meeting of the Water Quality Control Commission on November 20th.

Sincerely,

Paige Grant Morgan
Water Resource Specialist

PGM:pgm
enclosure

msz

ASSURANCE OF DISCONTINUANCE

WHEREAS, I.& W., Inc., intends to purchase from Mr. Ernie L. Hegwer the brine extraction well and associated facilities located in SW $\frac{1}{4}$ SE $\frac{1}{4}$ Section 30, Township 17 South, Range 32 East, N.M.P.M., Lea County, New Mexico; and

WHEREAS, on April 10, 1984, Mr. Hegwer and the Water Quality Control Commission ("Commission") entered into an Assurance of Discontinuance whereby Mr. Hegwer was allowed to continue to operate said brine extraction well while proceeding with all diligence to prepare and secure an approved Discharge Plan; and

WHEREAS, no contamination of drinking water sources is believed to be occurring as a result of operating said brine well; and

WHEREAS, I.& W., Inc., intends to operate said brine well in the same manner as Mr. Hegwer, and commits to the Commission to proceed with all diligence to prepare and secure an approved Discharge Plan; and

WHEREAS, I.& W., Inc., as a condition of the transfer of ownership of the brine well, will become proprietor of the proposed discharge plan submitted by Mr. Hegwer to the Environmental Improvement Division (EID) on September 27, 1984, five months before it was required under the terms of his Assurance, such that the period during which I.& W., Inc., are in operation without an approved discharge plan will be less than that time granted to Mr. Hegwer under his Assurance; and, as an indication of their commitment to complying with Commission regulations,

10. Location(s) of existing or proposed wells to be used for monitoring ground water quality. Specify below or locate on map.

<u>Township</u>	<u>Range</u>	<u>Section</u>	<u>1/2 of</u>	<u>1/2 of</u>	<u>1/2</u>
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

11. Geologic description of discharge site. If drillers log(s) are available, please attach.

Soil (sand, clay, loam, caliche, etc.) _____

Name of aquifer _____

Aquifer material (e.g. alluvium, sandstone, volcanic, etc.) _____

Depth to rock at base of alluvium (if available) _____

12. Copies of plans and specifications for sewerage and flow systems including materials provided by the manufacturer must be submitted to the EID District Engineer and to the Ground Water Section of the EID Ground Water and Hazardous Waste Bureau.

13. What conditions naturally exist, or what actions will the discharger take to assure that New Mexico ground water standards are not going to be exceeded at any place of present or foreseeable future use as a result of your operation? Use separate attachments when necessary.

a. Specific hydrologic, geologic and/or agricultural information?

b. Minimizing discharge (e.g. synthetically lined ponds with leak detection system)?

c. Ground water monitoring program with contingency plan should ground water standards be threatened?

NOTE: To demonstrate that ground water standards are not going to be violated, additional information may be requested of the discharger.

I certify that I am familiar with the information contained in the application and that to the best of my knowledge and belief such information is true, complete and accurate.

Signature

Date

Printed Name of Person Signing

Title

I. & W., Inc., has purchased a plugging and abandonment bond in the amount of \$ _____ (_____ dollars):

THEREFORE, the Commission and I. & W., Inc., deem it appropriate to enter into this Assurance of Discontinuance.

I. & W., Inc., assure the Commission as follows:

1. ASSURANCE: I. & W., Inc., shall secure an approved discharge plan according to the schedule set forth in paragraph 2. When an approved discharge plan is secured, I.& W., Inc., shall operate consistent with the terms of said discharge plan.

2. SCHEDULE OF COMPLIANCE:

A. The EID shall provide comments on the discharge plan submitted by Mr. Hegwer to I.& W., Inc., on or before November 27, 1984.

B. I.& W., Inc., shall respond to EID's comments on or before February 27, 1985.

C. EID shall complete review of materials submitted under Paragraph 2.B and shall provide comments on same to I.& W., Inc., on or before April 27, 1985.

D. I.& W., Inc., shall respond to EID's comments submitted under Paragraph 2.C. on or before June 27, 1985.

E. EID Director's approval or disapproval of the Discharge Plan Application begun by Mr. Hegwer and completed by I.& W., Inc.; expiration date

5. Quality

Concentrations, in milligrams per liter (mg/l), of any contaminants listed in Section 3-103, total nitrogen, and any toxic pollutants as defined in Subsection 1-101.U.U. of the regulations that may be present in the discharge.

<u>Contaminant</u>	<u>Concentration (mg/l)</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

6. Name, description, and location of any bodies of water or watercourses and ground water discharge sites (wells, seeps & springs) within one mile of the outside perimeter of the discharge site. _____

7. Depth to and total dissolved solids (TDS) concentration of the ground water most likely to be affected by the discharge.

Depth _____ feet. TDS _____ mg/l.

Source of information: _____

8. Flooding potential of the discharge site. _____

Flooding protection measures (berms, channels, other, if applicable): _____

9. Describe the monitoring system proposed in the plan in which adequate provision for sampling of effluent and adequate flow monitoring is included, so that the amount(s) being discharged onto or below the surface of the ground can be determined.

of this Assurance to be concurrent with the EID
Director's approval/disapproval, promulgated on or before August 27, 1985.

If a public hearing is scheduled by the EID Director pursuant to Section 3-108
of the Commission's Regulations, all deadlines in Paragraphs 2.D through
s.F shall be 45 days later.

3. MUTUAL COOPERATION: I. & W., Inc. and the EID shall mutually cooperate
in accomplishing on a timely basis the matters contemplated by this Assu-
rance. In this respect, direct communication among I. & W., Inc and EID
personnel is encouraged.

(SKIP "MEETINGS" PARAGRAPH)

4. EXTENSIONS FOR GOOD CAUSE)
5. ENFORCEMENT) COPY HEGWER ASSURANCE, MAKING APPROPRIATE
NAME CHANGES

6. VALIDITY OF THIS ASSURANCE: This Assurance supercedes the Assurance
negotiated between Mr. Hegwer and the Commission on April 10, 1984. The
discharge plan which is produced under the terms of this Assurance is
valid only when signed by a person legally entitled to act as owner of
the well. If the transfer of ownership has not been consummated by
August 27, 1985, the well shall not be operated until the transfer of
ownership is complete. If another party purchases the well from Mr.
Hegwer, they may not operate until they have secured an approved discharge
plan or until they have negotiated an Assurance with the Commission.

7. NO ADMISSION: COPY HEGWER ASSURANCE, W/ APPROPRIATE CHANGES

DISCHARGE PLAN APPLICATION - Part A

Name of discharger or legally responsible person:

Address:

Telephone:

Local representative or contact person if different from above:

Name:

Address:

Telephone:

General Information Required of All Discharge Plans

1. Location of Discharge

County _____, T _____, R _____, Sec. _____ of _____ of _____
(use state coordinates or latitude/longitude on unsurveyed land)

NOTE: A topographic map or detailed aerial photograph should be used in conjunction with a written description to depict the locations of the discharge and other relevant objects.

2. Type of operation, facility or development.

3. The means of discharge (To a lagoon, flowing stream, watercourse, arroyo, cropland, septic tank-leach field, other - specify.

4. Quantity

Total volume in gallons per day (gpd), of each discharge or combination of discharges. _____ gpd.

If more than one discharge stream and/or discharge point, give gpd for each.

10/23/84

Note to file.

After discussion w/ Maxine Good, Louis Rose, Tony Dupolcher, & Barbara Stephenson (atty to Water Qual. Control. Comm.), it was decided to allow the new owners to continue operations under an Assurance. I drafted the Assurance (enclosed).

(on the argument that we didn't think there would be any ground water contamination under Heizer's operation, so why not allow his successor an Assurance, too)

— subsequently heard from Graham that the deal had fallen through and that they'd be back in touch if they needed to, later.

— also heard from Debbie Lister, sec'y to Steve Carter & Sons w/ whom Heizer used to be affiliated. She asked why the well was shut down — had EIS required shutdown? She also reported that Carter & Son may

be interested in purchasing the well; and indicated that Hezwer is not at present sole owner of the well, that Baker Well Service owns 25%. I gave Debbie Graham's number and told her he had a client who was also interested in buying the well. D. Lester's no: 392-3571.

Graham later indicated the well was shut down only due to pump failure.

Page Morgan

On 10/25, called to say deal was on again

STATE OF NEW MEXICO

ENVIRONMENTAL IMPROVEMENT DIVISION
P.O. Box 968, Santa Fe, New Mexico 87504-0968
(505) 984-0020
Denise Fort, Director

ENVIRONMENT
department

October 19, 1984

George Graham, Attorney
Siegenthaler & Graham
PO Drawer Z
Artesia, NM 88210

Dear Mr. Graham:

As I promised, I am sending you an outline to help you interpret the Water Quality Control Commission regulations from the standpoint of what's required of a brine well.

I am also enclosing a copy of what you will perceive is a very rough draft of a flow-chart describing the process by which an approved discharge plan can be obtained for an in situ extraction well (of which a brine well is an example). An approved discharge plan is equivalent to a permit to operate. By inheriting the draft of a discharge plan for this existing facility from Mr. Hegwer, you are on a somewhat different track than is mapped out in either of the diagrams, but perhaps this information will be useful in attaining an understanding of the regulations.

I will be in touch with Mr. Hegwer to request that he transfer his draft discharge plan DP-360 to the new owner of the 529 Brine Station, and to explain how he will be released from his Assurance of Discontinuance.

If you have any further questions, please do not hesitate to be in touch.

Sincerely,



Paige Grant Morgan
Water Resource Specialist

PGM:pgm
enclosure

msj

INFORMATION SHEET TO ACCOMPANY BRINE EXTRACTION WELL OUTLINE

The purpose of a discharge plan is to provide the technical staff of the regulating agency (in this case, EID) with sufficient information about your operation to demonstrate that your activities will not degrade the quality of ground water that contains less than 10,000 mg/l of total dissolved solids.

Please note that the word "discharge" covers inadvertent as well as intentional discharge - i.e., leaks and spills. It is necessary in your discharge plan to anticipate where any leaks or spills might occur, to indicate how you will guard against such accidents, and to develop a monitoring system to warn you when they have occurred.

In the event of a leak, spill, casing rupture, or any type of accidental discharge of a water contaminant (as defined in Section **1-101.BBB** of the Water Quality Control Commission (WQCC) Regulations) you are required to notify the Ground Water and Hazardous Waste Bureau of EID and take whatever measures are necessary to avoid contamination of surface water or ground water with TDS less than 10,000 mg/l. Similarly, if you plan any significant change in your operation once your discharge plan is approved, you are required to notify this agency, and have the modification approved prior to its implementation.

The following outline condenses the requirements stated in the WQCC Regulations for operations like yours, and sets up a logical sequence in which to present the information required in your discharge plan. Using this format is optional. The final reference for what must be contained in your discharge plan is the WQCC Regulations. The codes in bold type in the outline refer to Sections of the WQCC regulations, for your convenience.

You would be well advised to consider retaining the services of a consulting hydrogeologist who can prepare the technical elements of your discharge plan, rather than investing the time that would be required for you to learn how to put together this technical material yourself.

PG:egr



Telephone Personal Time 11:30 a.m. Date 10/19/84

Originating Party: George Graham, atty.
746-9881

Other Parties:

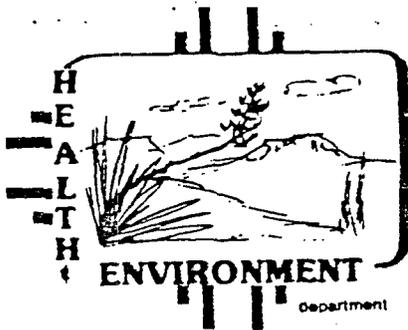
Subject: ^{of ownership} Transfer of 529 Brine Station

Discussion: His client (unnamed) is purchasing 529 Brine from Ernie Hezwer and wanted to know what they needed to do to be in compliance with us. I said that Hezwer could notify us that what he's done so far on his discharge plans can be transferred to the new owner, but that they should not expect to go into production until they receive approval of a d.p. for the facility and at present the d.p. Hezwer sent in is far from approvable.

Conclusions or Agreements: I said I'd be in touch with Hezwer about releasing proprietorship of the d.p. to Graham's client, and that I would send info on regs approvable to brine wells to Graham.

Distribution: Signed: Larry Grant Morgan

TONEY ANAYA
GOVERNOR



STATE OF NEW MEXICO

ENVIRONMENTAL IMPROVEMENT DIVISION
P.O. Box 968, Santa Fe, New Mexico 87504-0968
(505) 984-0020
Denise Fort, Director

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

October 17, 1984

Ernie L. Hegwer
BRINE 529 STATION
P.O. Box 1637
Hobbs, NM 88240

Dear Mr. Hegwer:

Enclosed is a copy of the public notice pertaining to your proposed discharge which was issued by this division pursuant to New Mexico Water Quality Control Commission Regulations, Section 3-108.

If you have any questions, please do not hesitate to contact me at the above address and telephone number (ext. 279).

Sincerely,

Maxine S. Goad
Program Manager
Ground Water Section

MSG:jba

Enclosure

PS Form 3800, Feb. 1982

★ U.S.G.P.O. 1983-403-517

Postmark or Date	
TOTAL Postage and Fees	\$
Return receipt showing to whom, Date, and Address of Delivery	
Return Receipt Showing to whom and Date Delivered	
Restricted Delivery Fee	
Special Delivery Fee	
Certified Fee	
Postage	\$
State and ZIP Code	PO Box 1637 Hobbs, NM 88240
Street and No.	P.O. Box 1637
Sent to	Ernie L. Hegwer

(See Reverse)

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

P 612 423 379

TONEY ANAYA
GOVERNOR

RA
BE RETI
MENT VOUCHER FOR
DEPARTURE FOR
REQUEST

STATE OF NEW MEXICO

ENVIRONMENTAL IMPROVEMENT DIVISION
P.O. Box 968, Santa Fe, New Mexico 87504-0968
(505) 984-0020
Denise Fort, Director

ember 25,
01-665-51
XXXXXX

Environmental Sci
HDQTRS



CERTIFIED MAIL - RETURN RECEIPT REQUESTED

October 17, 1984

Lea County Commissioners
Lea County Courthouse
Lovington, NM 88260

Board of County Commissioners:

Enclosed is a public notice which includes notice of proposed discharge plan(s) for one or more operations located in your county.

If you have any questions, please do not hesitate to contact me at the address and telephone number given above.

Sincerely,

Maxine S. Goad

Maxine S. Goad
Program Manager
Ground Water Section

MSG:jba

Enclosure

P 612 423 372

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

★ U.S.G.P.O. 1983-403-517

Sent to	Lea County Comm.
Street and No.	Lea County Courthouse
P.O., State and ZIP Code	Lovington, NM 88260
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to whom and Date Delivered	
Return receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date	

PS Form 3800, Feb. 1982

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October 17, 1984

TO BE PUBLISHED ON OR BEFORE OCTOBER 25, 1984

PUBLIC NOTICE
NEW MEXICO ENVIRONMENTAL IMPROVEMENT DIVISION

Notice is hereby given that pursuant to New Mexico Water Quality Control Commission Regulations, the following proposed discharge plans have been submitted for approval to the Director of the New Mexico Environmental Improvement Division, P.O. Box 968, Crown Bldg., Santa Fe, New Mexico 87504-0968; telephone (505) 984-0020.

(DP-100) BOKUM RESOURCES CORPORATION, P.O. Box 13958, Albuquerque, NM 87192, proposes to modify its discharge plan (DP-100) for its proposed discharge of uranium mill effluent to its Marquez Uranium Mill tailings disposal site located in T13N, R4W approximately one mile east of the village of Marquez in Sandoval County, NM. The approved discharge plan which is currently being evaluated for renewal is for approximately 2,200 tons per day of tailings solids and 2,700 tons per day of tailings liquid to be transported by pipeline and deposited in unlined trenches excavated into weathered and unweathered shale. Free water which accumulates in the trenches is to be pumped to a series of excavated evaporation ponds lined with compacted weathered shale. The proposed modifications are (1) an extension of time for submission of the reclamation plan for the Canon de Marquez and (2) a change in the method of estimating the depth of diversion channel flow. The ground water most likely to be affected by the tailings disposal is that in the shallow alluvium of adjacent watercourses, and has a total dissolved solids concentration of approximately 2,000 mg/l. The company estimates that the depth to ground water from the base of the excavated trenches is greater than 300 feet and that the minimum distance from the base of the excavated evaporation ponds to the nearest ground water is greater than 100 feet. This project is currently inactive and it is not known when it might become active.

(DP-360) BRINE 529 STATION, Ernie L. Hegwer, P.O. Box 1637, Hobbs, NM 88240. A discharge plan has been submitted for this existing brine well and associated facilities which are located in the SW/4 of SE/4, Section 30, T17S, R32E in Lea County, New Mexico. Brine is produced by injecting fresh water, purchased from the Double Eagle Corporation, into salt beds 1100' to 1300' below the land surface and returning brine to the surface. Production averages 286 Bbls (Barrels) per day and ranges from 1,000 to 18,340 Bbls of brine per month. Chloride concentrations of the brine are 97,000 to 204,000 mg/l. Brine is stored in three steel tanks with a total capacity of 3,000 Bbls from which it is pumped to trucks for sale. Groundwater mostly likely to be affected by this operation is contained within the Santa Rosa sandstone at a depth of 450 to 600 feet. This water has TDS concentrations ranging from 426 to 3680 mg/l.

(DP-359) CHAPARRAL ENERGY, Gary J. Bunger, President, P.O. Box 1942, Clovis, NM 88101 proposes to discharge 70,000 gallons per day of thin stillage and 5,000 gallons per day of cooling and washwater from an ethanol production facility into an anaerobic methane digester followed by clay lined holding ponds. Effluent from the holding ponds will be sold for cattle feed when a market exists. Otherwise, the effluent will either be used to irrigate alfalfa or discharged into an evaporation pond. The ethanol facility is located 6 miles east of Clovis in Section 18, T2N,

ERNIE L. HEGWER
OWNER - OPERATOR

529

BRINE STATION

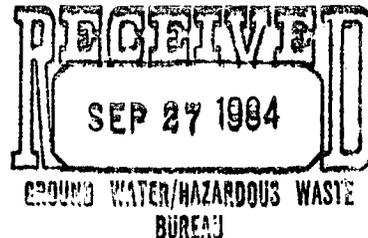
P.O. BOX 1637

HOBBS, NEW MEXICO 88241-1637

(505) 392-3571
HOBBS

(505) 676-2737
MALJAMAR

September 25, 1984



Ms. Paige Grant
Environmental Improvement Division
P.O. Box 968
Santa Fe, New Mexico 87504-0968

Dear Ms. Grant:

I am enclosing for your approval the discharge plan submittal for the Brine 529 facility. Our submittal was prepared according to the draft that we received from your office.

We hope you will find this report in order and complete.

Please contact me if I can be of any assistance in regard to this report.

Sincerely,

A handwritten signature in cursive script, appearing to read "Ernie L. Hegwer".

Ernie L. Hegwer

ELH/sh

Enclosures

DISCHARGE PLAN SUBMITTAL

DP-360

Brine Extraction Facilities

BRINE 529 STATION

I. GENERAL DESCRIPTION

- A. Ernie L. Hegwer, P.O. Box 1637 Hobbs, NM 88240 is the responsible party for Brine 529 Station located in:
- B. Lea County, Township 17 South, Range 32 East, SW 1/4 of SE 1/4 of Section 30.
- C. Water is purchased from the Double Eagle Corporation and is injected down the casing washing through the salt zone returning brine to the surface where it is stored in tanks for later loading into transport trucks.
- D. This well was constructed during November 1982 and injection was started December 1, 1982. A history of the injection and production is as follows:

<u>DATE</u>	<u>PRODUCTION</u>	<u>INJECTION</u>
Dec 82	1,000	2,330
Jan 83	3,000	3,300
Feb 83	7,430	3,950
Mar 83	4,640	4,270
Apr 83	7,950	5,710
May 83	3,210	7,430
Jun 83	5,020	4,070
Jul 83	1,980	3,200
Aug 83	5,560	2,970
Sep 83	15,420	17,450
Oct 83	10,890	8,766
Nov 83	18,340	17,890
Dec 83	<u>7,540</u>	<u>10,340</u>
Totals	91,980	91,676
Jan 84	13,550	10,046
Feb 84	1,220	1,910
Mar 84	7,985	1,125
Apr 84	5,140	401
May 84	5,615	18
Jun 84	9,208	189
Jul 84	7,000	237
Aug 84	<u>2,610</u>	<u>218</u>
Totals	52,328	14,144

The injection meter from the Double Eagle Corporation is not functioning properly. They have been notified to correct this problem.

II. DESCRIPTION OF FACILITY

A. Surface Facilities

1. There is one (1) 1500 Bbl. 26' x 16' 1/4" steel tank and two (2) 750 Bbl. 18' x 16' 1/4" steel tanks on the surface of this facility. See Attachment No. 3.
2. There is 40' of 2-3/8" J55 tubing carrying brine from the well to the tanks.
3. The average daily discharge from the tanks is based on the average of the previous 12 months and is 286 Bbls. per day.
4. There are no pond liners used at this facility.

B. Underground Facilities

1. See Attachment No. 1. Schematic Drawing Down Hole View for the depth, diameter, production and protection casing and tubing specs of the well.
2. Well Completion Data is as follows:
 - a. Rig up Baber Well Service, drill out cement plugs to 950'.
 - b. Pressure 8-5/8" casing to 1000#, hold pressure for 30 minutes. No loss of pressure.
 - c. Perforate 8-5/8" @ 900', pump 500 sacks of Class C cement through perforations with full returns to surface.
 - d. Cement, set four days.
 - e. Drill out cement to 2025', tag cement plug.
 - f. Pressure 8-5/8" casing to 1000#, hold for 30 minutes. No loss of pressure.
 - g. Perforate 8-5/8" casing from 1100' to 1300' (Salt Zone)
 - h. Run tubing, land tubing @ 1300'. Prepare to begin operation. See Attachment No. 1.
3. Casing Program
 - a. See Attachment No. 1.
 - b. 302' of 48# per foot 13-3/8" casing is cemented from bottom depth to surface with 300 sacks of Class C cement.

Casing Program Continued

- c. 900' of 32# per foot 8-5/8" casing is cemented from bottom depth to surface with 500 sacks of Class C cement.
 - d. Salt zone is open from 1100' from surface to 1300'. See Attachment No. 4.
 - e. Surface water is protected by two strings of casing, both cemented to surface.
 - f. Deterioration or erosion is monitored by meter injection of fresh water at surface and meter brine returns at surface.
- 4. Logging Procedures
 - a. See Attachment No. 4.
 - 5. Deviation Checks
 - a. See Attachment No. 11.
 - 6. Stimulation Program - N/A
 - 7. Maximum injection pressure : 160#
Average injection pressure : 160#
Injection volume: 1-1/2 Bbls. per minute.
Fresh water is pumped down the annulus and is returned via the central tubing at 15# at 1-1/2 Bbl. per minute.
 - 8. This brine well was a reentry of an existing well.

III. SITE CHARACTERISTICS

- A. Soils - N/A
- B. Geology
 - 1. See Attachment No. 4 - Drilling Log
See Attachment No. 5 - State Engineer's Report.
Strata immediately above the salt beds from 200' to 550' is clay red beds and stringers of anhydrite.
The strata immediately below the salt beds consists of anhydrite and dolomite stringers which are non-permeable.
 - 2. There are no known faults in this area, or are there any known condits or barriers to ground water flow.
See Attachment No. 6 - Logs of offset wells.
- C. Hydrology
 - 1. Refer to Attachment No. 5 - State Engineer's Report in reference to this section.

Hydrology Continued

2. See Attachment No. 9 which shows the location of all producing wells, injection wells, abandoned wells, and dry holes.
See Attachment No. 8 - Topo Map which shows all surface bodies of water, springs, mines, quarries, residences and roads.
3. There is no flooding potential on this site.
4. See Attachment No. 5 - State Engineer's Report for the depth to and quality of ground water most likely to be affected by spills/leaks.
5. The water used for injection in this facility is purchased from the Double Eagle Corporation. This is the same water that goes to the City of Carlsbad for their use.
6. See Attachment No. 7 for the chemical analysis of the brine.

IV. PROCEDURES TO PROTECT GROUND WATER QUALITY

A. During Operation

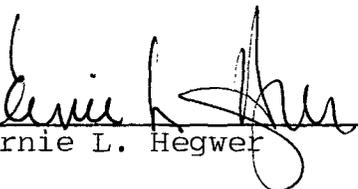
1. Refer to Attachment No. 5 - State Engineer's Report.
2. N/A
3. Mechanical integrity testing:
 - a. Pressure tested casing to 1000#.
 - b. Monitor annulus pressure going down and monitor tubing pressure coming out with visible pressure gauges.
4. See Attachment No. 2 - Ground View of Well Head.
5. The fresh water is monitored from the sales meter and the brine water is monitored through flow meters thus recording daily fluid volumes.
6. Fresh water samples can be obtained from the injection side of the well head, while brine samples can be obtained from the discharge side of the well.
See Attachment No. 2 - Ground View of Well Head.
7. Leak detection systems are not applicable at this facility.
8. Refer to Attachment No. 5 - State Engineer's Report.

During Operation - Continued

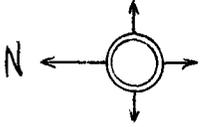
9. By design, it is almost impossible for leakage to occur during loading. A four foot riser with a check system on the suction side of the line is used to load the trucks. Trucks are self loading, no pumps or electricity are located at the facility.
 10. Contingency Plans:
 - a. In the event of leakage or spills from the surface facility the well would be shut down and the leaks repaired. Vacuum trucks are easily accessible in the event of spills or leaks.
 - b. The ground water is protected by two strings of cemented casing. However, if contamination should occur, operations would be shut down and the proper authorities contacted.
- B. Post-operational commitments required prior to plan approval.
1. Plugging & Abandonment
 - a. In the event the well was to be plugged, an Intention to Plug & Abandoned would be filed with Santa Fe for approval.
 - b. Surety Bond issued by the United Pacific Insurance Company through Daniels Insurance, Hobbs, NM is on file with the State of New Mexico. See Attachment No. 10.

V. SIGN-OFF REQUIREMENT

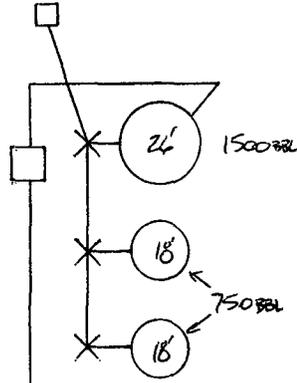
I, Ernie L. Hegwer, responsible person for the Brine 529 Station, under penalty of law, certify that I have personally examined and am familiar with the information submitted in this document and all attachments and that, based on my inquiry of those individuals immediately responsible for obtaining the information, I believe, to the best of my knowledge, that the information is true, accurate, and complete.


Ernie L. Hegwer

AERIAL VIEW
OF BRINE 529



HWY 529

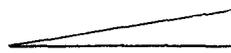


- ALL TANK
HEIGHTS ARE 16' -

EXISTING
FENCE

2" UPSET TUBING
FROM DOUBLE EDGE

- COLICHE PAD
SLOPED 4" TOWARDS
HWY. 529 -

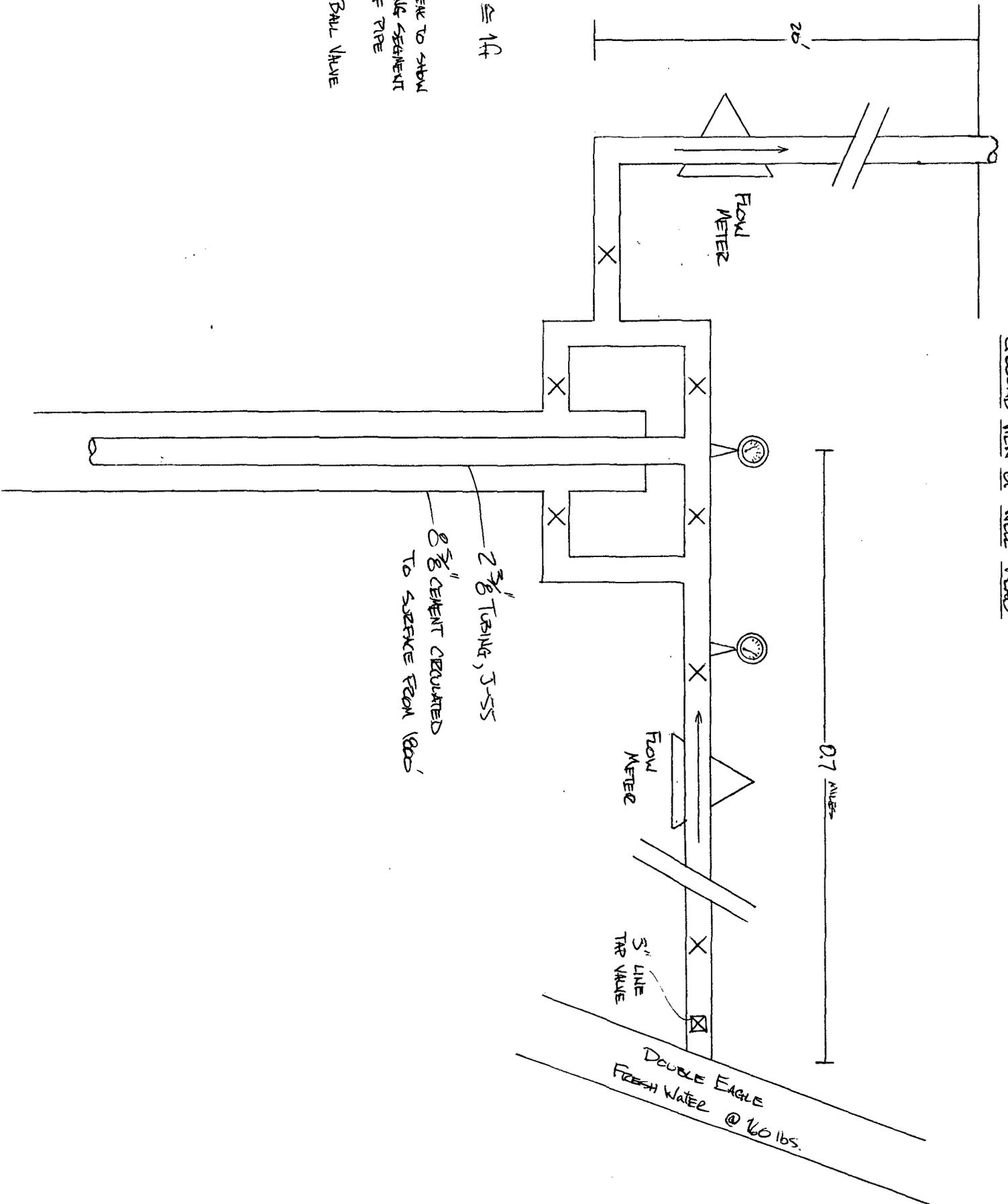


625'

225'

1" = 25'

GROUND VIEW OF WELL HEAD



25" \approx 1ft

// - BREAK TO SHOW MISSING SEGMENT OF PIPE

X - 2" BALL VALVE

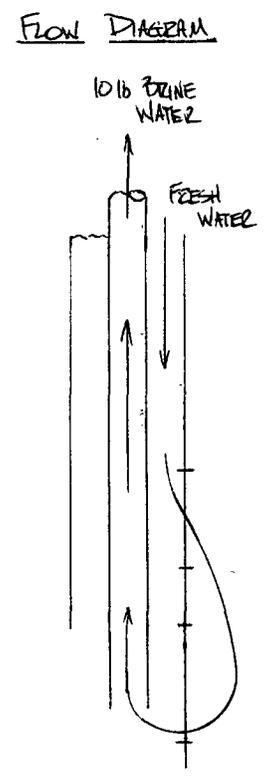
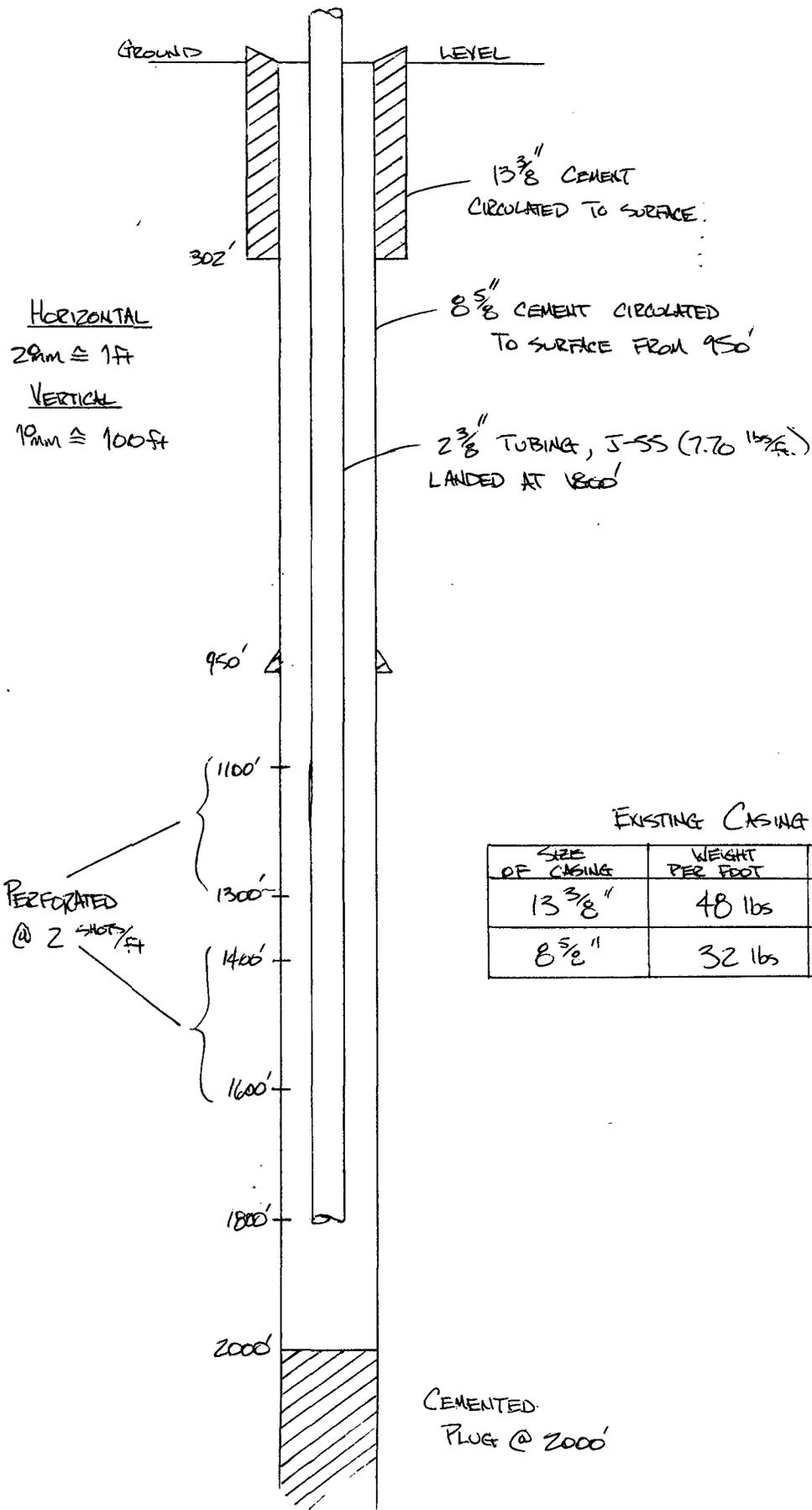
0.7 INCHES

5" LINE TAP VALVE

DOUBLE EAGLE FRESH WATER @ 160 lbs.

8 3/8" CEMENT OPERATED TO SERVICE FROM 1800'

2 3/8" TUBING, J-55



EXISTING CASING

SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH
13 3/8"	48 lbs	302'
8 5/8"	32 lbs	2000'



THE REPRODUCTION OF

THE

FOLLOWING

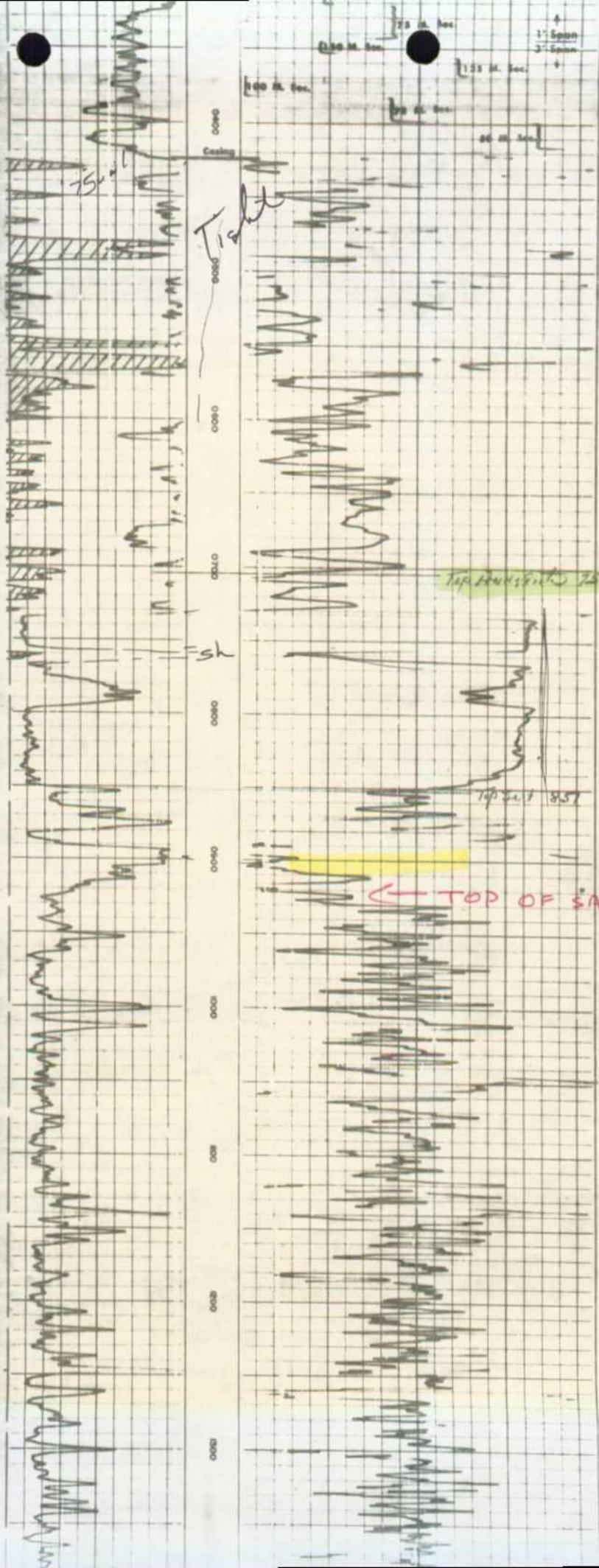
DOCUMENT (S)

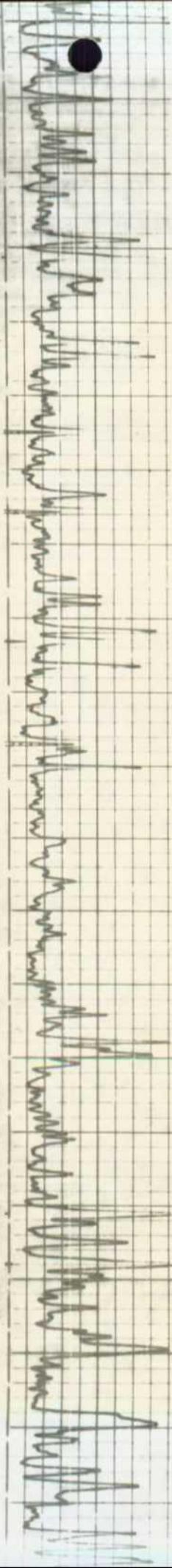
CANNOT BE IMPROVED

DUE TO

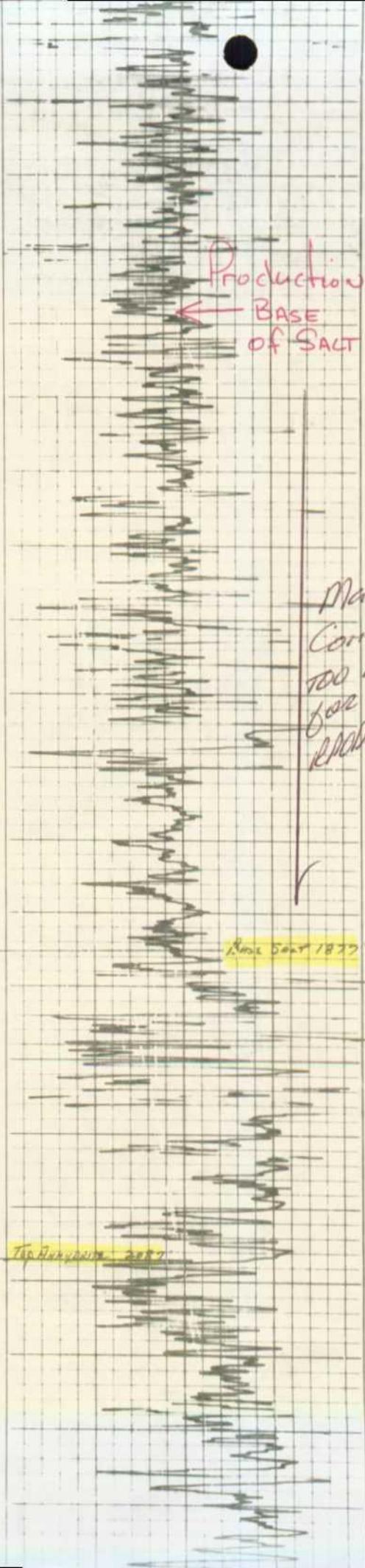
THE CONDITION OF

THE ORIGINAL





0003
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0021
0022



Production
BASE
of SALT

Mag
Correct
too high
for SMT
production

Base Salt 1877

Top Run 2007



STATE OF NEW MEXICO

STATE ENGINEER OFFICE

ROSWELL

S. E. REYNOLDS
STATE ENGINEER

May 22, 1984

DISTRICT 2
909 EAST 2ND ST.
P.O. BOX 1717
ROSWELL, NEW MEXICO 88201

FILE: Misc.

Mr. Heggwer
Box 24
Hobbs, New Mexico 88240

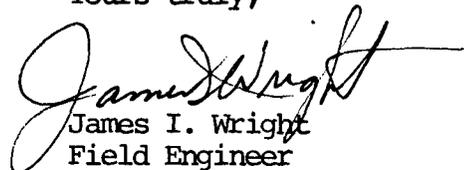
Dear Sir:

In reply to your telephone call of May 22, 1984, please be advised that your brine production well located in the SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 30, Township 17 South, Range 32 East is located in a section which contains no water wells. The alluvium in this section is only about 60 feet thick and is dry. The top of the Triassic formation is at approximately 60 feet and the base is around 1000 feet below land surface. Although no water wells are in this section, it is likely that a limited supply of fresh water could be obtained from this formation.

The closest water wells to your well would be wells in Sections 1 and 12 of Township 18 South, Range 31 East, which produce water from the Santa Rosa sections of the Triassic. These wells are about 600 feet deep and the water level is 450 feet below land surface. There is also a well in Section 7 of Township 18 South, Range 32 East which produces from the alluvium. This well is about 100 feet deep and the static water level is 83 feet below land surface. The only other water wells in the area are located about 7 miles NE in Sections 1, 2, 3, 11, and 12 of Township 17 South, Range 32 East. All of these wells are producing from the Ogallala formation. These wells range in depth from 140 feet to 270 feet and the static water level varies from 50 feet to 230 feet.

If you have any questions regarding this information, please feel free to call me.

Yours truly,

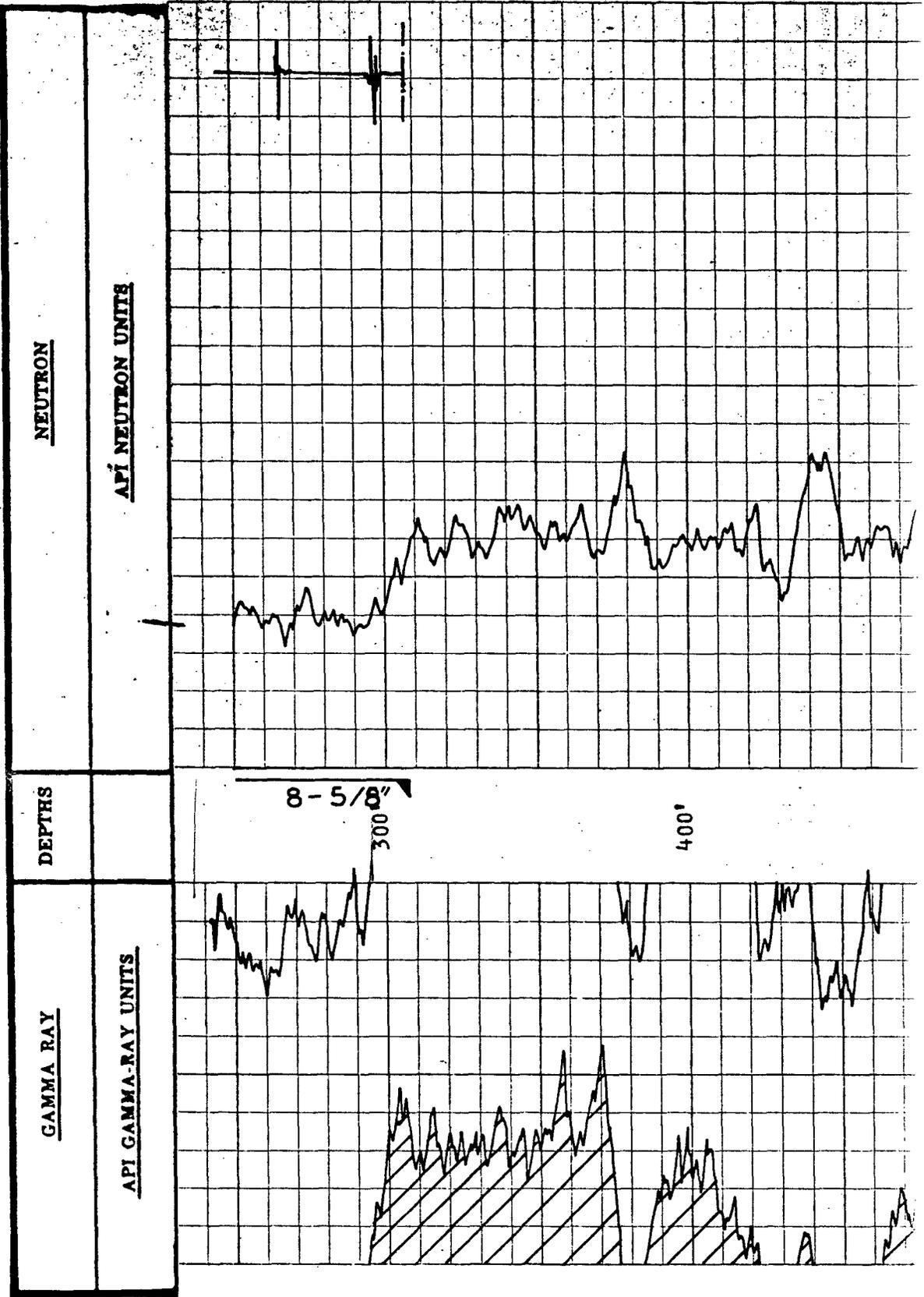

James I. Wright
Field Engineer

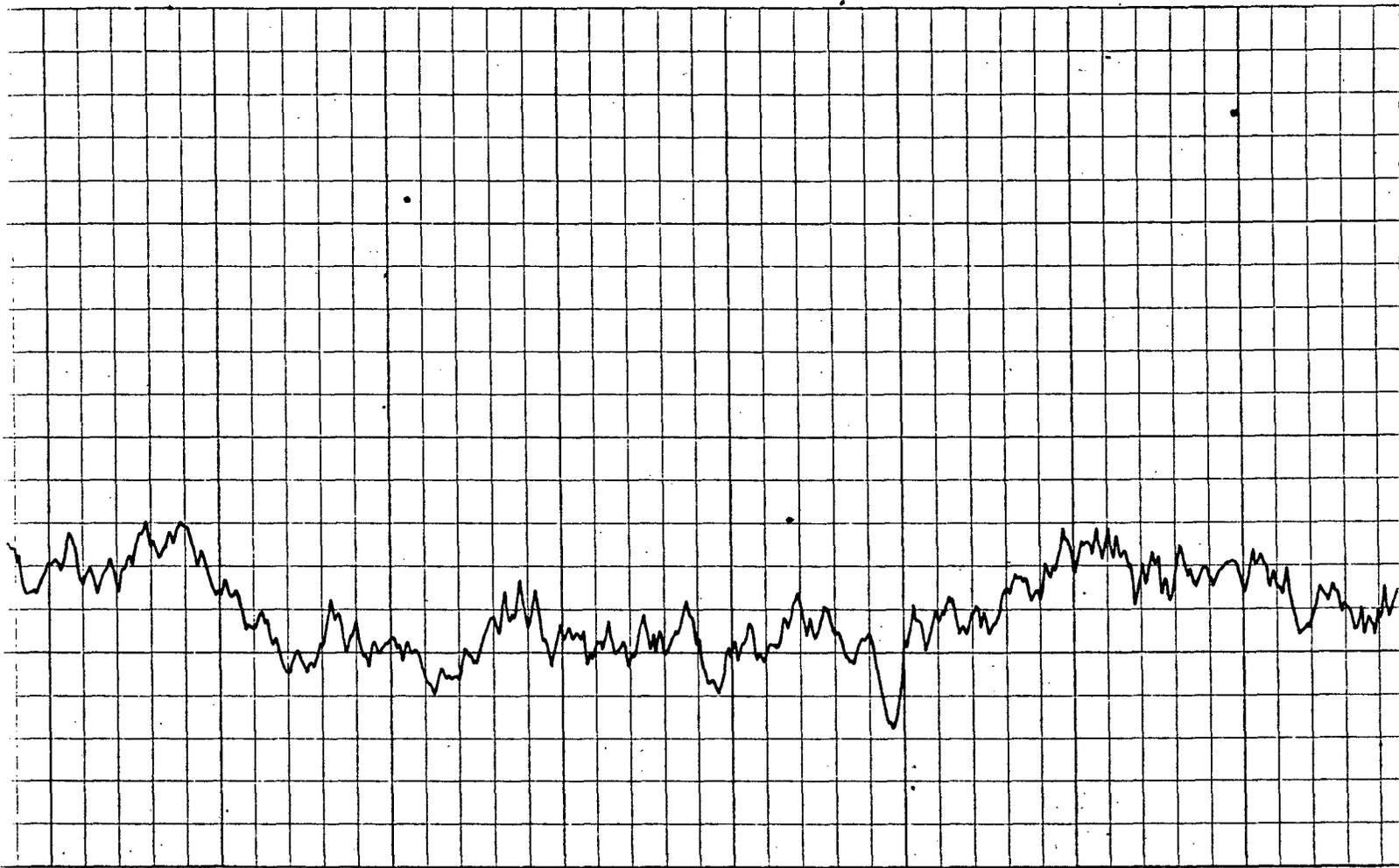
JIW/tmg
cc M.B. Compton

Reference Literature:

Remarks:

Fold Here



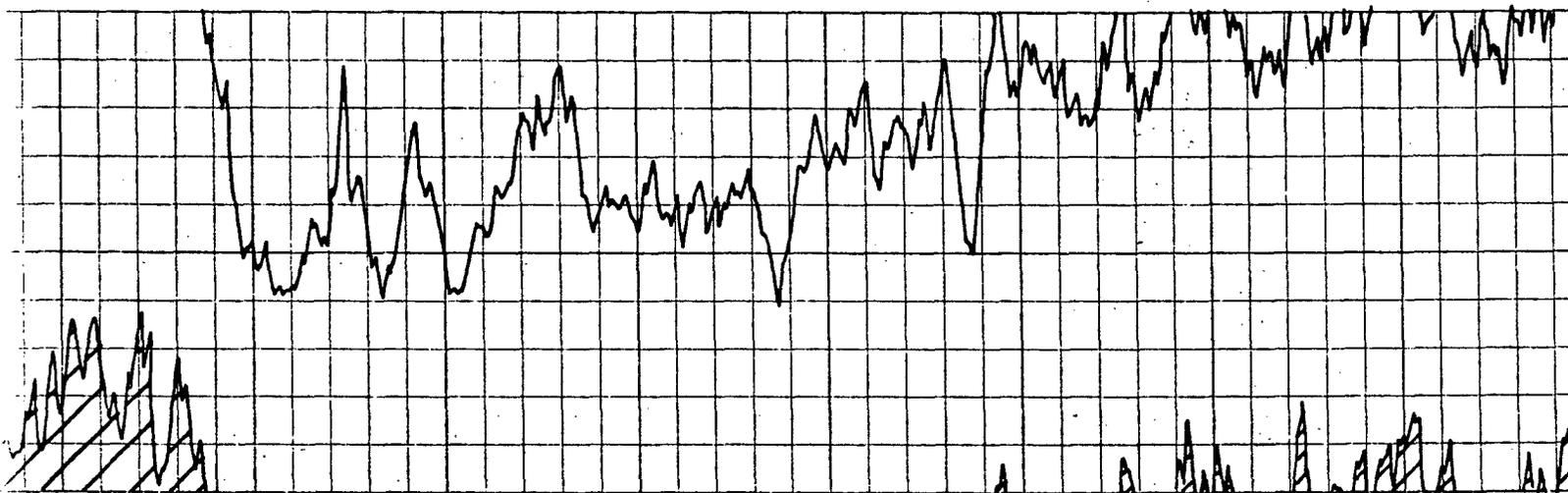


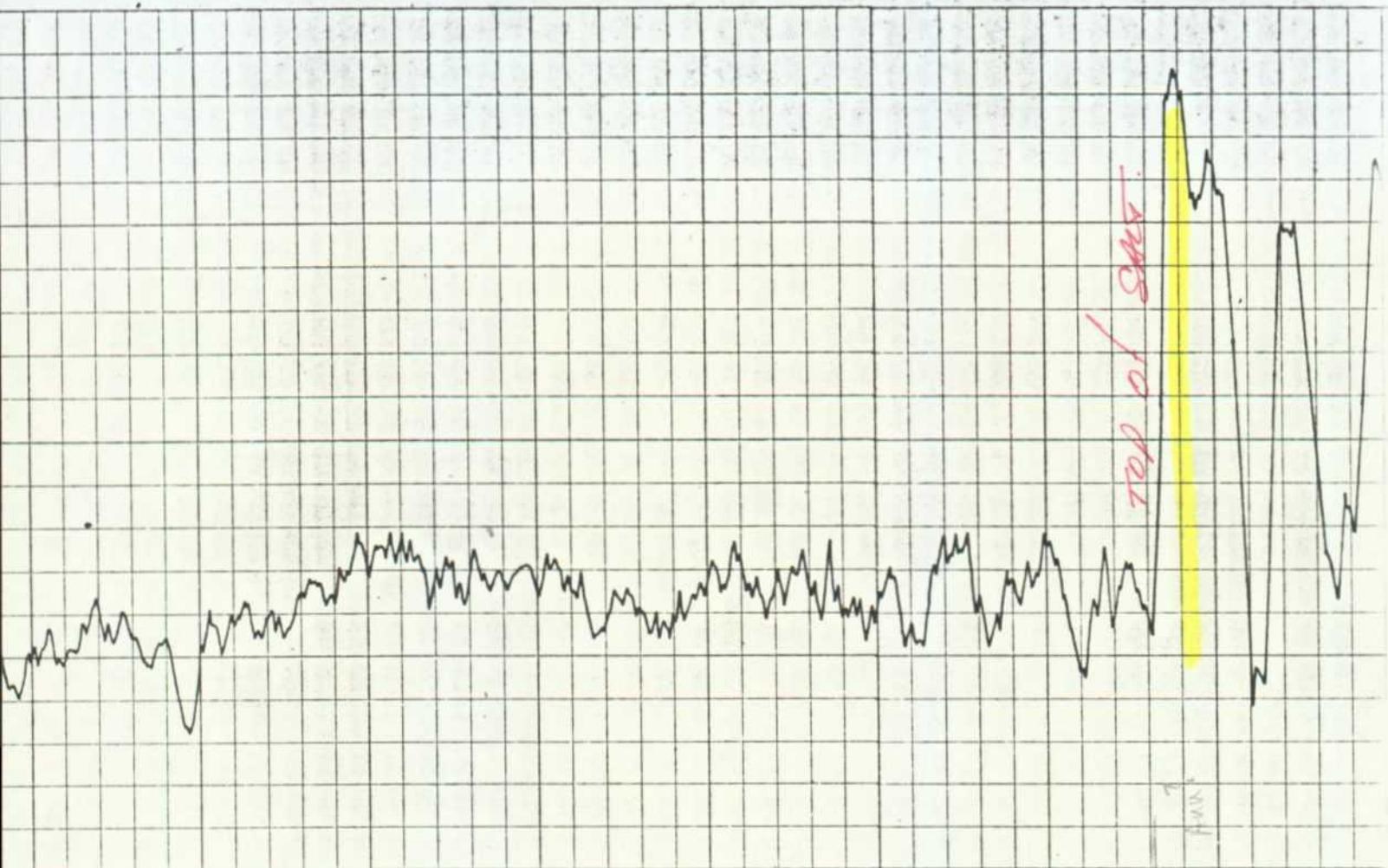
500'

600'

700'

800'





TOP of SAW.

↑

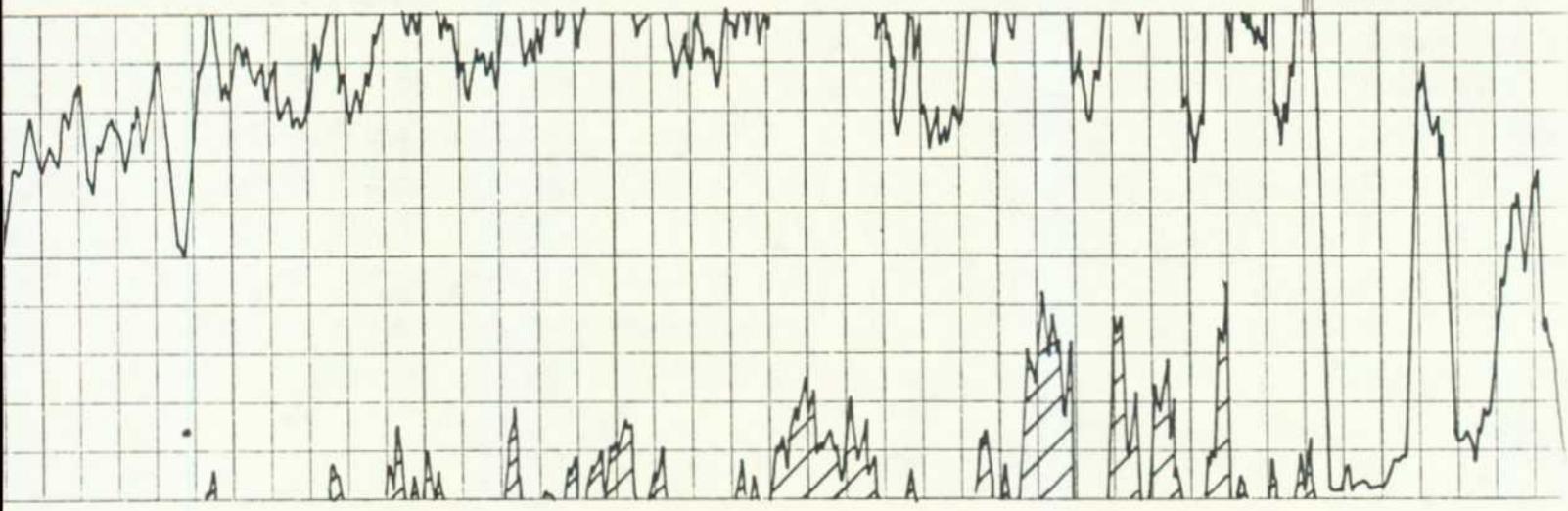
700'

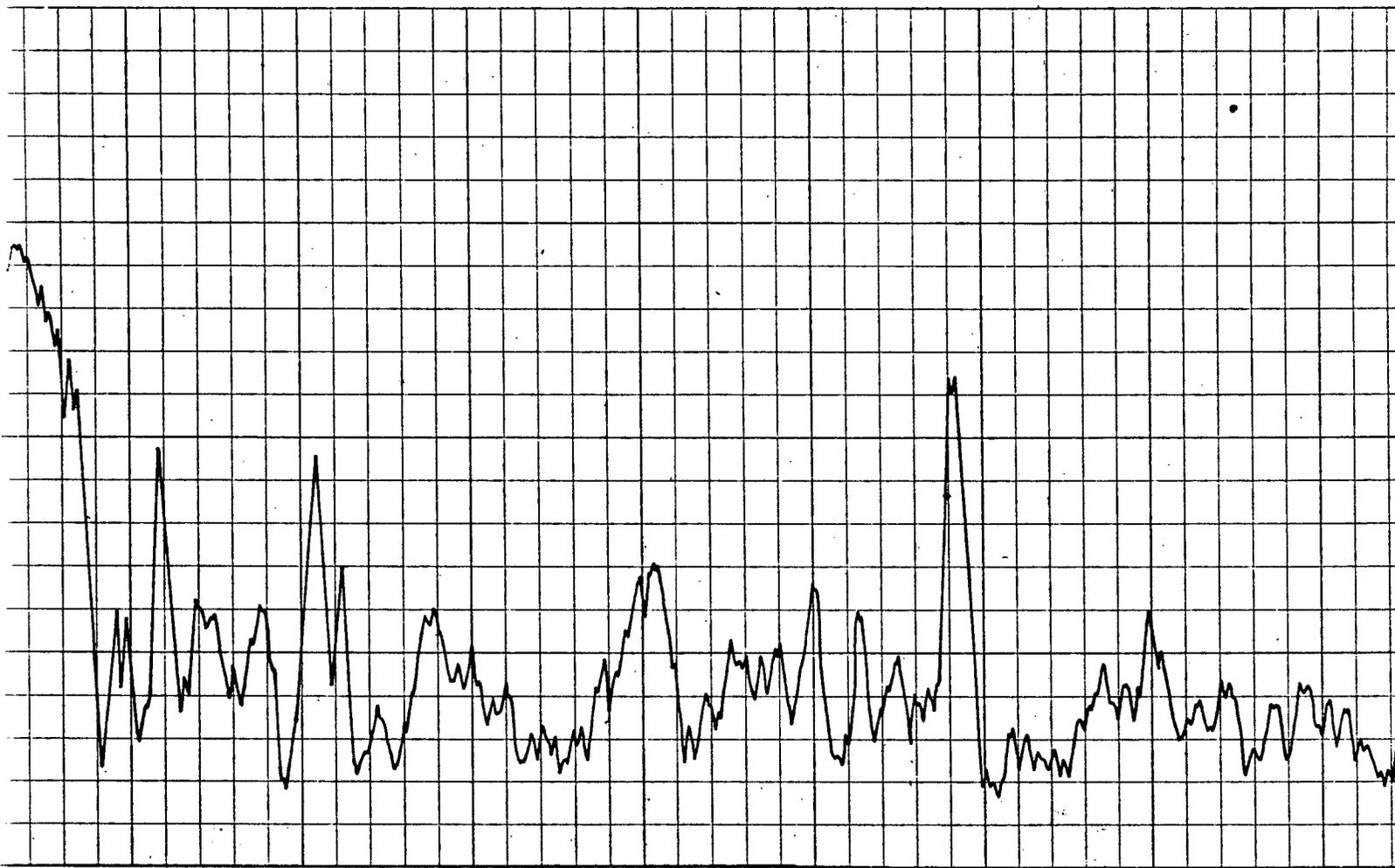
800'

900'

1000'

1100'



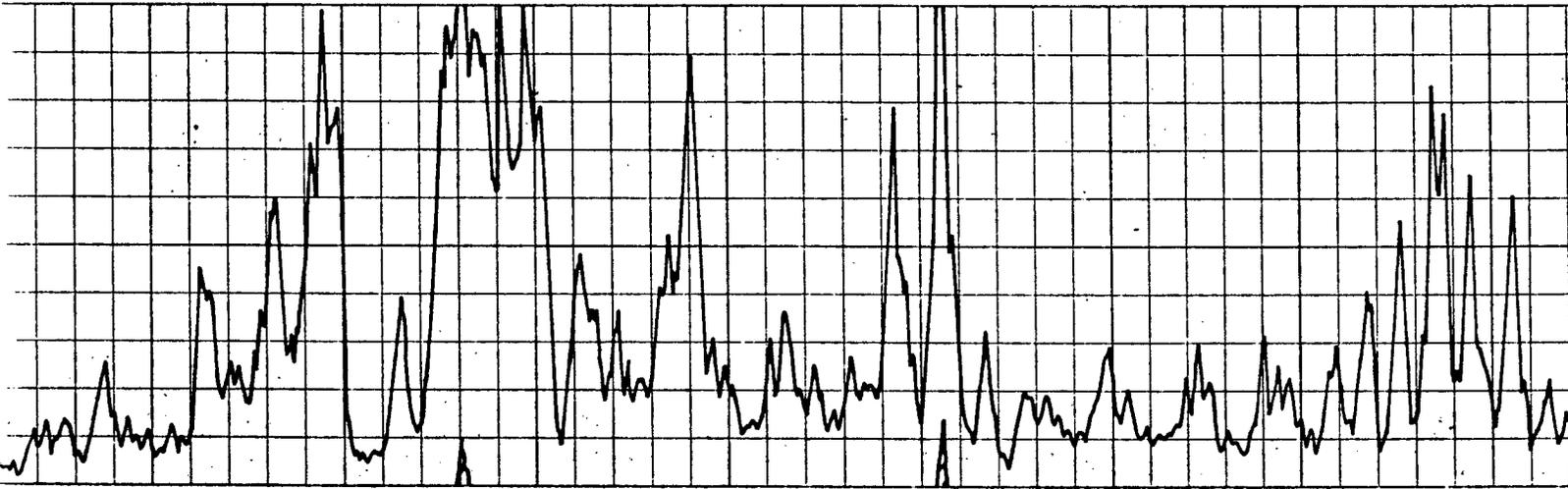


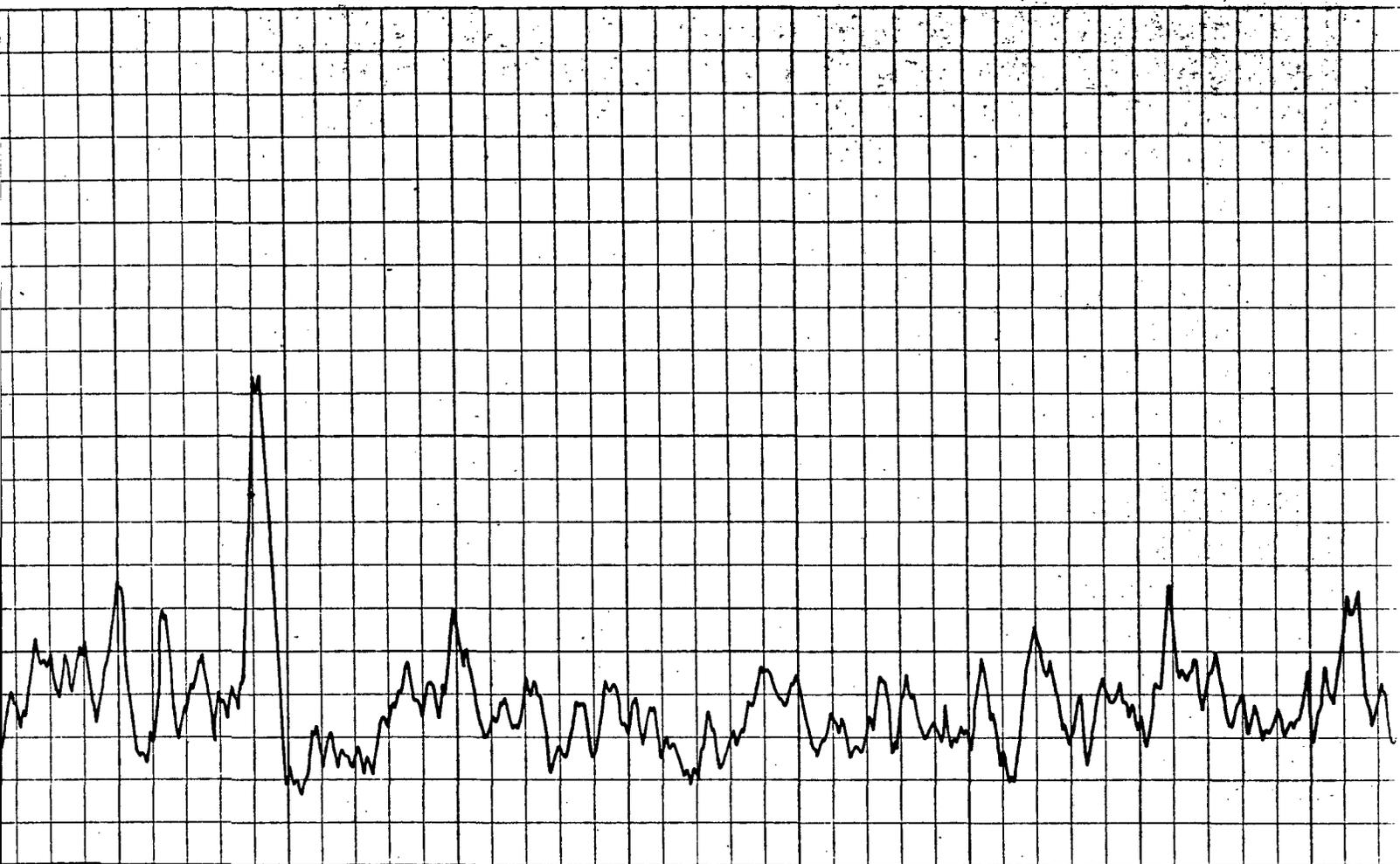
1200'

1300'

1400'

1500'



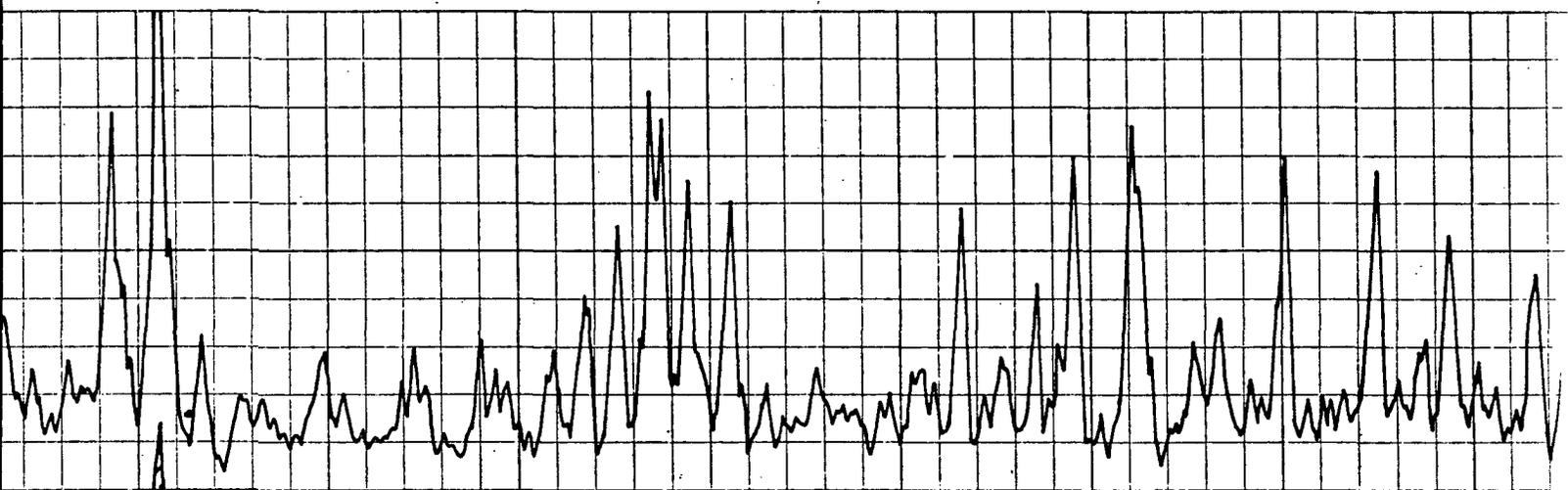


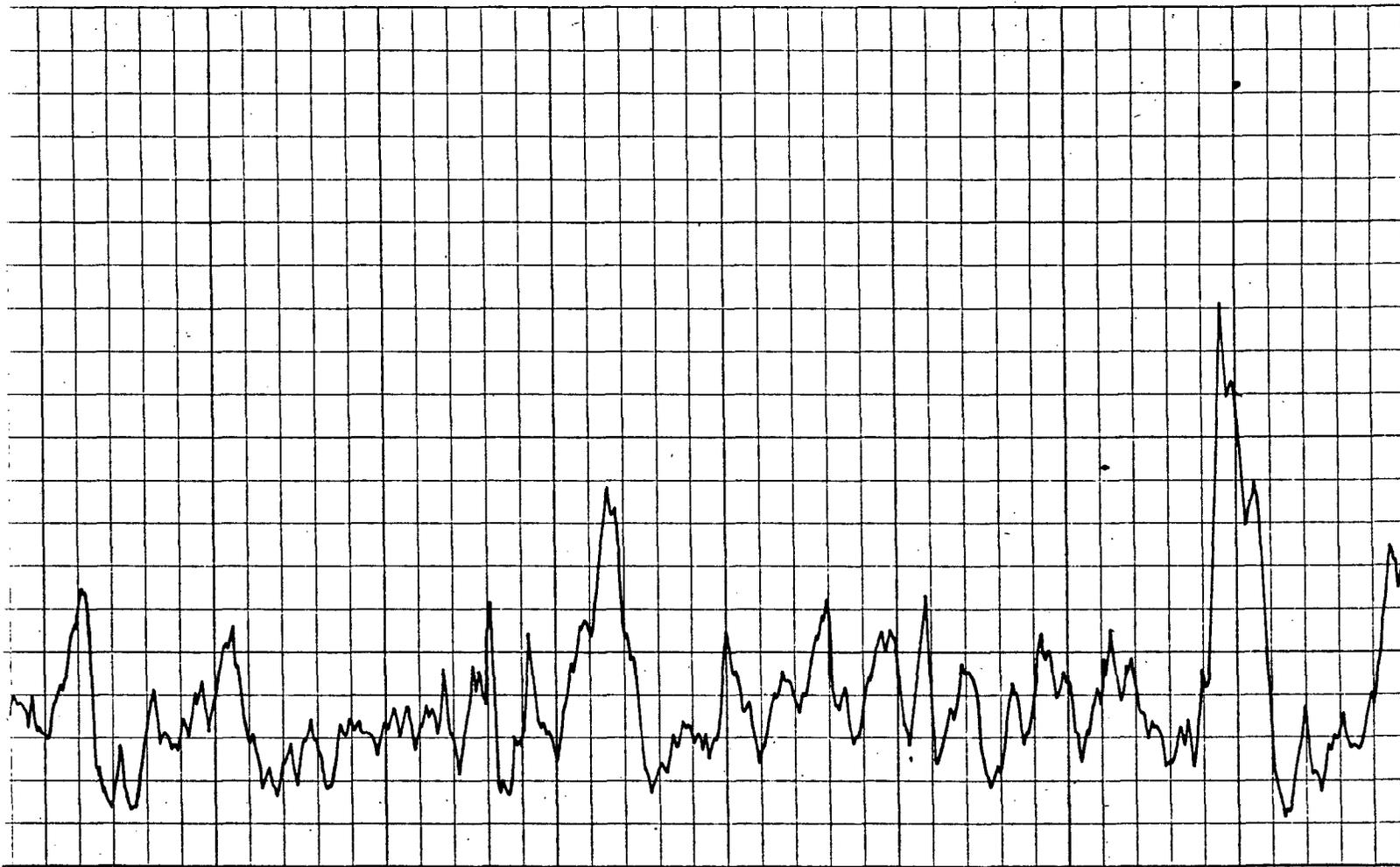
1400'

1500'

1600'

1700'



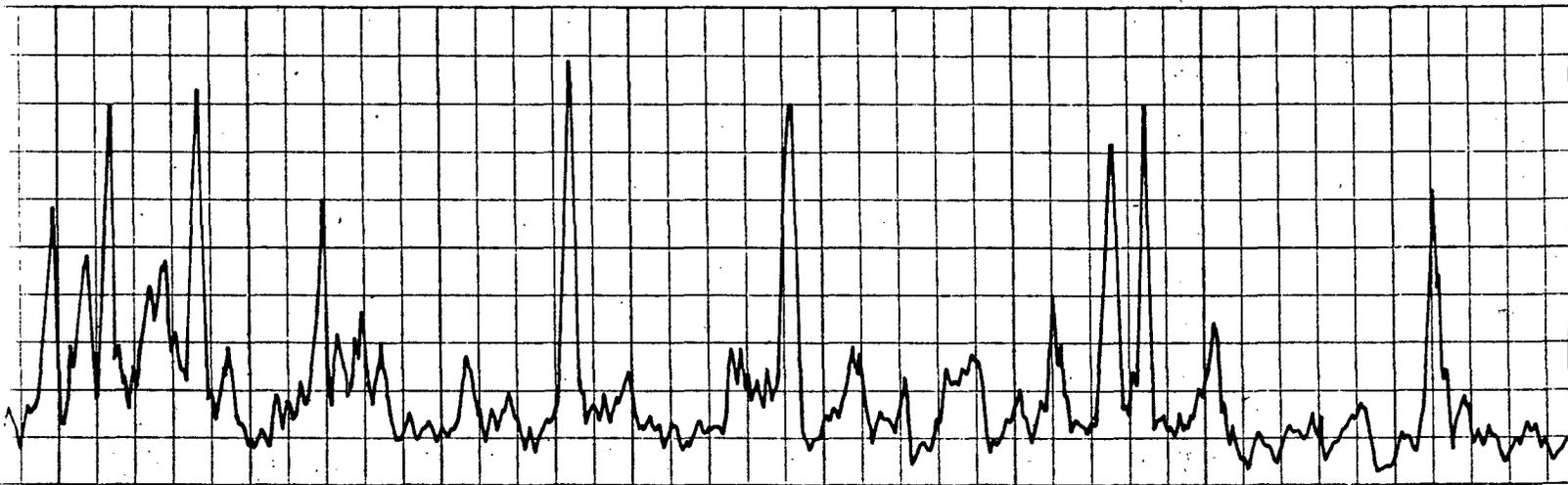


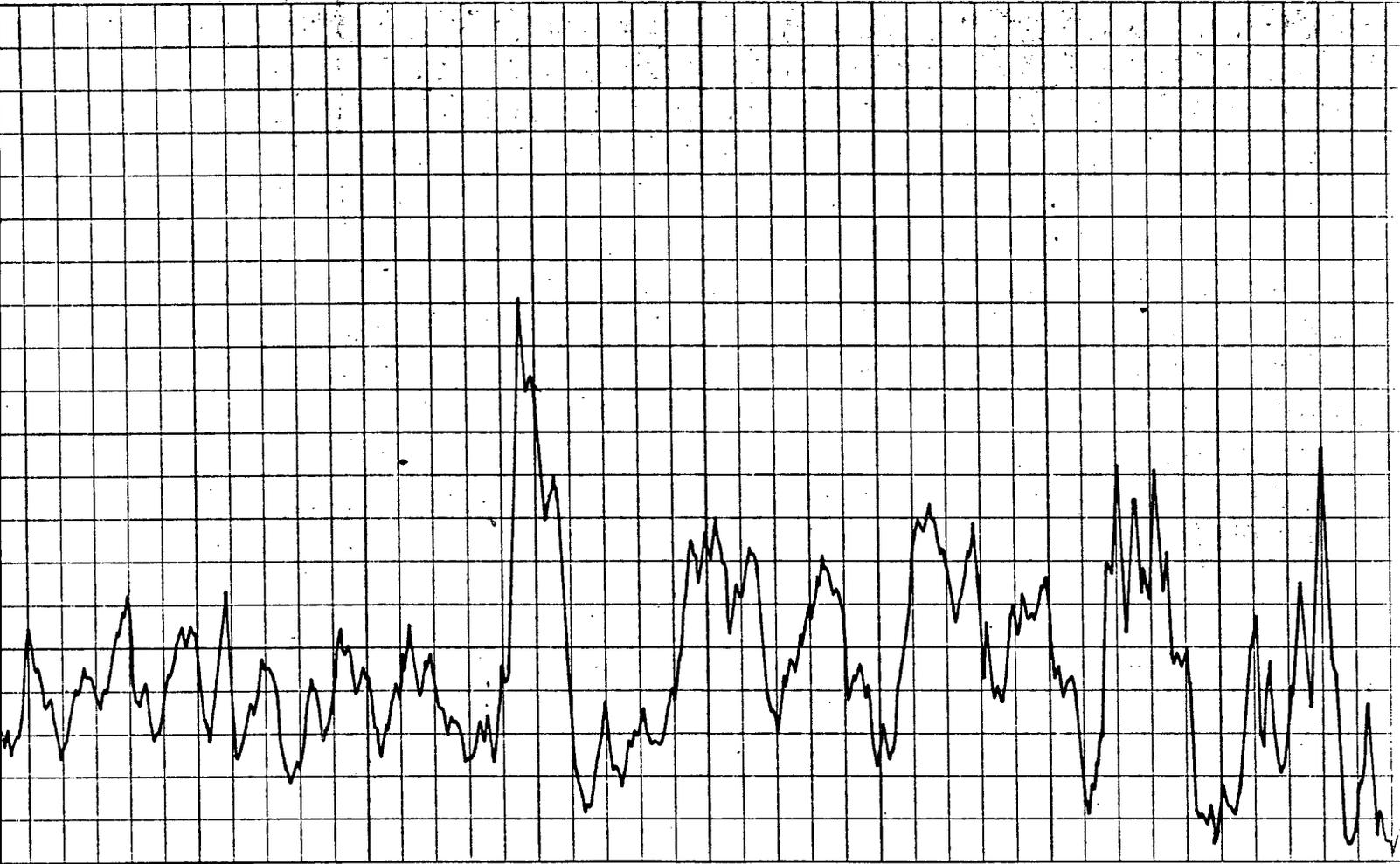
1800'

1900'

2000'

2100'



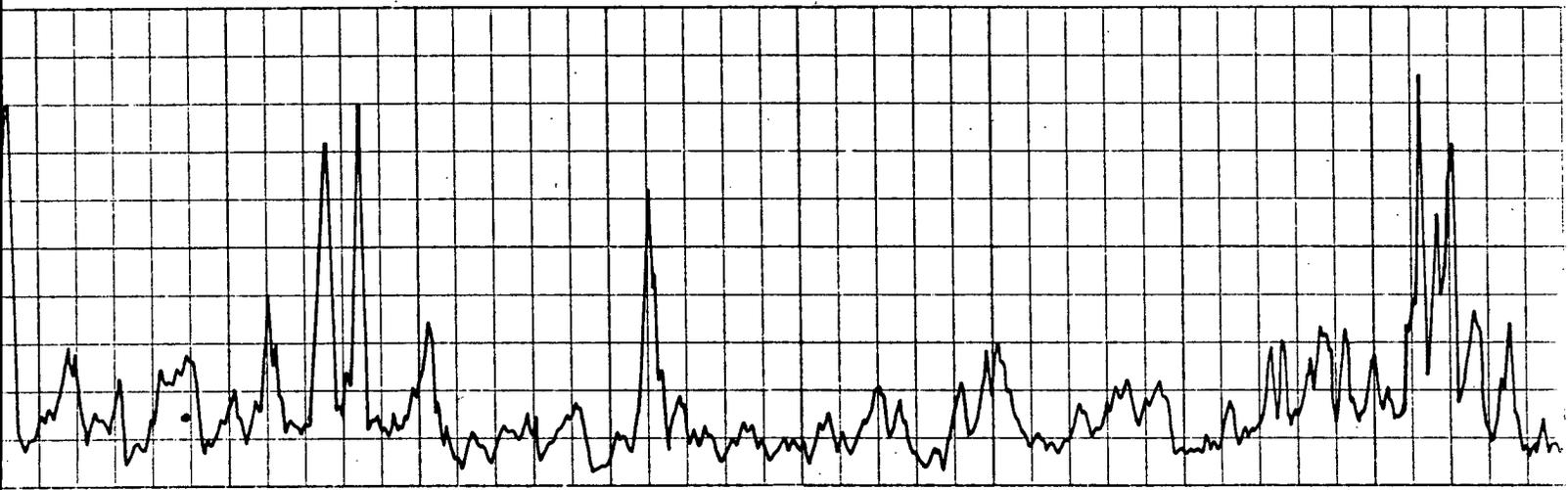


2000'

2100'

2200'

2300'



F-32-17-32
 Gulf Oil Expl. & Prod. Co.
 Lea "LL" State #1



DIGITAL LOGGING SYSTEM

**COMPENSATED DENSITY
 DUAL SPACED
 NEUTRON LOG**

COMPANY Gulf Oil
 Exploration & Production
 WELL Lea "LL" State
 # 1
 FIELD Maljamar
 County Lea State N.M.

COMPANY GULF OIL EXPLORATION & PRODUCTION CO. *TOPS KE*

WELL LEA "LL" STATE # 1

FIELD MALJAMAR GRAYBURG

COUNTY LEA STATE NEW MEXICO

Location 2100' FNL & 1980' FWL *(u)*

Other Services:
Guard-Forxo

Sec. 32 Twp 17-S Rge 32-E

Permanent Datum Ground Level Elev. 3898' Elev.: K. B. 3909'

Log Measured From K. B. - 11 Ft. Above Perm. Datum D. F. 3908'

Drilling Measured From Kelly Bushing G. L. 3898'

Date	11-3-81			
Run No.	- One -			
Depth-Driller	4200			
Depth-Welex	4206			
Btm. Log. Inter	4205			
Top Log Inter.	50			
Casing-Driller	8-5/8" @ 456	@	@	@
Casing-Welex	451			
Bit Size	7-7/8"			
Type Fluid in Hole	Salt Mud			
Dens. I Visc.				
pH I Fluid Loss		ml	ml	ml
Source of Sample	Pit			
R _m @ Meas. Temp.	.06 @ 68 °F	@	@	@
R _m @ Meas. Temp.	.04 @ 64 °F	@	@	@
R _m @ Meas. Temp.	.12 @ 78 °F	@	@	@
Source R _m / R _m	Measured			
R _m @ BHT	.04 @ 104 °F	@	@	@
Time Since Circ.	3 Hours			
Max. Rec. Temp.	104°F @ B.H.	°F @	°F @	°F @
Equip. I Location	3414 Hobbs			
Recorded By	Kveton			
Witnessed By	Mr. Carson			

New Mexico Oil Conservation Commission
 Hobbs, New Mexico 88240

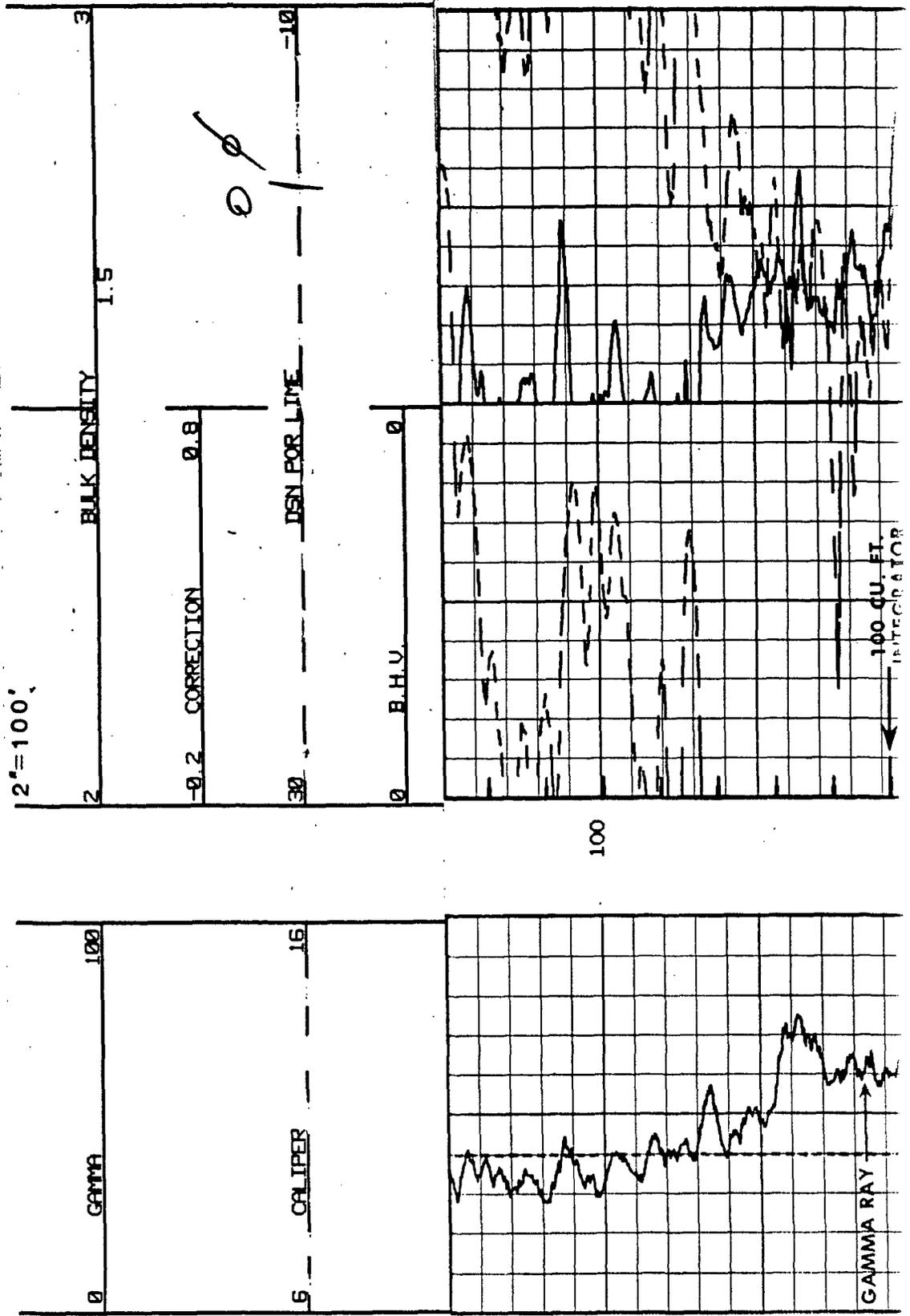
R_m @ BHT .040 @ 104 °F
 $R_{m/}$ BHT .028 @ 104 °F
 R_{mc} BHT .090 @ 104 °F

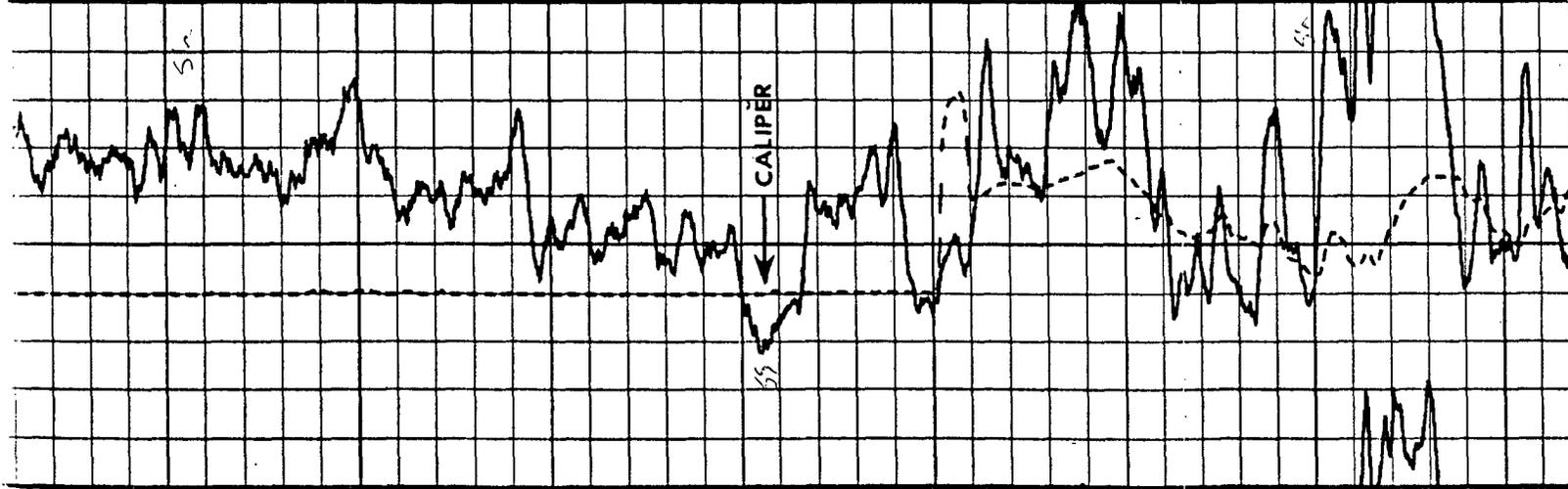
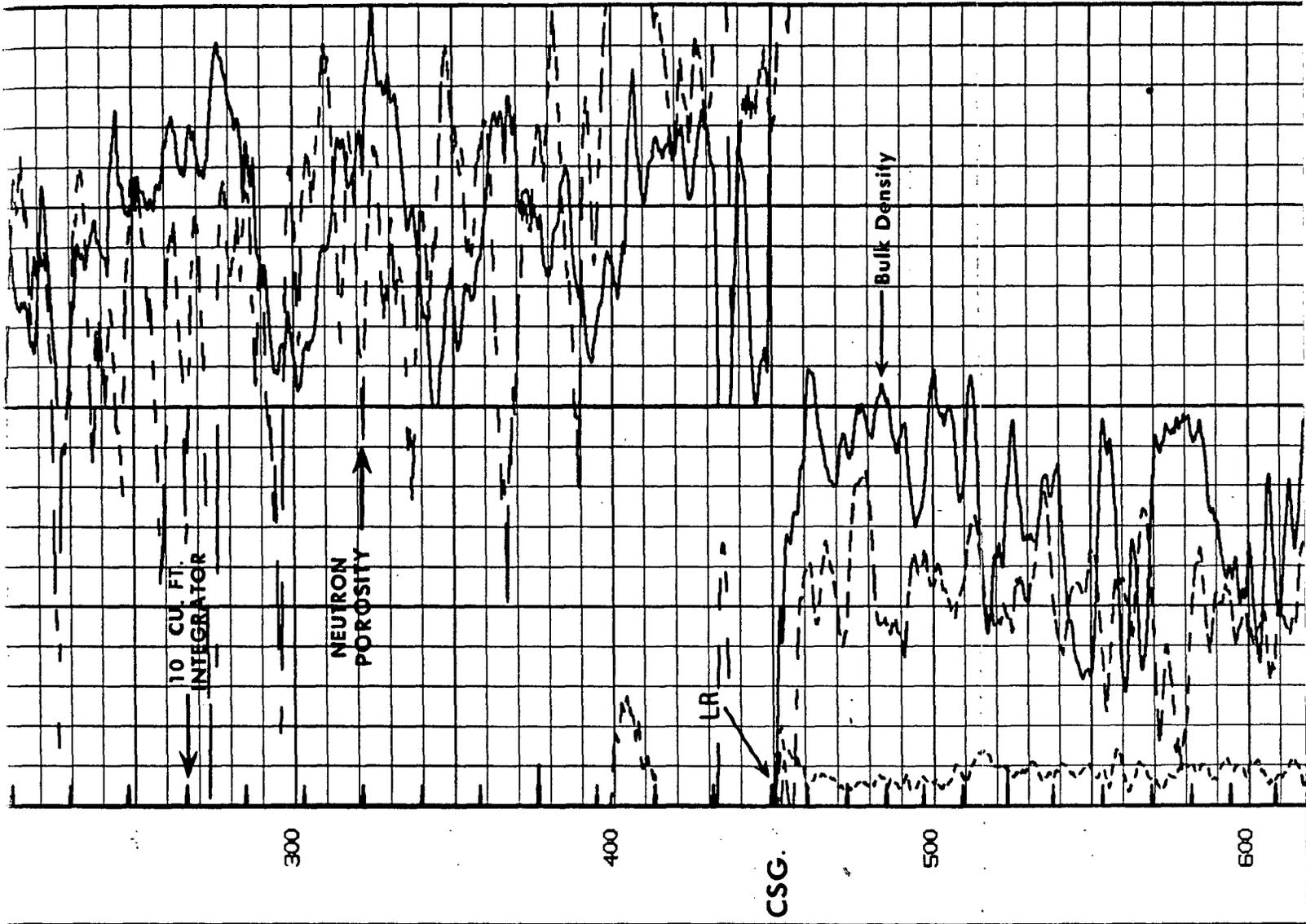
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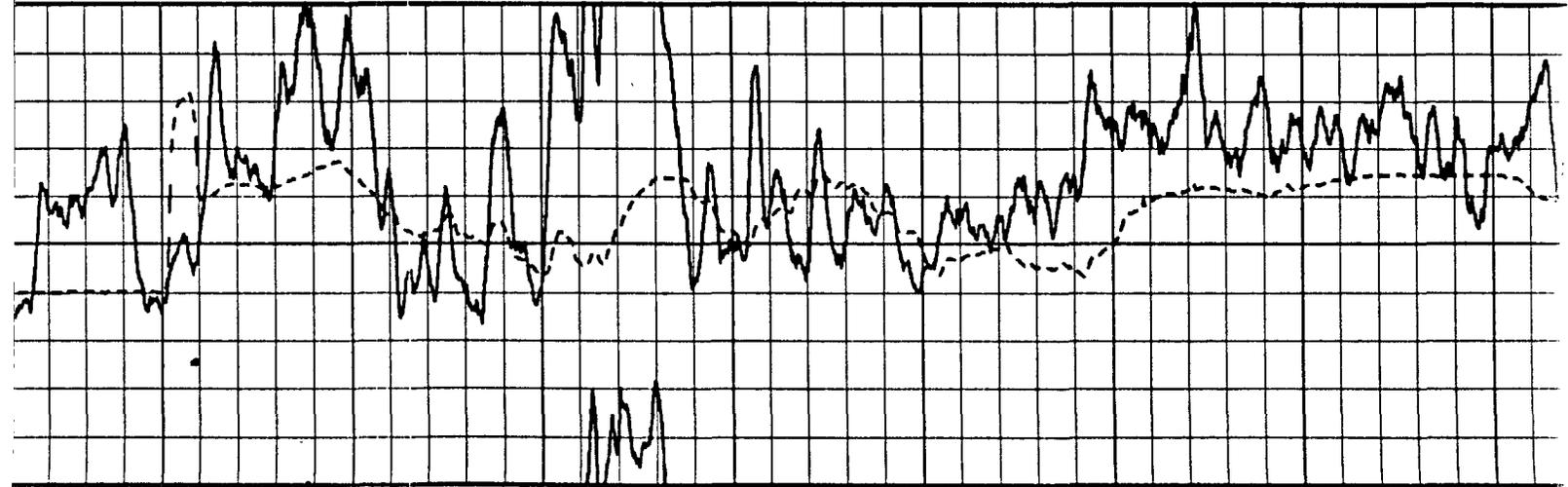
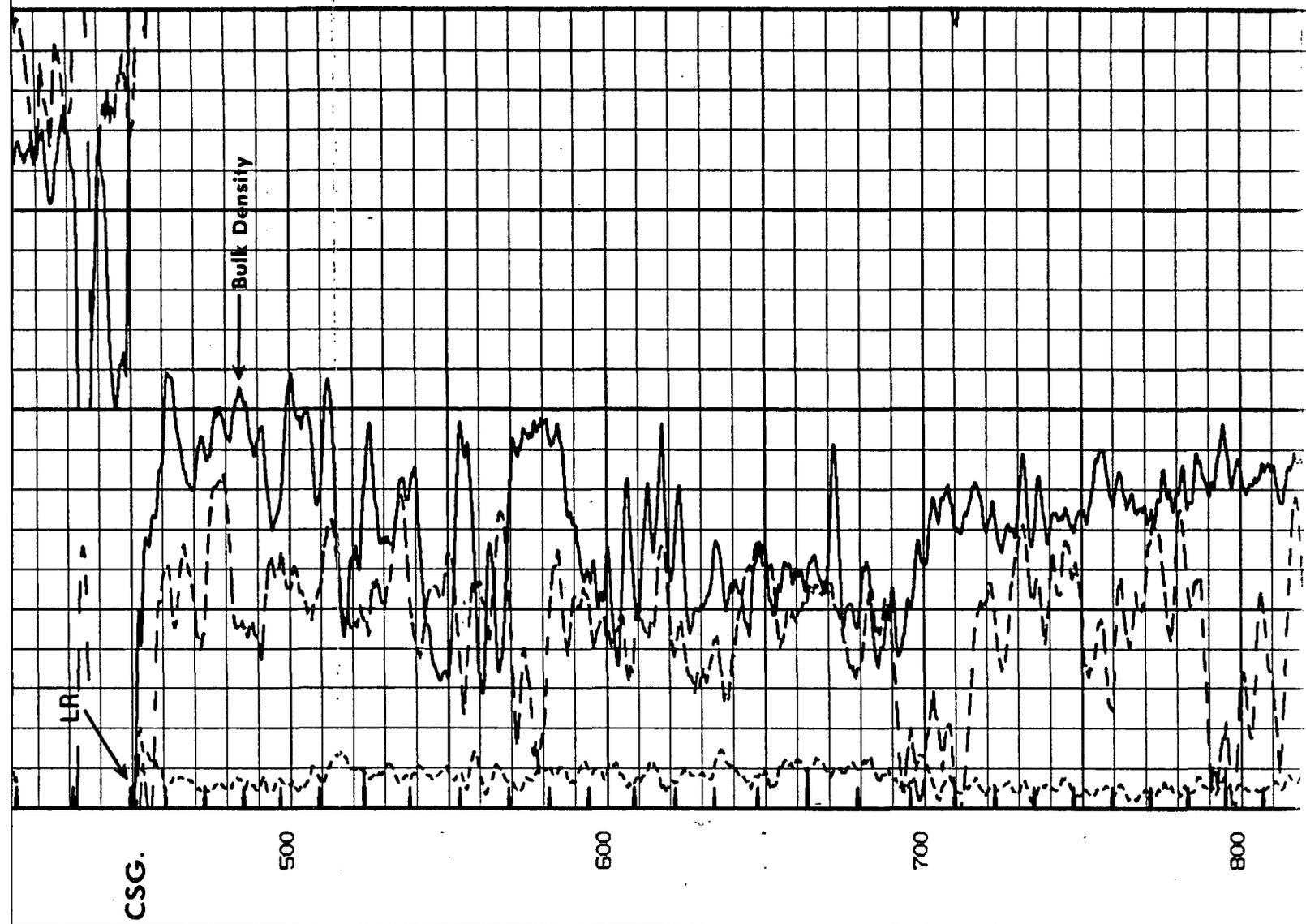
Service Ticket No. 110068

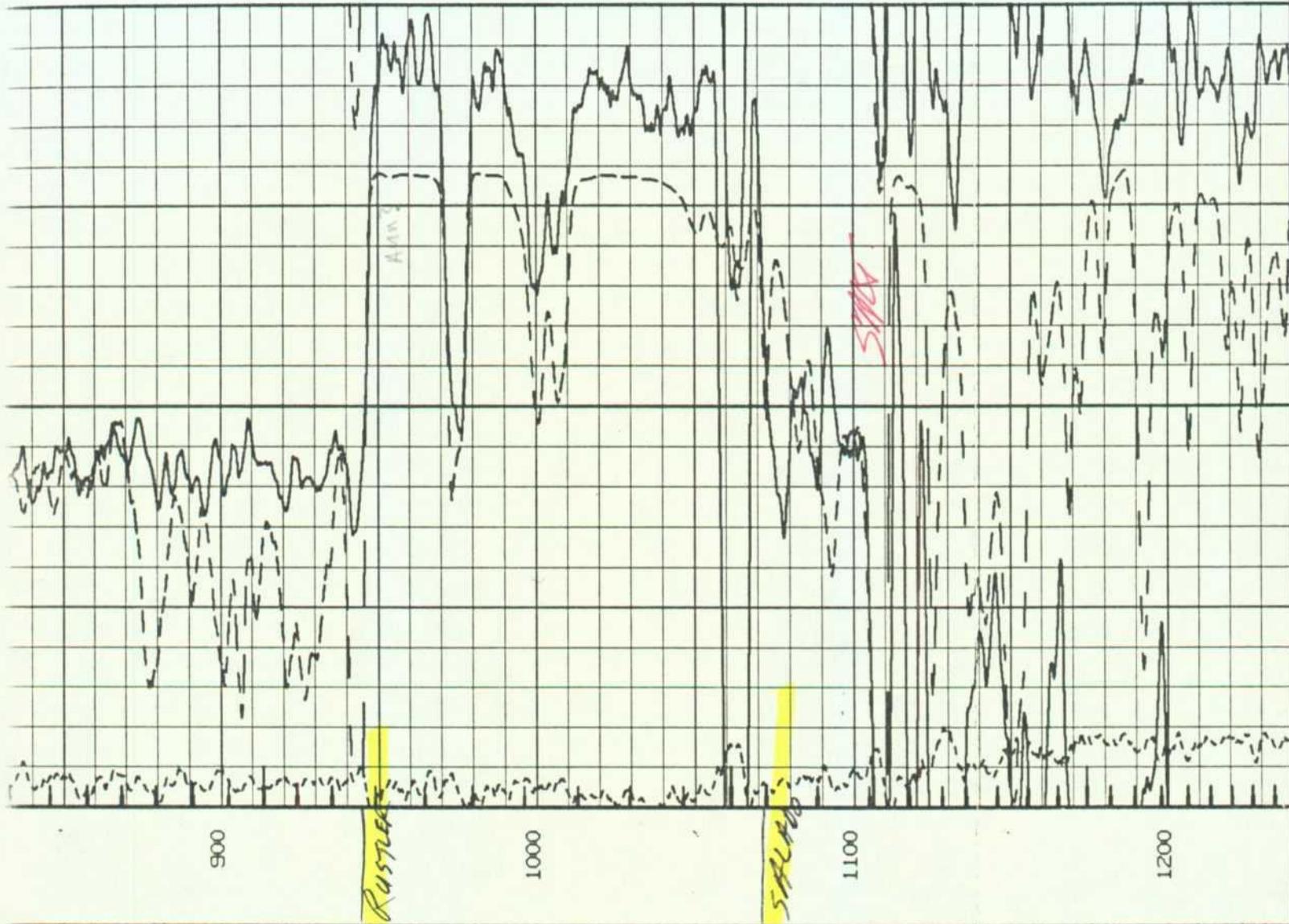
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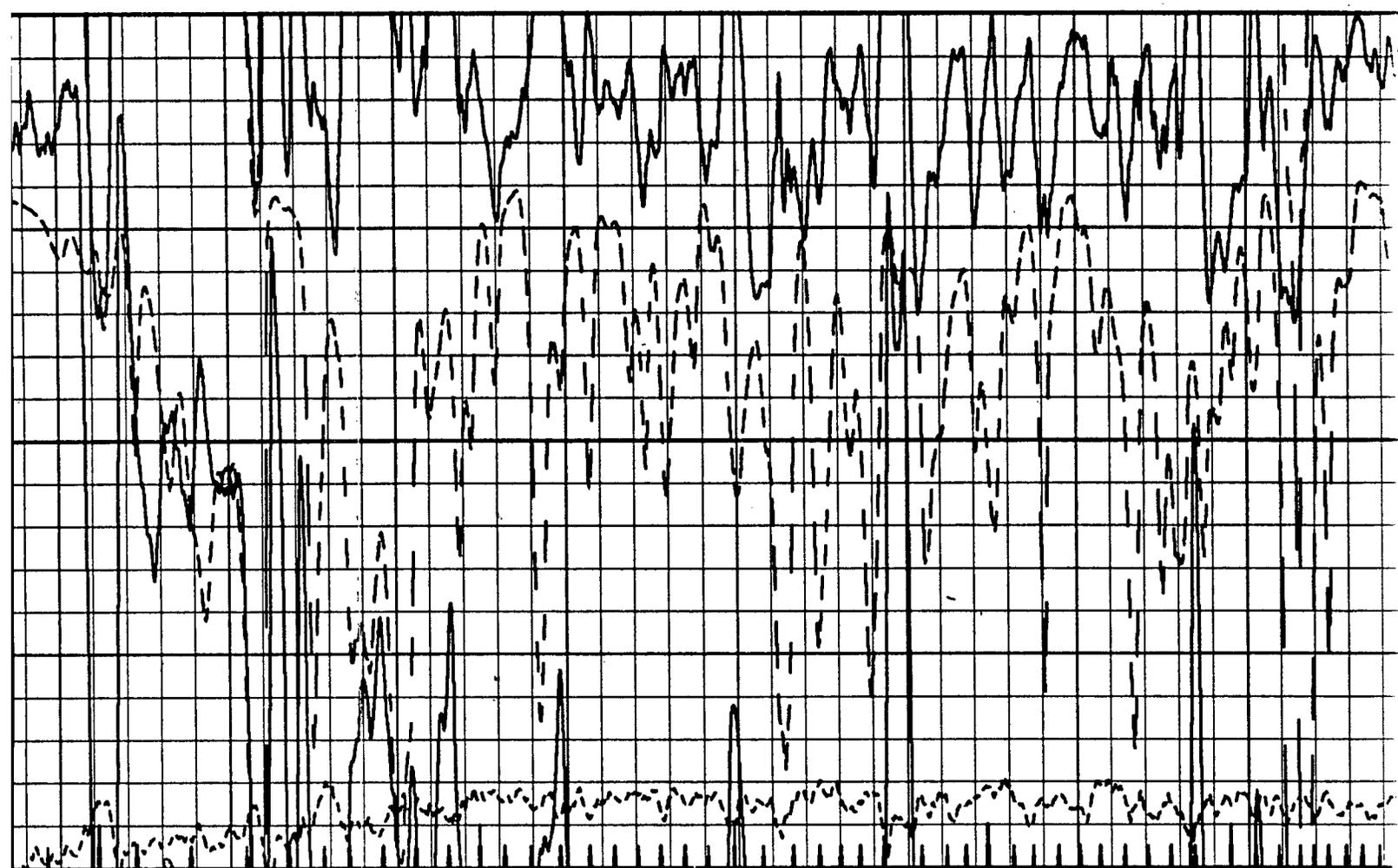
Welex does not guarantee the accuracy of any interpretation of log data, conversion of log data to physical rock parameters, or recommendations which may be given by Welex personnel or which may appear on the log or in any other form. Any user of such data, interpretations, conversions, or recommendations agrees that Welex is not responsible, except where due to gross negligence or willful misconduct, for any loss, damages, or expenses resulting from the use thereof.











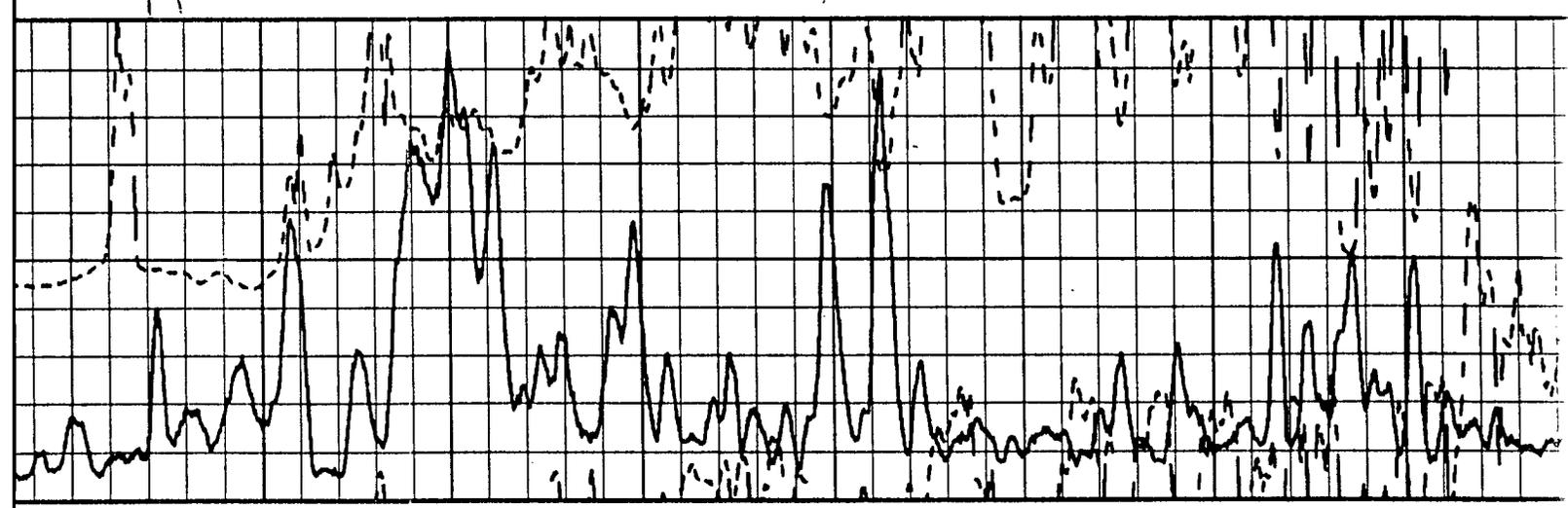
5/21/10

1100

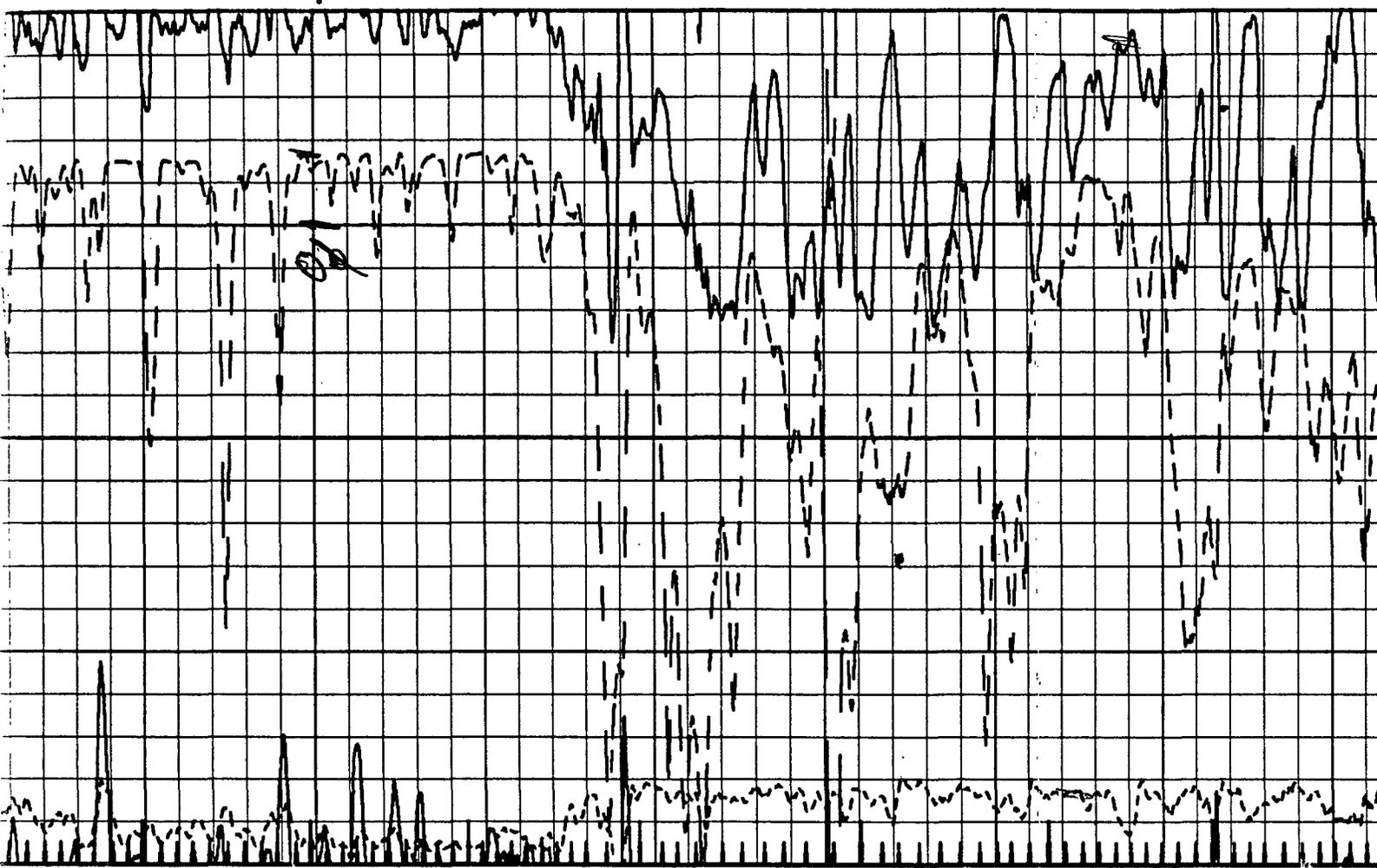
1200

00E1

1400



3/10/80
S.S.

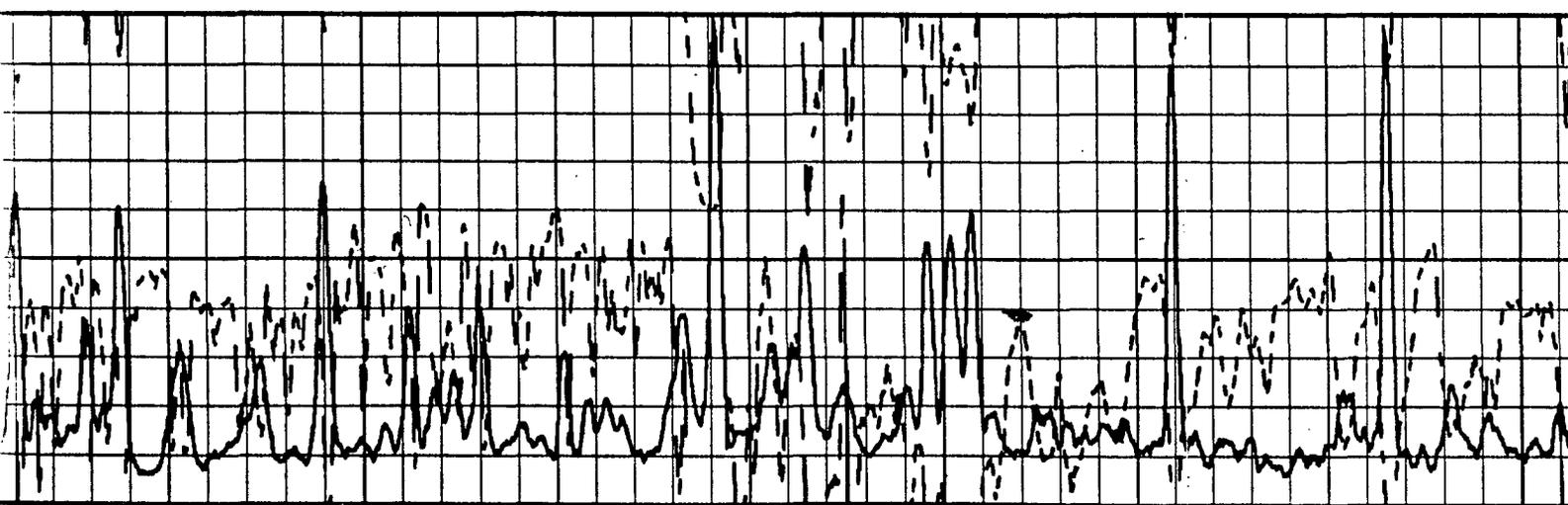


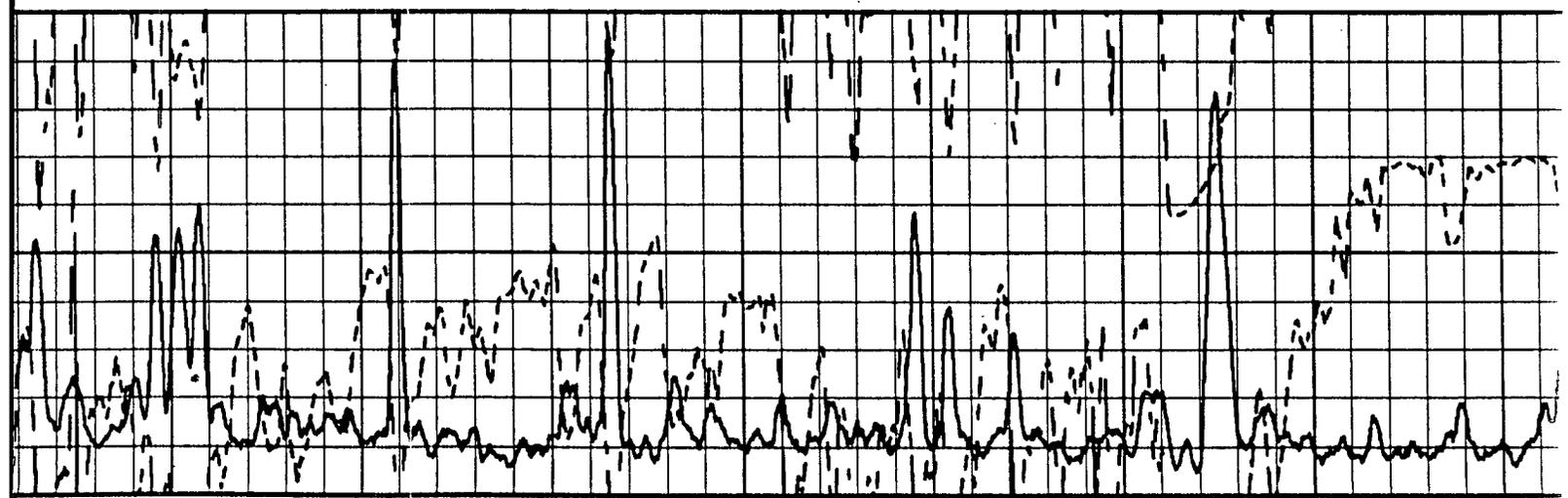
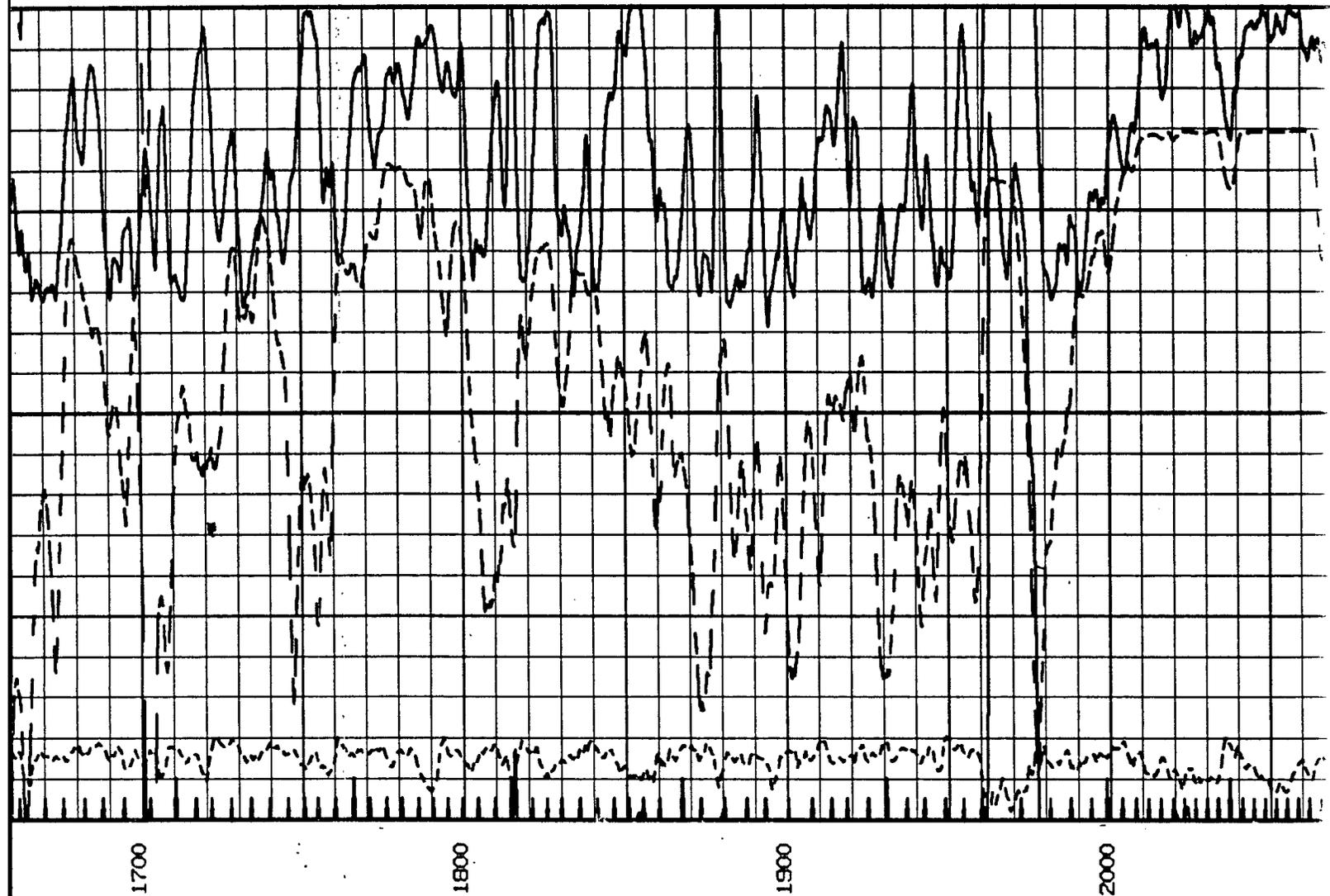
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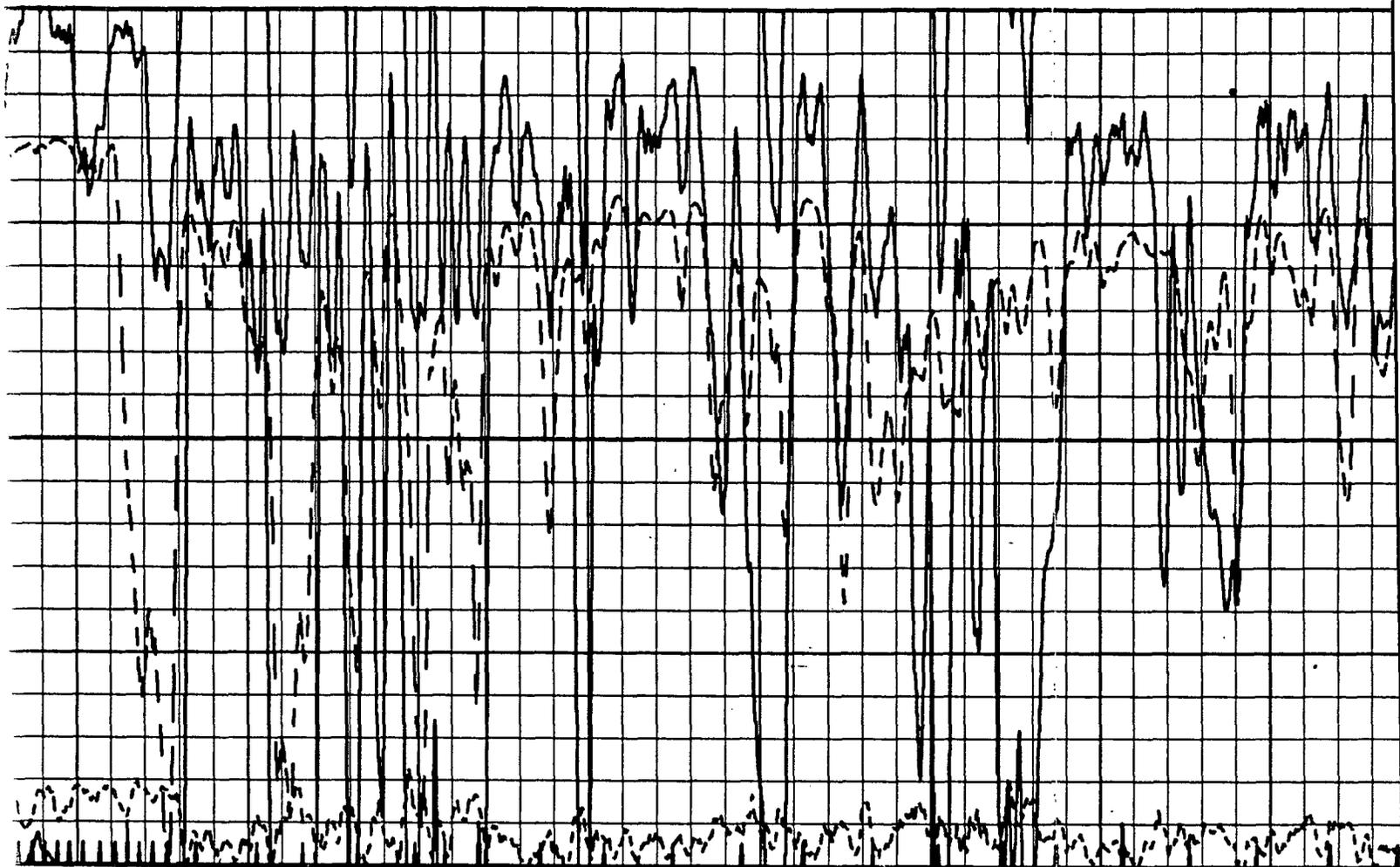
1600

1700

1800







2100

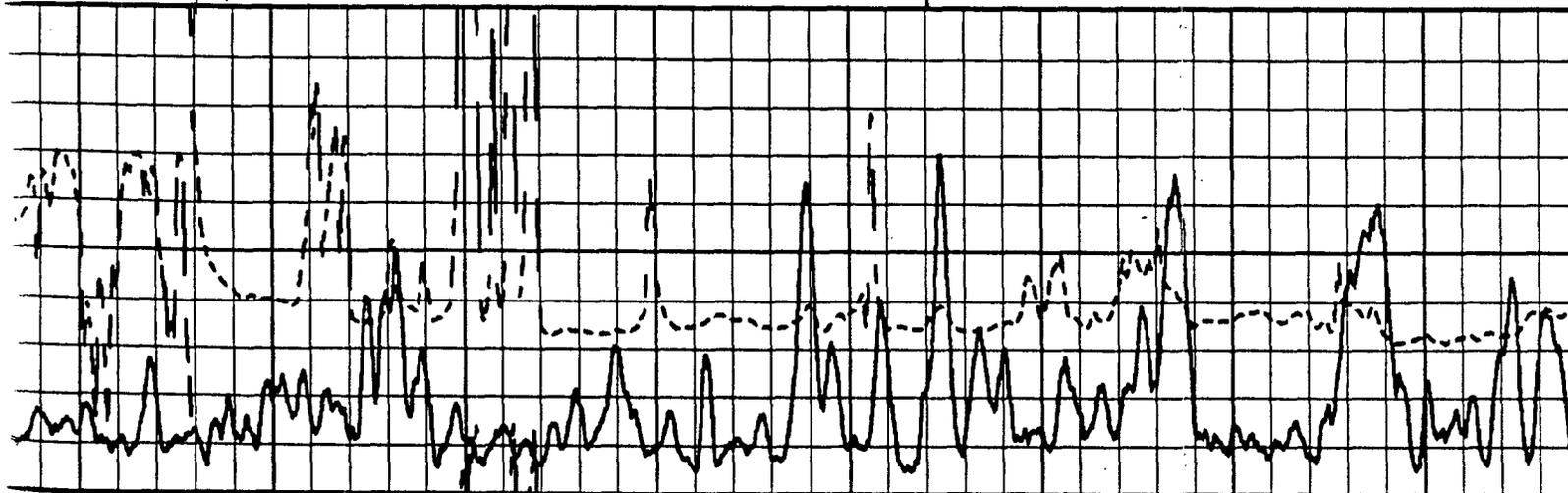
TRANS

2200

2300

STATES

2400



HALLIBURTON SERVICES
MIDLAND DIVISION
HOBBS, NEW MEXICO 88240

LABORATORY WATER ANALYSIS

No. W84-573

To Steve Carter & Sons

Date 8-2-84

Box 24

Hobbs, New Mexico 88240

This report is the property of Halliburton Company and neither it nor any part thereof nor a copy thereof is to be published or disclosed without first securing the express written approval of laboratory management; it may however, be used in the course of regular business operations by any person or concern and employees thereof receiving such report from Halliburton Company.

Submitted by _____ Date Rec. 8-2-84

Well No. "529" Brine Station Depth _____ Formation _____

County _____ Field _____ Source _____

Resistivity 0.065 @ 75°F

Specific Gravity 1.216

pH 6.0

Calcium (Ca) 1,700 *MPL

Magnesium (Mg) 8,760

Chlorides (Cl) 204,000

Sulfates (SO₄) 5,470

Bicarbonates (HCO₃) 85

Soluble Iron (Fe) None

Remarks: _____ *Milligrams per liter

Respectfully submitted,

Analyst: Brewer

HALLIBURTON COMPANY

cc:

By W. L. Brewer
CHEMIST

NOTICE

THIS REPORT IS LIMITED TO THE DESCRIBED SAMPLE TESTED. ANY USER OF THIS REPORT AGREES THAT HALLIBURTON SHALL NOT BE LIABLE FOR ANY LOSS OR DAMAGE, WHETHER IT BE TO ACT OR OMISSION, RESULTING FROM SUCH REPORT OR ITS USE.

HALLIBURTON DIVISION LABORATORY

HALLIBURTON SERVICES
MIDLAND DIVISION
HOBBS, NEW MEXICO 88240

LABORATORY WATER ANALYSIS

No. W83-708

To Ernie Hegwer

Date 6-16-83

This report is the property of Halliburton Company and neither it nor any part thereof nor a copy thereof is to be published or disclosed without first securing the express written approval of laboratory management; it may however, be used in the course of regular business operations by any person or concern and employees thereof receiving such report from Halliburton Company.

Submitted by _____ Date Rec. 6-15-83

Well No. 529 Brine Station Depth _____ Formation _____

County _____ Field _____ Source _____

6-15-83

Resistivity _____ 0.065 @ 74°F

Specific Gravity _____ 1.108

pH _____ 7.0

Calcium (Ca) _____ 600 *MPL

Magnesium (Mg) _____ 5,440

Chlorides (Cl) _____ 97,000

Sulfates (SO₄) _____ 3,650

Bicarbonates (HCO₃) _____ 120

Soluble Iron (Fe) _____ Nil

Remarks: _____ *Milligrams per liter

Respectfully submitted,

Analyst: Brewer

HALLIBURTON COMPANY

cc:

By W. S. Brewer
CHEMIST

NOTICE

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HALLIBURTON DIVISION LABORATORY
HALLIBURTON SERVICES
MIDLAND DIVISION
HOBBS, NEW MEXICO 88240

11

LABORATORY WATER ANALYSIS

No. W83-069

To Ernie Hegwer

Date 1-18-83

This report is the property of Halliburton Company and neither it nor any part thereof nor a copy thereof is to be published or disclosed without first securing the express written approval of laboratory management; it may however, be used in the course of regular business operations by any person or concern and employees thereof receiving such report from Halliburton Company.

Submitted by _____ Date Rec. 1-18-83

Well No. "529" Brine Depth _____ Formation _____

County _____ Field _____ Source _____

Resistivity _____ 0.060 @ 70°F. _____

Specific Gravity _____ 1.141 _____

pH _____ 6.5 _____

Calcium (Ca) _____ 1,000 _____ *MPL

Magnesium (Mg) _____ 5,220 _____

Chlorides (Cl) _____ 130,000 _____

Sulfates (SO₄) _____ 5,600 _____

Bicarbonates (HCO₃) _____ 120 _____

Soluble Iron (Fe) _____ Nil _____

Remarks: _____ *Milligrams per liter

Respectfully submitted,

Analyst: Brewer

HALLIBURTON COMPANY

cc:

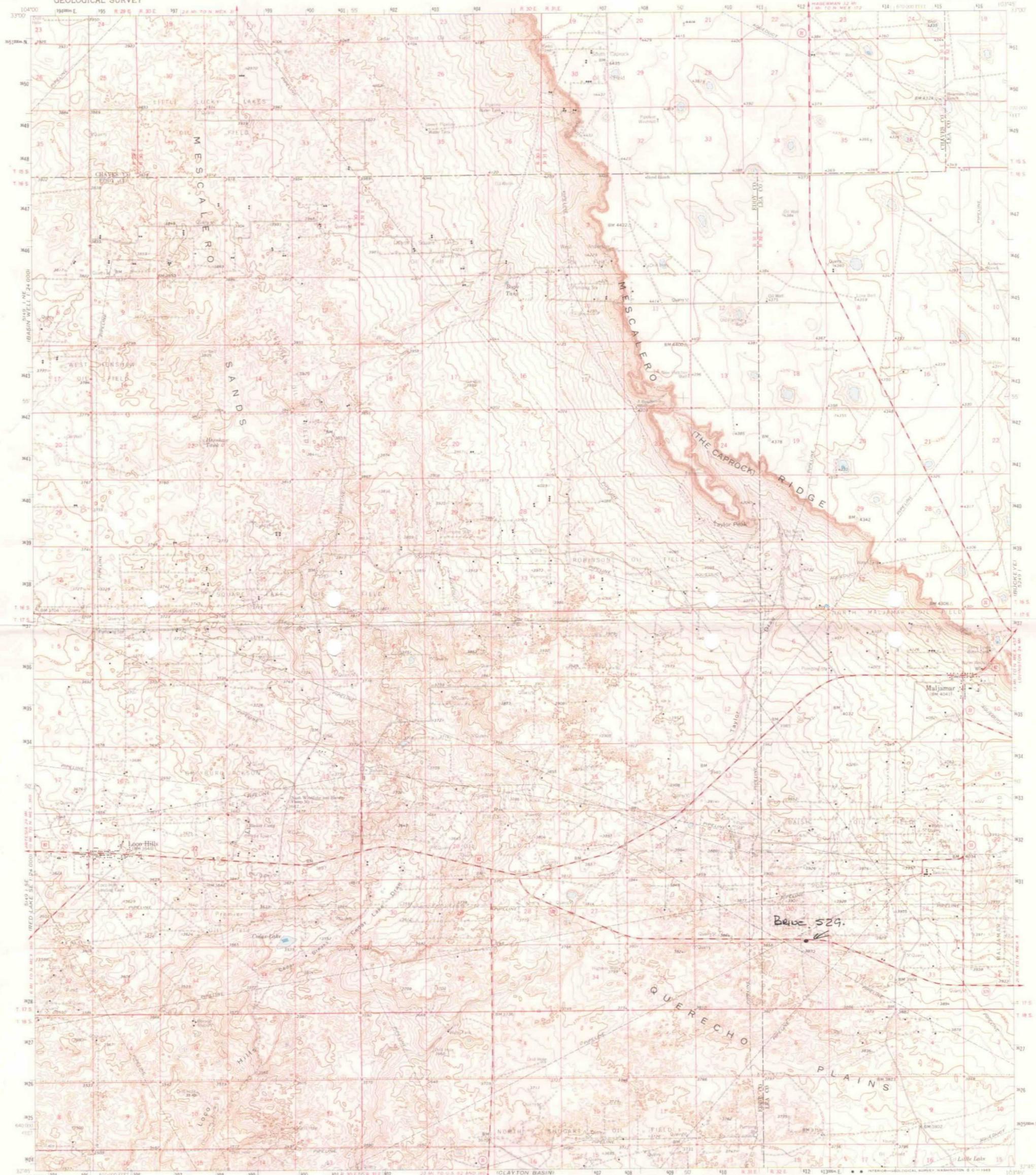
By W. J. Brewer
CHEMIST

NOTICE

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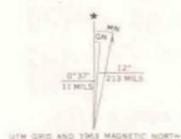
UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

MALJAMAR QUADRANGLE
NEW MEXICO
15 MINUTE SERIES (TOPOGRAPHIC)

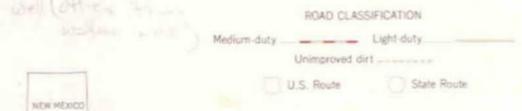


Beve 529.

Mapped, edited, and published by the Geological Survey
Control by USGS and USC&GS
Planimetry by photogrammetric methods from aerial photographs
taken 1957. Topography by planimetric surveys, 1963.
Polyconic projection, 1927 North American datum.
10,000-foot grid based on New Mexico coordinate system; 4882 zone
1000-meter Universal Transverse Mercator grid ticks,
zone 13, shown in blue.

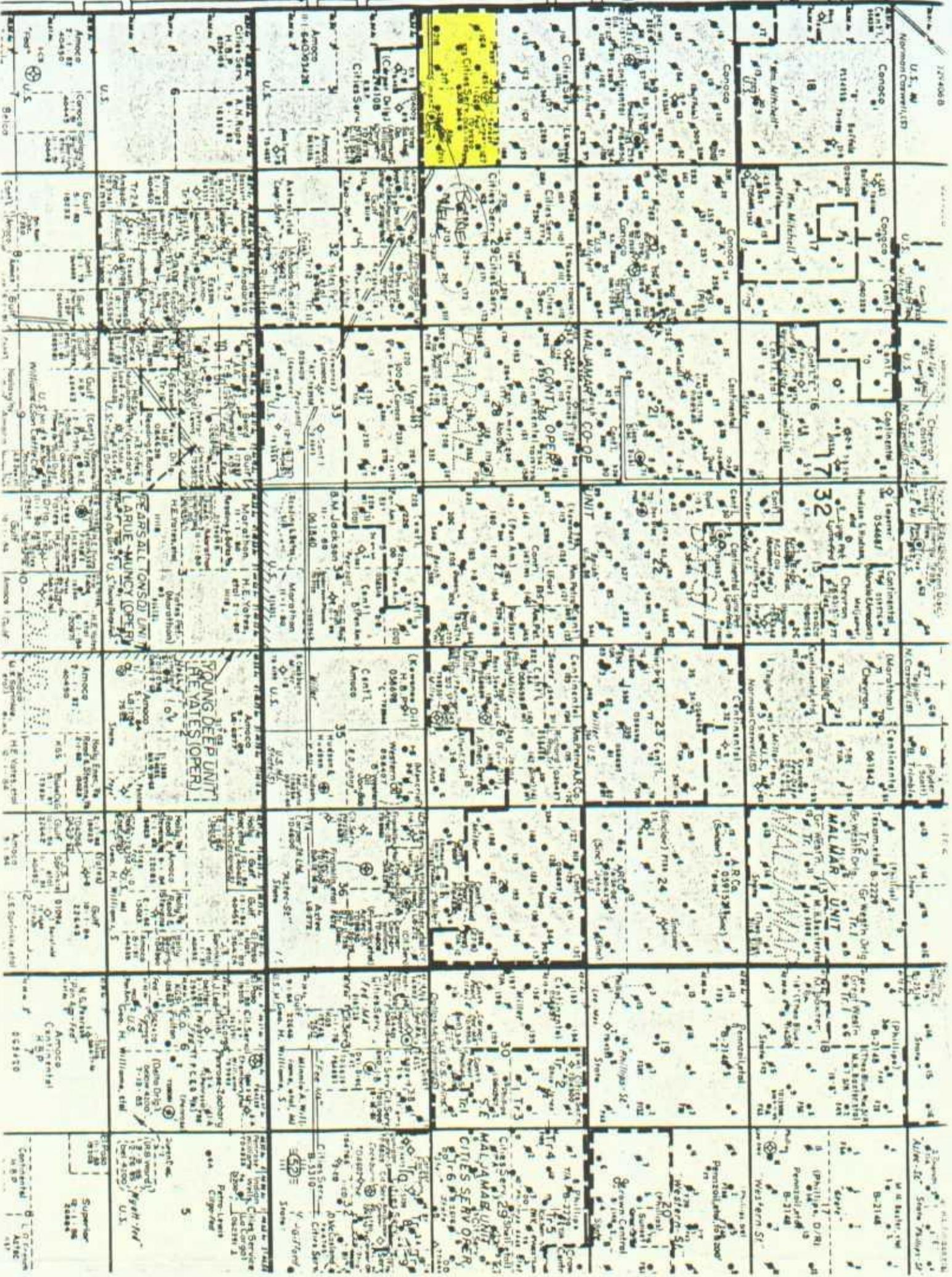


CONTOUR INTERVAL 10 FEET
(DATUM IS MEAN SEA LEVEL)



THIS MAP COMPLIES WITH NATIONAL MAP ACCURACY STANDARDS
FOR SALE BY U.S. GEOLOGICAL SURVEY, DENVER 25, COLORADO OR WASHINGTON 25, D.C.
A FOLDER DESCRIBING TOPOGRAPHIC MAPS AND SYMBOLS IS AVAILABLE ON REQUEST

MALJAMAR, N. MEX.
N3245-W10345/715
1963
AMS 5249 IV-SERIES V76



- Producing Oil Wells
- Injection Wells
- Abandoned Wells
- ⊗ Dry Holes
- Map indicates highway
- No mines, quarries or residences in area

TO BE ATTACHED TO AND FORM PART OF BOND NUMBER U28 36 13

ISSUED BY THE United Pacific Insurance Company ON BEHALF OF

Ernie L. Hegwer

FOR Bond Under Permit to Prospect for Sodium Deposits

IN FAVOR OF the United States of America, Department of the Interior,
Bureau of Land Management

IN THE AMOUNT OF Five thousand and no/100-----
-----DOLLARS (\$5,000.00)

DATED August 30, 1982

IT IS HEREBY AGREED AND UNDERSTOOD THAT effective the 1st
day of November, 19 83, the United Pacific Insurance Company
agrees to remain bound to the terms and conditions of this preference
right lease as set forth in the aforementioned bond.

EXCEPT AS HEREIN specifically modified, the conditions, provisions, and
limitations of said bond shall continue unchanged.

Signed, sealed, and dated this 1st day of November,
19 83.

United Pacific Insurance Company

By: Pat Cargile
Pat Cargile, Attorney-in-Fact

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN REVERSE SIDE
(Other instructions on reverse side)

Farm approved.
Budget Bureau No. 42-R14
5. LEASE DESIGNATION AND SERIAL NO.

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals.)

LC 029410 (b)
6. IF INDIAN, ALLOTTEE OR TRIBE NAME

1. OIL WELL GAS WELL OTHER

AUG 4 10 12 AM '64
JUL 24 1964

7. UNIT AGREEMENT NAME

2. NAME OF OPERATOR

8. FARM OR LEASE NAME

Ashman & Hilliard Oil Company, Pennzoil, O'Brien & Bagwell

Federal-Carper

3. ADDRESS OF OPERATOR

9. WELL NO.

303 N. Marienfeld, Midland, Texas

1-30

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*
See also space 17 below.)

10. FIELD AND POOL, OR WILDCAT

At surface SW/4 SE/4 Sec. 30,
330' FSL & 1650' FEL of Sec. 30

Wildcat

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA

Sec. 30, T-17-S, R-32

14. PERMIT NO.

15. ELEVATIONS (Show whether DF, RT, GR, etc.)

3882' GR

12. COUNTY OR PARISH

Lea New Mex

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

SUBSEQUENT REPORT OF:

TEST WATER SHUT-OFF
FRACTURE TREAT
SHOOT OR ACIDIZE
REPAIR WELL
(Other)
PULL OR ALTER CASING
MULTIPLE COMPLETE
ABANDON*
CHANGE PLANS

WATER SHUT-OFF
FRACTURE TREATMENT
SHOOTING OR ACIDIZING
(Other) Directional Drilling
(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting a proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

At T. D. of 6950' well was 6° from vertical, exceeding contract requirements. Whipstock was set @ 6979'.

Eastman Survey was run @ 7058' and showed a closure of 47.79' North 350' 22' West.

(Copies sent to all Off-set operators)

18. I hereby certify that the foregoing is true and correct

SIGNED Jim West

TITLE Production Superintendent

DATE 7-21-64

(This space for Federal or State office use)

APPROVED BY _____
CONDITIONS OF APPROVAL, IF ANY:

TITLE _____

APPROVED
JUL 30 1964
A. R. BROWN
DISTRICT ENGINEER

P 456 371 235

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL

(See Reverse)

Sent to <i>Gene Hegwer</i>	
Street and No. <i>P.O. Box 1637</i>	
P.O., State and ZIP Code <i>Hobbs, NM</i>	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to whom and Date Delivered	
Return Receipt Showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date	

PS Form 3800, Feb. 1982



STATE OF NEW MEXICO

ENVIRONMENTAL IMPROVEMENT DIVISION
P.O. Box 968, Santa Fe, New Mexico 87504-0968
(505) 984-0020
STEVEN ASHER, Director

TONY ANAYA
GOVERNOR

Joseph Goldberg
SECRETARY
Ted Guambana

DEPUTY SECRETARY

JOSEPH F. JOHNSON
DEPUTY SECRETARY

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

May 23, 1984

Ernie Hegwer
529 Brine Station
P.O. Box 1637
Hobbs, NM 88241-1637

Dear Mr. Hegwer:

Enclosed is the draft outline for a brine extraction well discharge plan, which I promised you during our telephone conversation this morning. I hope it is useful in putting together the discharge plan for your facility.

I appreciate your decision to prepare a complete discharge plan for us to review no later than October of this year, rather than submitting your plan in stages as specified in your Assurance of Discontinuance. I will review your submittal as promptly as possible, but in any case you will have my comments no later than 60 days from the day we receive your submittal. After receipt of my comments you should make any necessary changes in your discharge plan and return it to us by July 2, 1985 (the date specified in your Assurance for that submittal). Within sixty days of your sending in the final version of your discharge plan, you will be notified by the Director of EID that your discharge plan has been approved or disapproved. Since you will have ample time to make any necessary changes in your discharge plan before it is submitted for the Director's decision, I see no reason why your final submittal would not be approved.

Again, thank you for your cooperation.

Sincerely,

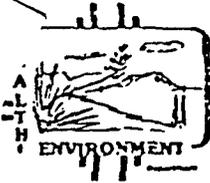
Paige Grant
Water Resource Specialist
Ground Water Section

PG:egr

Enclosure

cc: John Guinn, EID District IV, Manager

MSZ



<input type="checkbox"/> Telephone	<input checked="" type="checkbox"/> Personal	Time 11:00	Date 4/10/84
Originating Party Ernie Hezwer		Other Parties Pete Grant	
Subject Assurance + Discharge Plans			

Discussion

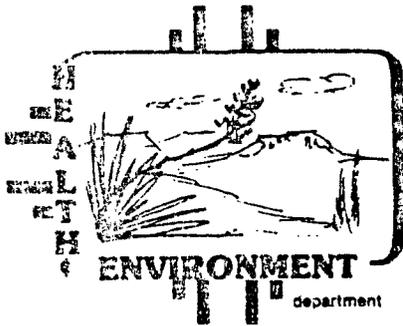
We went over requirements of discharge plan point by point. He decided he would hire a geologist/hydrologist to do the geology/hydrology sections, but could do most of the rest himself. He had a number of points to make as to how the regulations were excessive with regard to brine wells.

Conclusions or Agreements

Distribution

Signed

Pete Grant



STATE OF NEW MEXICO

ENVIRONMENTAL IMPROVEMENT DIVISION
P.O. Box 968, Santa Fe, New Mexico 87504-0968
(505) 984-0020
STEVEN ASHER, Director

TONEY ANAYA
GOVERNOR

Joseph Goldberg
SECRETARY

Ted Guambana
DEPUTY SECRETARY

JOSEPH F. JOHNSON
DEPUTY SECRETARY

March 30, 1984

Mr. Ernie Hegwer
529 Brine Station
P.O. Box 1637
Hobbs, NM 88241-1637

Dear Mr. Hegwer:

Enclosed please find a copy of my memo to the Water Quality Control Commission with which I submitted your Assurance of Discontinuance.

You may bring your revised Assurance to the Commission meeting on April 10th. The Assurance need not be signed or notarized until it is approved by the Commission. Then our notary public at EID can notarize both your signature and the Commission Chairman's.

I appreciate the efforts of your secretary, Debbie Lister, in helping me make the necessary last-minute changes in your Assurance so that it could be submitted in time for the April 10th Commission meeting. I look forward to meeting you at that time.

Sincerely,

Paige Grant
Hydrologist
Ground Water Section

PG:egr

Enclosure

mll

ERNIE L. HEGWER
OWNER - OPERATOR

529

BRINE STATION

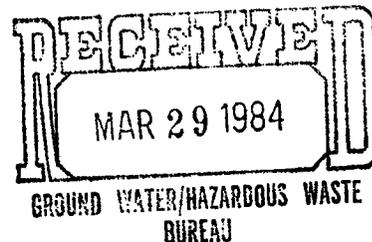
P.O. BOX 1637

HOBBS, NEW MEXICO 88241-1637

(505) 392-3571
HOBBS

(505) 676-2737
MALJAMAR

March 27, 1984



Ms. Paige Grant
Environmental Improvement Division
P.O. Box 968
Santa Fe, New Mexico 87504-0968

Dear Ms. Grant:

Enclosed please find the revised copy of the Assurance of Discontinuance. Hopefully, all necessary changes have been made that will improve the probability of its being approved by the Commission.

I have informed Mr. Hegwer that the Water Quality Control Commission (WQCC) meeting is rescheduled for April 10, 1984. If there are any other changes prior to this date, please notify me at the above Hobbs number.

I appreciate all your assistance and time you have spent on our case. If I can supply further information please do not hesitate to call me.

Sincerely,

A handwritten signature in cursive script that reads "Deborah Lester".

Deborah Lester

DL
enc.

ASSURANCE OF DISCONTINUANCE

WHEREAS, on December 21, 1982, the Director of the New Mexico Oil Conservation Division ("OCD") requested Mr. Ernie Hegwer to submit a Discharge Plan pursuant to Section 3-104 and 5-101.B.3 of the New Mexico Water Quality Control Commission ("Commission") regulations for its discharge from its brine facility and brine well located in Section 30, Township 17 South, Range 32 East, N.M.P.M., Lea County, New Mexico; and

WHEREAS, neither the regulations nor an extension to discharge without an approved Discharge Plan issued by the Director, nor any Court Order, allows Mr. Hegwer to operate an injection well and associated surface facilities beyond December 20, 1982, and

WHEREAS, there are no nearby and adjacent water wells to supply the brine well, so that Mr. Hegwer is having to pipe city water in from Carlsbad, New Mexico; and pressure tests have been made to indicate good casing integrity in the well, such that no contamination of drinking water sources is believed to be occurring as a result of Mr. Hegwer's operation; and

WHEREAS, Mr. Hegwer committed to the Commission to proceed with all diligence to prepare and secure an approved Discharge Plan; and

WHEREAS, the Commission and Mr. Hegwer deem it appropriate to enter into this Assurance of Discontinuance.

Mr. Hegwer assures the Commission as follows:

1. ASSURANCE: All unapproved discharges at Mr. Hegwer's "529 Brine Station" shall be discontinued as set forth in Paragraph 2 of the Assurance of Discontinuance.

2. SCHEDULE OF COMPLIANCE: It is agreed that the Discharge Plan shall comply with the following schedule:

A. Mr. Hegwer shall submit a proposal outlining measures to be taken to correct any possible violation of the Water Quality Control Commission Regulations resulting from surface activities, as well as the information listed Section 5-102.B.1d and the information listed in Section 5-203.A of the Water Quality Control Commission Regulations to the EID on or before Oct. 1, 1984.

B. EID shall complete review of materials submitted under Paragraph 2.A herein and EID shall provide comments to Mr. Hegwer on or before Dec. 3, 1984.

C. Mr. Hegwer shall submit a complete Discharge Plan which shall address all applicable requirements of the Water Quality Control Commission Regulations, Parts 3 and 5 on or before Mar. 4, 1985.

D. EID shall complete review of Discharge Plan Application and EID shall provide comments to Mr. Hegwer on or before May 3, 1985.

E. Mr. Hegwer shall submit responses to the EID comments on or before July 2, 1985.

F. EID Director's approval or disapproval of Discharge Plan Application shall be promulgated on or before Sept.1, 1985.

If a public hearing is scheduled by the EID Director pursuant to Section 3-108 of the Commission's Regulations, all deadlines in Paragraphs 2.D through 2.F shall be 45 days later.

3. MUTUAL COOPERATION: Mr. Hegwer and the EID shall mutually cooperate in accomplishing on a timely basis the matters contemplated by this Assurance. In this respect, direct communication among Mr. Hegwer and EID personnel is encouraged.

4. MEETINGS: It is understood that Mr. Hegwer and the EID shall meet on at least two occasions to discuss the progress during the initial 240 days of the Compliance Schedule. The first meeting shall take place on approximately the 90th day, and the second meeting on approximately the 150th day, as the parties may mutually and reasonably agree. EID shall endeavor to communicate any concerns which might necessitate additional information so as to allow Mr. Hegwer sufficient time to respond.

5. EXTENSIONS FOR GOOD CAUSE: It is expressly agreed and understood by the parties hereto that events not reasonably foreseeable on the date of execution of this Assurance may occur which will make it impossible or extremely difficult for Mr. Hegwer to comply in a timely fashion with those compliance dates set forth in numbered paragraph 2. In the event such unforeseen events do occur, Mr. Hegwer may apply to the Commission for an extension for an additional reasonable period of time to comply with such tasks in numbered paragraph 2. The additional reasonable period of time, if granted, shall in all cases be governed by the relevant circumstances.

6. ENFORCEMENT: The Commission shall not undertake enforcement against Mr. Hegwer for the continuation of current discharges occurring during the pendency of this Assurance without first giving Mr. Hegwer 15 days prior written notice by the Director that Mr. Hegwer is in violation of the terms of this Assurance. This paragraph shall not preclude appropriate action by the Director or the Commission under section 74-6-11 N.M.S.A. 1978.

Failure of Mr. Hegwer to comply with any condition of this Assurance of Discontinuance shall be actionable as a violation of the Water Quality Act and of this Assurance under section 74-6-5-10 N.M.S.A. 1978, as applicable.

Nothing in this Assurance of Discontinuance shall relieve Mr. Hegwer from the responsibility for complying with all the provisions of the Water Quality Act, the regulations promulgated thereunder or any other provision of law except as otherwise specifically provided herein.

7. NO ADMISSION: The terms, execution and any conduct in accordance herewith shall not constitute an admission of any kind by Mr. Hegwer relating to matters under the Water Quality Act, Commission regulations, or any other matters relating to health or environment.

Signed and acknowledged this 27 day of March, 1984.



ERNIE L. HEGWER

STATE OF NEW MEXICO)

: SS

COUNTY OF LEA)

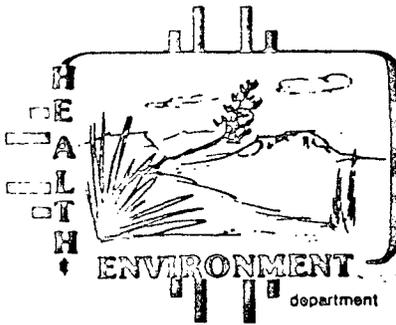
The foregoing instrument was acknowledged before me this
27th day of March, 1984, by Ernie L. Hegwer.

My commission expires:

4-30-86

Pam King

Notary Public



STATE OF NEW MEXICO

ENVIRONMENTAL IMPROVEMENT DIVISION
P.O. Box 968, Santa Fe, New Mexico 87504-0968
(505) 984-0020

STEVEN ASHER, Director

TONEY ANAYA
GOVERNOR

Joseph Goldberg
SECRETARY

Ted Guambana
DEPUTY SECRETARY

JOSEPH F. JOHNSON
DEPUTY SECRETARY

MEMORANDUM

TO: Water Quality Control Commissioners

FROM: Paige Grant, Water Resource Specialist, EID Ground Water Section *APG*

SUBJ: Assurances of Discontinuance from three brine well owner/operators

DATE: March 27, 1984

Attached hereto are three proposed Assurances of Discontinuance relating to brine in situ extraction facilities. Please note that they are based on the same format (form enclosed) and are very similar to each other, with the principal differences being in names, locations, and dates in the schedule of compliance. The Quality Brine Assurance is to be reviewed as it stands. The Assurance of C.W. Trainer and of Ernie Hegwer are changed from the attached drafts, as noted below:

C.W. Trainer Assurance of Discontinuance: the third "Whereas" is changed to read as follows:

WHEREAS, recent pressure tests of the brine well indicate good casing integrity, and all brine at the facility is discharged into lined pits, such that no contamination of drinking water sources is believed to have occurred due to operations at the C.W. Trainer facility; (and...)

Ernie Hegwer Assurance of Discontinuance: the third "Whereas" is changed to read as follows:

WHEREAS, there are no nearby and adjacent water wells to supply the brine well, so that Mr. Hegwer is having to pipe city water in from Carlsbad, New Mexico; and pressure tests have been made to indicate good casing integrity in the well, such that no contamination of drinking water sources is believed to be occurring as a result of Mr. Hegwer's operation; (and...)

In addition, Mr. Hegwer plans to amend the language of numbered paragraph 5, the "Good Cause" clause; to the language in the enclosed "Assurance" form. Both Mr. Trainer and Mr. Hegwer will have final drafts of their Assurances of Discontinuance incorporating these changes when they appear before the Commission on April 10th.

PG:egr

Enclosures

ERNIE L. HEGWER
OWNER - OPERATOR

529

BRINE STATION

P.O. BOX 1637
HOBBS, NEW MEXICO 88241-1637

(505) 392-3571
HOBBS

(505) 676-2737
MALJAMAR

February 20, 1984

State of New Mexico
Environmental Improvement Division
P.O. Box 968
Santa Fe, New Mexico 87504-0968
Attention: Paige Grant
Hydrologist
Ground Water Section

Dear Ms. Grant:

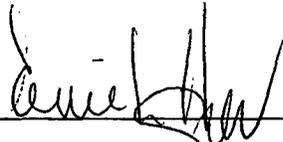
Enclosed please find a copy of the Assurance of Discontinue with the appropriate changes you have requested.

Either myself or an representative will be in attendance at the Water Quality Control Commission meeting on March 13th, at that time perhaps we will be able to discuss the requirements of the discharge plan.

If further documentation or information is required, please do not hesitate to contact this office.

Very truly yours,

529 BRINE STATION



Ernie L. Hegwer

ELH:dgl
ENC.

ASSURANCE OF DISCONTINUANCE

WHEREAS, on December 21, 1982, the Director of the New Mexico Oil Conservation division ("OCD") requested Mr. Ernie Hegwer to submit a Discharge Plan pursuant to Section 3-104 and 5-101.B.3 of the New Mexico Water Quality Control Commission ("Commission") regulations for its discharge from its brine facility and brine well located in Section 30, Township 17 South, Range 32 East, N.M.P.M., Lea County, New Mexico; and

WHEREAS, neither the regulations nor an extension to discharge without an approved Discharge Plan issued by the Director, nor any Court Order, allows Mr. Hegwer to operate an injection well and associated surface facilities beyond December 20, 1982, and

WHEREAS, recent water quality analysis of nearby and adjacent wells did not indicate any present contamination of drinking water sources due to operations at the site; and

WHEREAS, Mr. Hegwer committed to the Commission to proceed with all diligence to prepare and secure an approved Discharge Plan; and

WHEREAS, the Commission and Mr. Hegwer deem it appropriate to enter into this Assurance of Discontinuance.

Mr. Hegwer assures the Commission as follows:

1. ASSURANCE: All unapproved discharges at Mr. Hegwer's "529 Brine Station" shall be discontinued as set forth in Paragraph 2 of the Assurance of Discontinuance.

2. SCHEDULE OF COMPLIANCE: It is agreed that the Discharge Plan shall comply with the following schedule:

PLEASE NOTE CHANGE IN WORDING
OF THIS "WHEREAS" IN COVER
MEMO

A. Mr. Hegwer shall submit a proposal outlining measures to be taken to correct any possible violation of the Water Quality Control Commission Regulations resulting from surface activities, as well as the information listed Section 5-102.B.1d and the information listed in Section 5-203.A of the Water Quality Control Commission Regulations to the EID

on or before October 1, 1984.

B. EID shall complete review of materials submitted under Paragraph 2.A herein and EID shall provide comments to Mr. Hegwer

on or before December 3, 1984.

C. Mr. Hegwer shall submit a complete Discharge Plan which shall address all applicable requirements of the Water Quality Control Commission Regulations, Parts 3 and 5

on or before March 4, 1985.

D. EID shall complete review of Discharge Plan Application and EID shall provide comments to Mr. Hegwer

on or before May 3, 1985.

E. Mr. Hegwer shall submit responses to the EID comments

on or before July 2, 1985.

F. EID Director's approval or disapproval of Discharge Plan Application shall be promulgated

on or before September 1, 1985.

If a public hearing is scheduled by the EID Director pursuant to Section 3-108 of the Commission's Regulations, all deadlines in Paragraphs 2.D through 2.F shall be 45 days later.

3. MUTUAL COOPERATION: Mr. Hegwer and the EID shall mutually cooperate in accomplishing on a timely basis the matters contemplated by this Assurance. In this respect, direct communication among Mr. Hegwer and EID personnel is encouraged.

4. MEETINGS: It is understood that Mr. Hegwer and the EID shall meet on at least two occasions to discuss the progress during the initial 240 days of the Compliance Schedule. The first meeting

shall take place on approximately the 90th day, and the second meeting on approximately the 150th day, as the parties may mutually and reasonably agree. EID shall endeavor to communicate any concerns which might necessitate additional information so as to allow Mr. Hegwer sufficient time to respond.

5. GOOD CAUSE: It is expressly understood that in the event additional time is requested by Mr. Hegwer for any of the compliance dates enumerated in Paragraph 2 for purpose of any request made to the Commission "good cause" shall include, but not be limited to situations where:

a. there is a required response to issues that Mr. Hegwer did not anticipate or address in a timely manner and should not have reasonably anticipated or addressed in a timely manner; or

b. there are delays in procurement, fabrication, installation, vendor selection and testing caused by parties other than Mr. Hegwer entirely beyond the control of Mr. Hegwer.

6. ENFORCEMENT: The Commission shall not undertake enforcement against Mr. Hegwer for the continuation of current discharges occurring during the pendency of this Assurance without first giving Mr. Hegwer 15 days prior written notice by the Director that Mr. Hegwer is in violation of the terms of this Assurance. This Paragraph shall not preclude appropriate action by the Director or the Commission under section 74-6-11 N.M.S.A. 1978.

Failure by Mr. Hegwer to comply with any condition of this Assurance of Discontinuance shall be actionable as a violation of the Water Quality Act and of this Assurance under section 74-6-5

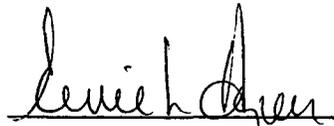
PLEASE NOTE: THE "GOOD CAUSE"
LANGUAGE WILL BE CHANGED TO READ
AS IN THE ATTACHED "ASSURANCE FORM" (PROPOSED)

10 N.M.S.A. 1978, as applicable.

Nothing in this Assurance of Discontinuance shall relieve Mr. Hegwer from the responsibility for complying with all the provisions of the Water Quality Act, the regulations promulgated thereunder or any other provision of law except as otherwise specifically provided herein.

7. NO ADMISSION: The terms, execution and any conduct in accordance herewith shall not constitute an admission of any kind by Mr. Hegwer relating to matters under the Water Quality Act, Commission regulations, or any other matters relating to health or environment.

Signed and acknowledge this 20th day of February, 1984.



Ernie L. Hegwer

STATE OF NEW MEXICO)

: SS

COUNTY OF LEA)

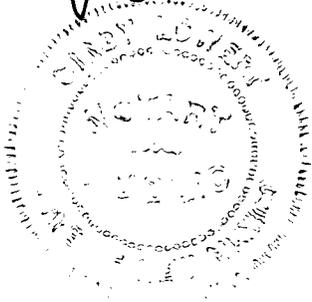
The foregoing instrument was acknowledged before me this
20th day of February, 1984, by Ernie L. Hegwer.

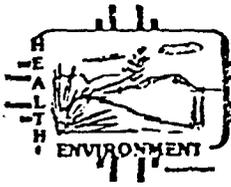
My Commission Expires:

July 25, 1987

Cindy Lowmy

Notary Public





<input checked="" type="checkbox"/> Telephone	<input type="checkbox"/> Personal	Time 2:30	Date 3/26/89
---	-----------------------------------	--------------	-----------------

Originating Party <i>Delilse Lister</i>	Other Parties <i>Paige Grant</i>
--	-------------------------------------

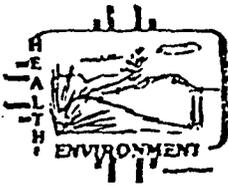
Subject *Assurance*

Discussion *She called to go over my letter and ascertain exactly what should go in the altered assurance. She will get Heaver's approval and call me at 8-8:30 tomorrow morning to finalize what I should turn in for WACC agenda.*

Conclusions or Agreements

Distribution

Signed *Paige Grant*



<input checked="" type="checkbox"/> Telephone	<input type="checkbox"/> Personal	Time ≈ 10:30	Date 3/26/89
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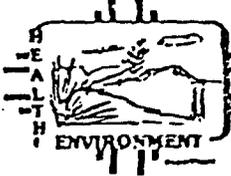
Originating Party Linda Grant	Other Parties Debbie Lister, Hegwer's Sec'y
----------------------------------	--

Subject Trying to clear up confusion about Assurance

Discussion Reiterated that if Hegwer would be in touch to agree by phone to the changes he would make in his Assurance I would turn in his earlier Assurance to the WQCC with a memo explaining that it was being altered, and how; then he could bring the corrected Assurance when he came to the April 10 meeting. Said the latest we could do this was just thing 3/27.

Conclusions or Agreements She said she would try to get him to approve the changes I proposed by this afternoon

Distribution Signed Linda Grant.



Telephone Personal Time ~ 9:00 Date 3/23/84

Originating Party	Other Parties
<u>Patzi Grant</u>	<u>Debbie Lister, Hegwer's secretary</u>

Subject changes on Assurance as per my letter to Hegwer of 3/13/84

Discussion They had not seen the letter yet - she went to the post office after our conversation, found the letter. We agreed that, at this late date, if Hegwer agreed to the changes I listed in my letter, I would turn in his old Assurance to the WQCC with a memo explaining the changes on his Assurance which Hegwer would bring in when he came to the April 10th WQCC meeting.

Conclusions or Agreements Apparently she left a message for Hegwer to this effect, but he misunderstood, called Maxine (Dave & I were both out 3/23 p.m.) to say he couldn't get a new Assurance in by Monday 3/26 as specified in the 3/13 letter.

Distribution file. Signed Patzi Grant



STATE OF NEW MEXICO

ENVIRONMENTAL IMPROVEMENT DIVISION
P.O. Box 968, Santa Fe, New Mexico 87504-0968
(505) 984-0020
STEVEN ASHER, Director

TONEY ANAYA
GOVERNOR

ROBERT McNEILL
SECRETARY

ROBERT L. LOVATO, M.A.P.A.
DEPUTY SECRETARY

JOSEPH F. JOHNSON
DEPUTY SECRETARY

March 13, 1984

Mr. Ernie L. Hegwer
529 Brine Station
P.O. Box 1637
Hobbs, NM 88241-1637

Dear Mr. Hegwer:

As I relayed to you by telephone the afternoon of February 27th, the Water Quality Control Commission (WQCC) meeting scheduled for March 13th, at which your Assurance of Discontinuance was to be submitted, has been cancelled. The date conflicted with the special session of the Legislature, which Commissioners are sometimes compelled to attend on short notice. The items scheduled for the agenda of the March 13th meeting will be moved to the WQCC meeting of April 10th.

While I sincerely hope that this change in schedule has not inconvenienced you, the postponement will give you time to change the wording of your Assurance (as discussed below), to improve the probability of its being approved by the Commission:

1. During our telephone conversation of February 21st, we agreed that the third "Whereas" on the first page of your Assurance, which you copied directly from the sample Assurance I sent you, does not make sense in your case. You have informed me that there are no "nearby and adjacent" water wells by your brine well - therefore, there could not have been water quality analyses of such wells to demonstrate that your operation is not contaminating ground water in the area. You need to present other information in this "Whereas" to show that your brine well is not causing deterioration in the quality of ground water in the neighborhood. In my opinion, the strongest evidence you can offer is to point out that there is no shallow, good quality ground water in the area - if there were, you would have put in a water well near your brine well, rather than having to pipe city water in from Carlsbad. You might also want to add that pressure tests have indicated that you have good casing integrity in your well - and then be prepared to answer questions about that statement, if necessary, at the April 10th WQCC meeting.
2. If you can demonstrate conclusively that your brine extraction well does not penetrate, inject into or above an aquifer having less than 10,000 mg/l total dissolved solids (TDS), the discharge plan required of you will be much less extensive than what I have previously discussed with you: you will not need to address Part 5 of the WQCC Regulations, but only Part 3, which allows for

greater flexibility in reviewing your discharge plan. Since you have installed above-ground tanks rather than ponds, the concerns we would have regarding your surface facilities would be minimal, and as far as your injection activities are concerned, we would be interested primarily in the mechanical integrity of your well.

Conclusive evidence that there are no protected aquifers (those containing less than 10,000 mg/l TDS) intercepted by or underlying your well would constitute some combination of the following:

- (a) a drilling log for your well;
- (b) an interpreted resistivity or other geophysical log, together with a water quality analysis of the water from any saturated zone(s) indicated by the log;
- (c) a hydrogeologic report giving evidence for the statement that there is no protected ground water in the formation intercepted by or underlying your well.

If you can provide such evidence by the April 10th WQCC meeting, let me know so that we can rewrite your Assurance accordingly.

3. At the last WQCC meeting, one of the Commissioners questioned the adequacy of the "good cause" language in the Assurance (numbered paragraph 5). I recently put together a fill-in-the-blanks form for an Assurance of Discontinuance (copy enclosed), including some changes in the "good cause" clause suggested by our EID attorney, which I cleared with the Commissioner in question. We expect the rest of the Commissioners to concur with the change at the April 10th meeting. Since you need to rework your third "Whereas" in any case, I recommend that you incorporate the new language on "good cause" into your revised Assurance.

Items for the agenda of the April 10th WQCC meeting must be in to me by 5:00 p.m. Monday, March 26th.

I see no reason to alter the schedule of compliance in your original Assurance, unless you can provide evidence that your well does not penetrate or inject into or above a protected aquifer. In that case, you would be exempt from complying with Part 5 of the regulations, and your schedule of compliance would be much shorter. Please note that you would still be required to prepare a discharge plan addressing the provisions of Part 3 of the regulations.

The discharge plan outline which I mentioned to you should be through the review process before long. I will send you a copy as soon as it is available.

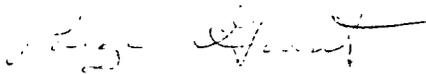
Mr. Ernie L. Hegwer

-3-

March 13, 1984

If I can help to clarify what is required in the Assurance or the discharge plan, or to explain any other aspect of the WQCC Regulations, please give me a call at the address and telephone number (ext. 285) listed on the first page.

Sincerely,



Paige Grant
Hydrologist
Ground Water Section

PG:egr

Enclosure

cc: John Guinn, EID District IV, Manager

MSG

ERNIE L. HEGWER
OWNER - OPERATOR

529

BRINE STATION

P.O. BOX 1637
HOBBS, NEW MEXICO 88241-1637

(505) 392-3571
HOBBS

(505) 676-2737
MALJAMAR

February 20, 1984

State of New Mexico
Environmental Improvement Division
P.O. Box 968
Santa Fe, New Mexico 87504-0968
Attention: Paige Grant
Hydrologist
Ground Water Section

Dear Ms. Grant:

Enclosed please find a copy of the Assurance of Discontinue with the appropriate changes you have requested.

Either myself or an representative will be in attendance at the Water Quality Control Commission meeting on March 13th, at that time perhaps we will be able to discuss the requirements of the discharge plan.

If further documentation or information is required, please do not hesitate to contact this office.

Very truly yours,

529 BRINE STATION



Ernie L. Hegwer

ELH:dgl
ENC.

*2/27. Left message for
Hegwer that 3/13
mtg. is cancelled*

ASSURANCE OF DISCONTINUANCE

WHEREAS, on December 21, 1982, the Director of the New Mexico Oil Conservation division ("OCD") requested Mr. Ernie Hegwer to submit a Discharge Plan pursuant to Section 3-104 and 5-101.B.3 of the New Mexico Water Quality Control Commission ("Commission") regulations for its discharge from its brine facility and brine well located in Section 30, Township 17 South, Range 32 East, N.M.P.M., Lea County, New Mexico; and

WHEREAS, neither the regulations nor an extension to discharge without an approved Discharge Plan issued by the Director, nor any Court Order, allows Mr. Hegwer to operate an injection well and associated surface facilities beyond December 20, 1982, and

WHEREAS, recent water quality analysis of nearby and adjacent wells did not indicate any present contamination of drinking water sources due to operations at the site; and

WHEREAS, Mr. Hegwer committed to the Commission to proceed with all diligence to prepare and secure an approved Discharge Plan; and

WHEREAS, the Commission and Mr. Hegwer deem it appropriate to enter into this Assurance of Discontinuance.

Mr. Hegwer assures the Commission as follows:

1. ASSURANCE: All unapproved discharges at Mr. Hegwer's "529 Brine Station" shall be discontinued as set forth in Paragraph 2 of the Assurance of Discontinuance.

2. SCHEDULE OF COMPLIANCE: It is agreed that the Discharge Plan shall comply with the following schedule:

A. Mr. Hegwer shall submit a proposal outlining measures to be taken to correct any possible violation of the Water Quality Control Commission Regulations resulting from surface activities, as well as the information listed Section 5-102.B.1d and the information listed in Section 5-203.A of the Water Quality Control Commission Regulations to the EID

on or before October 1, 1984.

B. EID shall complete review of materials submitted under Paragraph 2.A herein and EID shall provide comments to Mr. Hegwer

on or before December 3, 1984.

C. Mr. Hegwer shall submit a complete Discharge Plan which shall address all applicable requirements of the Water Quality Control Commission Regulations, Parts 3 and 5

on or before March 4, 1985.

D. EID shall complete review of Discharge Plan Application and EID shall provide comments to Mr. Hegwer

on or before May 3, 1985.

E. Mr. Hegwer shall submit responses to the EID comments

on or before July 2, 1985.

F. EID Director's approval or disapproval of Discharge Plan Application shall be promulgated

on or before September 1, 1985.

If a public hearing is scheduled by the EID Director pursuant to Section 3-108 of the Commission's Regulations, all deadlines in Paragraphs 2.D through 2.F shall be 45 days later.

3. MUTUAL COOPERATION: Mr. Hegwer and the EID shall mutually cooperate in accomplishing on a timely basis the matters contemplated by this Assurance. In this respect, direct communication among Mr. Hegwer and EID personnel is encouraged.

4. MEETINGS: It is understood that Mr. Hegwer and the EID shall meet on at least two occasions to discuss the progress during the initial 240 days of the Compliance Schedule. The first meeting

shall take place on approximately the 90th day, and the second meeting on approximately the 150th day, as the parties may mutually and reasonably agree. EID shall endeavor to communicate any concerns which might necessitate additional information so as to allow Mr. Hegwer sufficient time to respond.

5. GOOD CAUSE: It is expressly understood that in the event additional time is requested by Mr. Hegwer for any of the compliance dates enumerated in Paragraph 2 for purpose of any request made to the Commission "good cause" shall include, but not be limited to situations where:

a. there is a required response to issues that Mr. Hegwer did not anticipate or address in a timely manner and should not have reasonably anticipated or addressed in a timely manner; or

b. there are delays in procurement, fabrication, installation, vendor selection and testing caused by parties other than Mr. Hegwer entirely beyond the control of Mr. Hegwer.

6. ENFORCEMENT: The Commission shall not undertake enforcement against Mr. Hegwer for the continuation of current discharges occurring during the pendency of this Assurance without first giving Mr. Hegwer 15 days prior written notice by the Director that Mr. Hegwer is in violation of the terms of this Assurance. This Paragraph shall not preclude appropriate action by the Director or the Commission under section 74-6-11 N.M.S.A. 1978.

Failure by Mr. Hegwer to comply with any condition of this Assurance of Discontinuance shall be actionable as a violation of the Water Quality Act and of this Assurance under section 74-6-5

10 N.M.S.A. 1978, as applicable.

Nothing in this Assurance of Discontinuance shall relieve Mr. Hegwer from the responsibility for complying with all the provisions of the Water Quality Act, the regulations promulgated thereunder or any other provision of law except as otherwise specifically provided herein.

7. NO ADMISSION: The terms, execution and any conduct in accordance herewith shall not constitute an admission of any kind by Mr. Hegwer relating to matters under the Water Quality Act, Commission regulations, or any other matters relating to health or environment.

Signed and acknowledge this 20th day of February, 1984.



Ernie L. Hegwer

STATE OF NEW MEXICO)

: SS

COUNTY OF LEA)

The foregoing instrument was acknowledged before me this
20th day of February, 1984, by Ernie L. Hegwer.

My Commission Expires:

July 25, 1987

Cindy Lowrey

Notary Public





<input checked="" type="checkbox"/> Telephone	<input type="checkbox"/> Personal	Time 12:00	Date 2/21/84
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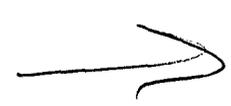
Originating Party Ernie Hegaver	Other Parties
------------------------------------	---------------

Subject The Assurance for his "529 Brine Station"

Discussion Wanted to know if it would be possible to come in and present his Assurance to the Commission the 9th or 10th since they'd have to be in Santa Fe then anyway - I said no, but I'd like to meet with them then to go over Assurance. I pointed out that the kind "Whereas" of what he sent in didn't make sense in this case. We talked about his operation at some length - I told him to bring in records of metered injection water compared to metered sales to show no loss of water or brine; also bring in records of pressure test to prove mechanical integrity. He said they were more concerned with the mechanical integrity of the casing than anyone since there is a waterflood oil

Conclusions or Agreements

Distribution _____ Signed _____



well a quarter-mile away from them whose casing is shot - indicated the same operation used an unlined pit on a regular basis, complained about double standard on enforcement.

I sympathized.

In describing his operation, said they pumped brine up casing or tubing by turns - I said we'd be happier to hear only fresh water was used in annulus. He said they could commit to that.

His case to the WQCC is that:

1) BLM (a mining supervisor, John Berlon, now retired), Carlsbad, told him all he'd have to do was comply with BLM requirements. There was apparently a jurisdictional argument between OGD's Oscar Simpson and BLM's Berlon that was never clearly resolved. He never understood that Simpson was invoking certain regulations when he (Simpson) required certain things like, for instance, lining his ponds. He kept thinking he

was doing what was required of him only to be continually called ~~for~~ "non-compliance." This explains his discharging without an approved plan.

2) He is willing to comply with the regulations.

3) He has the following evidence that he is not at present nor will he in the foreseeable future harm groundwater:

a) no water in the ^{immediate} area - he has to pipe his in from Carsbad

b) good casing integrity - see pressure test results

c) metered inflow, metered sales - comparisons show no ^{"significant"} less

d) low pressures used in injection and lift

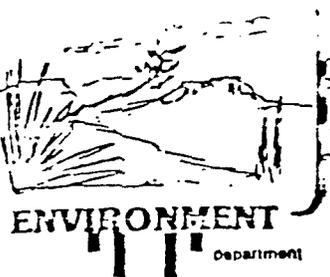
e) water chemistry of brine shows no influence of chemistry of red beds.

— I later mentioned to Dave Boyer
what ^{Hegwer} ~~had~~ said about the out-of-com-
pliance oil well $\frac{1}{4}$ mile away. Dave
said Hegwer should bring that up
before the Commission.

Page Grant

Note also: his surface facilities
consist of above-ground tanks —
much easier to monitor for leakage
than ponds, lined or otherwise.

E
A
S
T
H



STATE OF NEW MEXICO

ENVIRONMENTAL IMPROVEMENT DIVISION
P.O. Box 968, Santa Fe, New Mexico 87504-0968
(505) 984-0020
STEVEN ASHER, Director

ROBERT M. NEILL
SECRETARY

ROBERT L. LOVATO, M.A.P.A.
DEPUTY SECRETARY

JOSEPH F. JOHNSON
DEPUTY SECRETARY

February 15, 1984

Ernie Hegwer
518 E. Zia Dr.
Hobbs, NM 88240

Dear Mr. Hegwer:

After we were ^{able} put off during our telephone conversation this morning, I tried repeatedly to call your office, but was unable to get through.

I enclose a copy of the Assurance of Discontinuance which was submitted by KTS and approved by the Water Quality Control Commission. I have made those changes that I think are appropriate in your case. Since you have already submitted some of the materials required (for instance, the plans and most of the specs for your well), I see no reason to go through as many stages in submitting your discharge plan as were set up for KTS.

Most of what you will need to put together for your plan is the information on geology and hydrology of the site. You may want to consider hiring a professional to prepare this portion of the report. Much of the rest of what is required you can probably do yourself, or have already submitted.

The outline of a brine well discharge plan which I mentioned over the telephone, is still in draft form. I hope it will be in final form very soon, and I will provide you with a copy as soon as it is. In the meantime, if you have questions on what is required by the regulations, I can explain to you by telephone what is called for. If you or your representative will be attending the Water Quality Control Commission meeting on March 13th, perhaps we could sit down there to go over the requirements of a discharge plan.

I asked the head of our Ground Water Section, Ms. Maxine S. Goad, whether it was required that a person who has submitted an Assurance to the commission be present when it is under consideration. She said that it is not required, but is highly recommended, since the commission often has questions or changes to propose on the Assurance. Further, she said that there had never been a case when an Assurance was before the commission when a representative of the company submitting the Assurance was not in attendance. At the very least, it is taken as a gesture of good faith on the part of the company submitting the Assurance,

Ernie Hegwer

-2-

February 15, 1984

that they intend to comply with the commission regulations regarding their operation.

As I told you over the telephone, your Assurance must be in to me by the afternoon of Monday, February 27, 1984, in order to be entered on the agenda of the March 13, 1984, Water Quality Control Commission meeting. If you do not submit an Assurance at that time, you run the risk of having legal enforcement action taken against you for wilful non-compliance. I hope that we may obtain your voluntary compliance, instead.

Please be in touch with any questions you may have.

Sincerely,

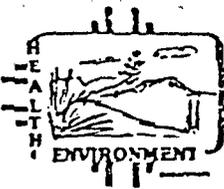


Paige Grant
Hydrologist
Ground Water Section

PG:egr

cc: John Guinn, EID District IV, Manager
EID Field Office, Hobbs
Joe Ramey, Oil Conservation Division

msb



Telephone Personal Time 8:05 a.m. Date 2/15/84

Originating Party	Other Parties
Paige Grant	Ernie Negwer 392-3571

Subject d.p. + Assurance

Discussion I told E.H. that he'd need to have an Assurance in to us by afternoon 2/27 so that it could go on Agenda for WQCC mtg. 3/13. A copy of KTS' assurance was apparently not sent to him with my 2/10 letter - I said I'd send him one Federal Express, with suggested changes. I told him he'd need to come or send a rep. to WQCC mtg. He asked if that was required - sounded very disinclined to do so. I said I'd check on whether it was a re-

~~Conclusions or Agreements~~ quirement. About this time the call was cut off (he hung up?). I tried repeatedly to call his office, consistently got a recorded message that the call could not go through.

I sent 2/15/84 letter by Parcelator

Distribution

Signed Paige Grant



<input checked="" type="checkbox"/> Telephone	<input type="checkbox"/> Personal	Time 8:10 a.m.	Date 2/14/84
Originating Party Eric Heaver		Other Parties Lodge Grant	

Subject my 2/10/84 letter re: the necessity of his preparing (A) an Assurance of Discontinuance and (B) a discharge plan.

Discussion He called to express his confusion and frustration over what was required of him - said he thought he'd done everything he needed to, and then got the letter from Joe Lamey saying he had to submit a Part II plan, and then an inspection visit from Oscar Simpson saying he had to have a leak detection system under his pond. After that, he decided he couldn't afford the leak detection system, so he covered up his pond and installed

Conclusions or Agreements an above-ground tank instead. Now my letter reiterating the need for a discharge plan. He requested that I come down, inspect the facility & tell them what's needed in a plan - he can't tell what's needed by reading

Distribution the WACC regs. I said I hoped to make an inspection trip before long.

Signed [Signature]

but that still wouldn't eliminate the need for him to do a discharge plan.

Agreements: I told him I'd review his file and get back to him with what exactly he'd need in a d.p. and what needed to go in his insurance. Agreed to call ^{him} 2/15 8:00.



STATE OF NEW MEXICO

ENVIRONMENTAL IMPROVEMENT DIVISION
P.O. Box 968, Santa Fe, New Mexico 87504-0968
(505) 984-0020

Steven Asher, Director

TONEY ANAYA
GOVERNOR

ROBERT McNEILL
SECRETARY

ROBERT L. LOVATO, M.A.P.A.
DEPUTY SECRETARY

JOSEPH F. JOHNSON
DEPUTY SECRETARY

February 10, 1984

Ernie Hegwer
P.O. Box 24
Hobbs, NM 88240

Dear Mr. Hegwer:

In September of 1983, responsibility for regulating brine extraction wells in New Mexico was passed from the Oil Conservation Division (OCD) of the Energy and Minerals Department, to the Environmental Improvement Division (EID) of the Health and Environment Department.

In sorting out the information we received from OCD subsequent to this administrative change, I have noted a number of irregularities in your file.

1. You may not have received official notice of the discharge plan requirement. The original copy of said notice (dated December 21, 1982) was in your file; I am enclosing it with this letter.
2. Whether or not you were properly notified by letter of the discharge plan requirement, you were apparently aware of the requirement: there is a submittal from you in the file, dated December 22, 1982, which you offered to Mr. Oscar Simpson of OCD as a discharge plan.
3. According to notes in Mr. Simpson's handwriting, you had a number of phone conversations with Mr. Simpson after he received your submittal, in which he indicated that your submittal was inadequate to meet the requirements of the Water Quality Control Commission (WQCC) Regulations. He further notes that he inspected your facility on July 23, 1983, and that it was not operating at that time. There is also a note that Mr. Simpson called you on August 15, 1983, and was told that your secretary sent "material to BLM in July and did not send OCD the information." The "material" referred to may be your application to BLM for a sodium preference right lease, a copy of which was received by EID on August 22, 1983. This document, in addition to the letter you sent to OCD in December 1982, offers some of the information required in a discharge plan; but the information is still far from complete, and is not approvable as a discharge plan as it stands.

Ernie Hegwer
February 10, 1984
Page 2

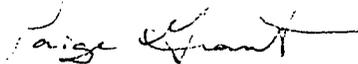
Please contact me immediately so that we can begin the process of bringing your facility into compliance with the WQCC Regulations of the state of New Mexico (copy enclosed). If you are not operating at this time but plan to begin production at some time in the future, you must have a discharge plan that covers those points listed in Part 3 and Part 5 of the WQCC Regulations. I would be glad to discuss the regulations with you, to explain what is required and why. However, some of the information which must be presented in a discharge plan in order to allow the reviewer to evaluate the potential for damage to ground water, is of a highly technical nature. It is suggested that you hire a consultant hydrogeologist who is familiar with the underground injection control program, to help you prepare your discharge plan. I would be glad to provide you with a list of competent consultants in this field, if you wish.

If you plan to abandon your injection well permanently, it must be satisfactorily plugged prior to abandonment.

If you are currently in production, you are operating in violation of the laws of New Mexico. However, if you can demonstrate to the Water Quality Control Commission that your operation does not pose an imminent threat to ground water quality, and that you will submit a complete discharge plan within a specified period of time, the Commission may allow you to operate under an Assurance of Discontinuance. An example of such an Assurance, which was granted to the applicant by the Commission, is enclosed. If you wish to go this route you must prepare an Assurance for consideration by the Commission at its next meeting in early March. I would be happy to work with you to define the terms of the Assurance.

We hope to obtain your voluntary compliance with the WQCC Regulations. I can be reached at the above address and telephone number (ext. 285). I look forward to hearing from you.

Sincerely,



Paige Grant
Hydrologist
Ground Water Section

PG:egr

Enclosure: WQCC Regulations

mst

ERNIEL HEGWER
OWNER - OPERATOR

529

BRINE STATION

P.O. BOX 1637
HOBBS, NEW MEXICO 88241-1637

(505) 392-3571
HOBBS

(505) 676-2737
MALJAMAR

RECEIVED

JUN 22 1983

EID: WATER
POLLUTION CONTROL

June 14, 1983

Bureau of Land Management
Division of Land and Minerals
Program Management & Land Office
P.O. Box 1449
Santa Fe, NM 87101

To Whom It May Concern:

As authoriaed by 43 CRF 3521.1-1, I do hereby make application for a sodium preference right lease on the lands covered by Sodium Prospecting Permit NM 53332, which was issued effective October 1, 1982, and encompasses T. 17 S., R. 32 E., N.M.P.M., Section 30: Lots 3,4, SE 1/4, E 1/2, W 1/2, totalling 321.93 acres.

In accordance with the requirements of 43 CFR 3521.1-1 (b), the following is submitted for the initial showing:

1. It is estimated that there is 320,000 tons per acre NaCl (sodium chloride, halite) present over all of the 321 acres covered by this application, of sufficient purity to make a satisfactory brine for use as a drilling medium by oil companies. (See Exhibit A)
2. See Exhibit B
Analysis
3. We are circulating fresh water which is purchased from the City of Carlsbad through the salt zone formation 1000' to 1200'. The fresh water is circulated by an electric driven pump from the water source to the well and the brine is returned into a 1500 bbl. tank. (See Exhibit C)

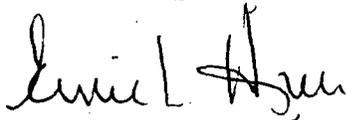
The investment cost for this project is approximately \$70,000. It will cost \$.08 to produce a BBL. of brine, which is sold for \$.35 a BBL.

June 14, 1983

As far as the environment is concerned, there is no danger to wildlife, fish, or other natural resources. There is also no danger of ground seepage, fire, soil erosion, or noise pollution. There is no hazard to public health or safety.

There is archeological clearance on this land, which is also used for grazing. The grazing rights belong to Williams Ranch.

Sincerely,



Ernie L. Hegwer

ELH:dgl

HALLIBURTON DIVISION LABORATORY

HALLIBURTON SERVICES

MIDLAND DIVISION

HOBBS, NEW MEXICO 88240

LABORATORY WATER ANALYSIS

No. W83-069

To Ernie Hegwer

Date 1-18-83

This report is the property of Halliburton Company and neither it nor any part thereof nor a copy thereof is to be published or disclosed without first securing the express written approval of laboratory management; it may however, be used in the course of regular business operations by any person or concern and employees thereof receiving such report from Halliburton Company.

Submitted by _____ Date Rec. 1-18-83

Well No. "529" Brine Depth _____ Formation _____

County _____ Field _____ Source _____

Resistivity 0.060 @ 70°F.

Specific Gravity 1.141

pH 6.5

Calcium (Ca) 1,000 *MPL

Magnesium (Mg) 5,220

Chlorides (Cl) 130,000

Sulfates (SO₄) 5,600

Bicarbonates (HCO₃) 120

Soluble Iron (Fe) Nil

Remarks: _____ *Milligrams per liter

Respectfully submitted,

Analyst: Brewer

HALLIBURTON COMPANY

cc:

By W. L. Brewer
CHEMIST

NOTICE

THIS REPORT IS LIMITED TO THE DESCRIBED SAMPLE TESTED. ANY USER OF THIS REPORT AGREES THAT HALLIBURTON SHALL NOT BE LIABLE FOR ANY LOSS OR DAMAGE, WHETHER IT BE TO ACT OR OMISSION, RESULTING FROM SUCH REPORT OR ITS USE.

HALLIBURTON DIVISION LABORATORY

HALLIBURTON SERVICES
MIDLAND DIVISION
HOBBS, NEW MEXICO 88240

LABORATORY WATER ANALYSIS

No. W83-708

To Ernie Hegwer

Date 6-16-83

This report is the property of Halliburton Company and neither it nor any part thereof nor a copy thereof is to be published or disclosed without first securing the express written approval of laboratory management; it may however, be used in the course of regular business operations by any person or concern and employees thereof receiving such report from Halliburton Company.

Submitted by _____ Date Rec. 6-15-83

Well No. 529 Brine Station Depth _____ Formation _____

County _____ Field _____ Source _____

6-15-83

Resistivity _____ 0.065 @ 74°F.

Specific Gravity _____ 1.108

pH _____ 7.0

Calcium (Ca) _____ 600 *MPL

Magnesium (Mg) _____ 5,440

Chlorides (Cl) _____ 97,000

Sulfates (SO₄) _____ 3,650

Bicarbonates (HCO₃) _____ 120

Soluble Iron (Fe) _____ Nil

Remarks:

*Milligrams per liter

Respectfully submitted,

Analyst: Brewer

HALLIBURTON COMPANY

cc:

By W. L. Brewer
CHEMIST

NOTICE

THIS REPORT IS LIMITED TO THE DESCRIBED SAMPLE TESTED. ANY USER OF THIS REPORT AGREES THAT HALLIBURTON SHALL NOT BE LIABLE FOR ANY LOSS OR DAMAGE, WHETHER IT BE TO ACT OR OMISSION, RESULTING FROM SUCH REPORT OR ITS USE.



12/6/88

529 Brine Station DP-360

Brine Leak from middle storage
Tank draining to spill collection
system



12/6/88

529 Brine Station DP-360

Wellhead



12/6/88

529 Brine Station DP-360

Brine Leak middle storage
TANK

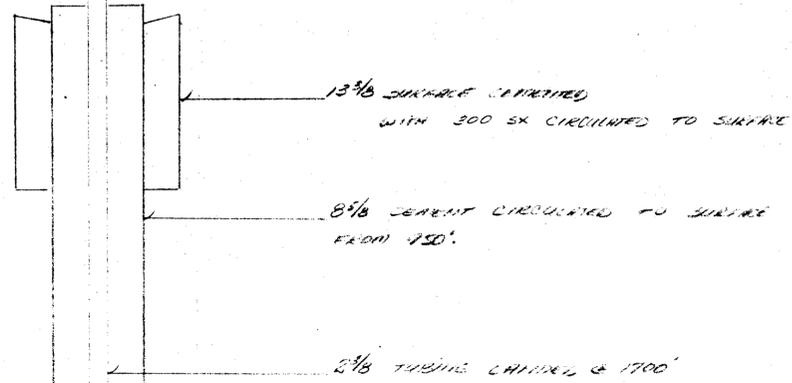


12/6/88

529 Brine Station DP-360

LOADING AREA

THE REPRODUCTION OF
THE
FOLLOWING
DOCUMENT (S)
CANNOT BE IMPROVED
DUE TO
THE CONDITION OF
THE ORIGINAL

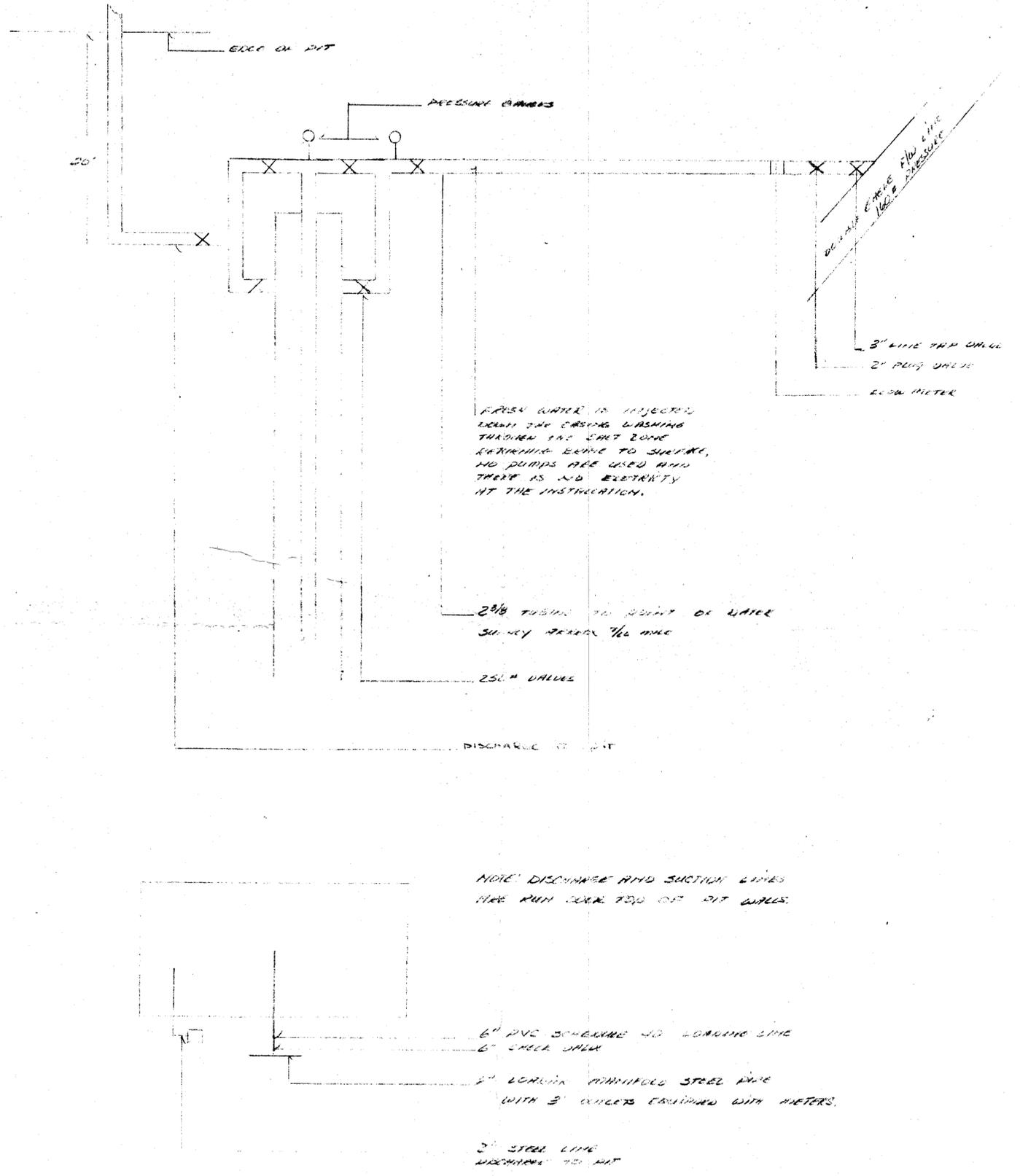


WELL COMPLETION AS FOLLOWS:

1. RIG UP, REMOVE DRY HOLE DRILLER DRILL OUT CASING TO 750'.
2. PRESSURE 8 5/8 TO 1000 LBS HOLD FOR 30 MIN.
3. PERFORM 8 5/8 @ 750' DRILL CASING THROUGH SET CEMENTS STILL RETURN TO SURFACE. CIRCULATE CEMENT TO SURFACE.
4. LET CEMENT SET 4 DAYS.
5. DRILL OUT CEMENT DRILL TO 2025' THE CEMENT HEAD.
6. PRESSURE 8 5/8 TO 1000 LBS HOLD FOR 30 MIN.
7. PERFORM 8 5/8 FROM 1100' TO 1200' 2 SHOTS PER FT.
PERFORM 8 5/8 FROM 1400 TO 1500' 2 SHOTS PER FT.
8. PUMP FRESH WATER DOWN CASING RETURN FLUID TO SURFACE.

CEMENT HEAD @ 2025'

RUBBER BALL FIND BRIDGED RECORDS.



FRESH WATER IS INJECTED DOWN THE CASING WASHING THROUGH THE SET CEMENTS RETURNING BRINE TO SURFACE. NO PUMPS ARE USED AND THERE IS NO ELECTRICITY AT THE INSTALLATION.

2 3/8 TUBING TO POINT OF WATER SUPPLY HEAD @ 750' HOLE

250# VALVES

DISCHARGE TO PIT

NOTE: DISCHARGE AND SUCTION LINES ARE RUN OVER TOP OF PIT WALLS.

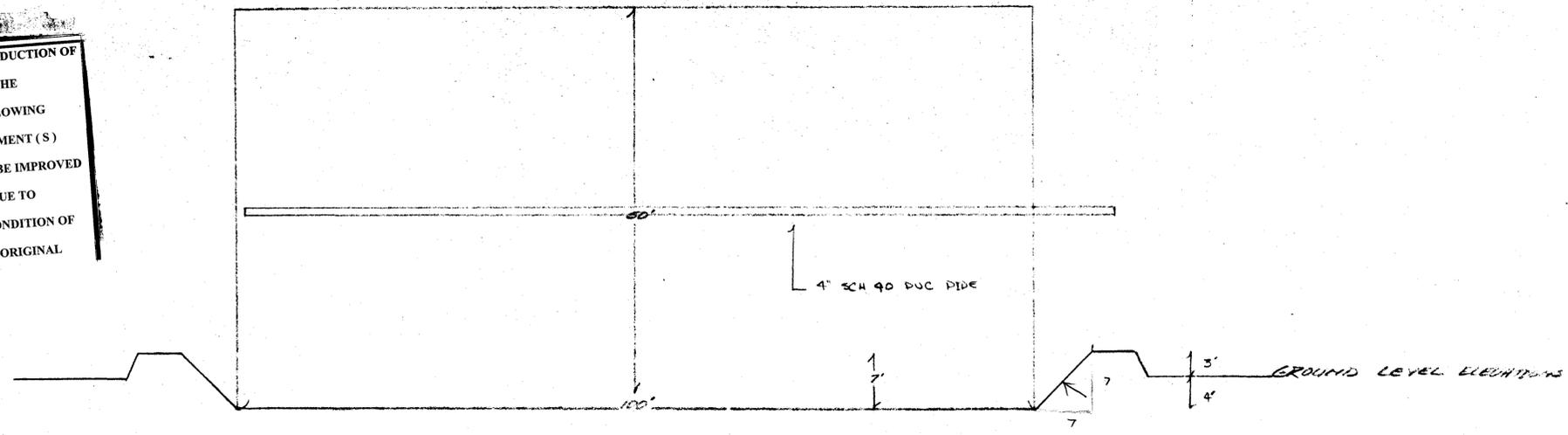
6" PVC SCHEDULE 40 LOADING LINE 6" STEEL PIPE

2" LOADING MANIFOLD STEEL PIPE WITH 3" OUTLETS EQUIPPED WITH METERS.

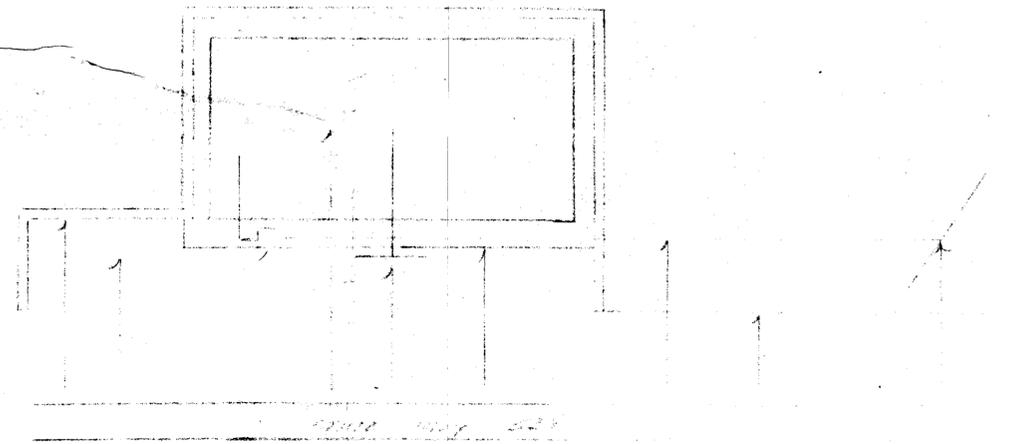
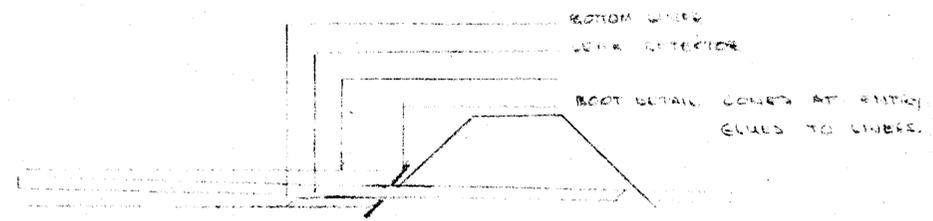
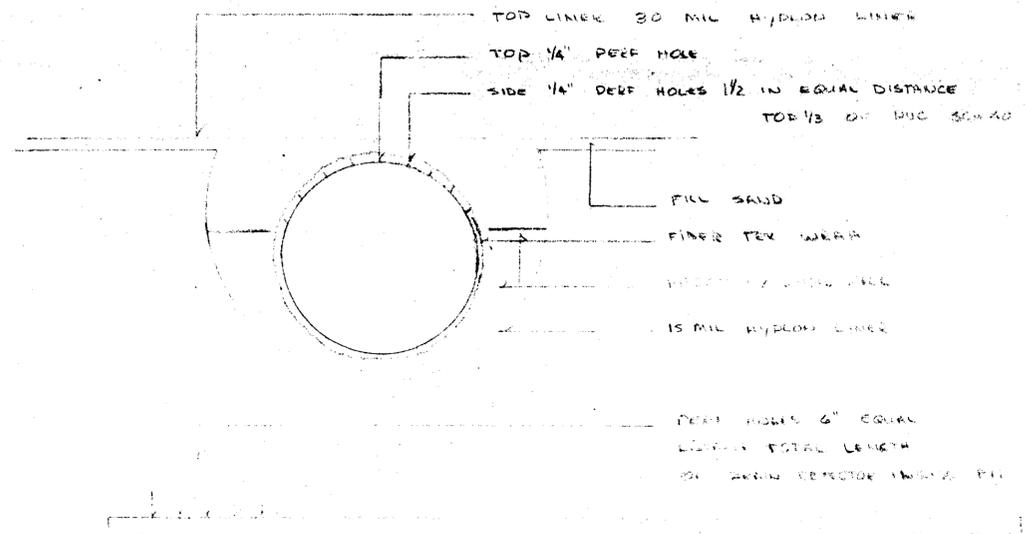
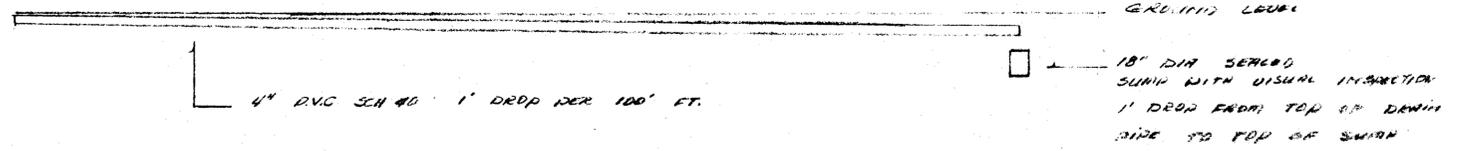
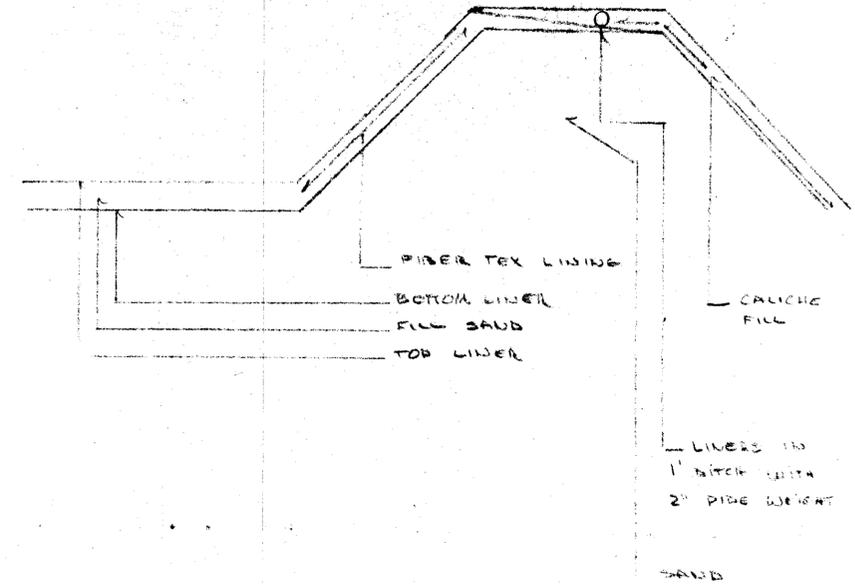
2" STEEL LINE W/STRAIGHT TO PIT

529 BRINE		APPROVED BY:	DRAWN BY: L.H.
SCALE:	DATE: 12-22-82	REVISOR:	REVISION:
DRAWING NUMBER		DRAWING NUMBER	

THE REPRODUCTION OF
THE
FOLLOWING
DOCUMENT(S)
CANNOT BE IMPROVED
DUE TO
THE CONDITION OF
THE ORIGINAL



1" = 10'

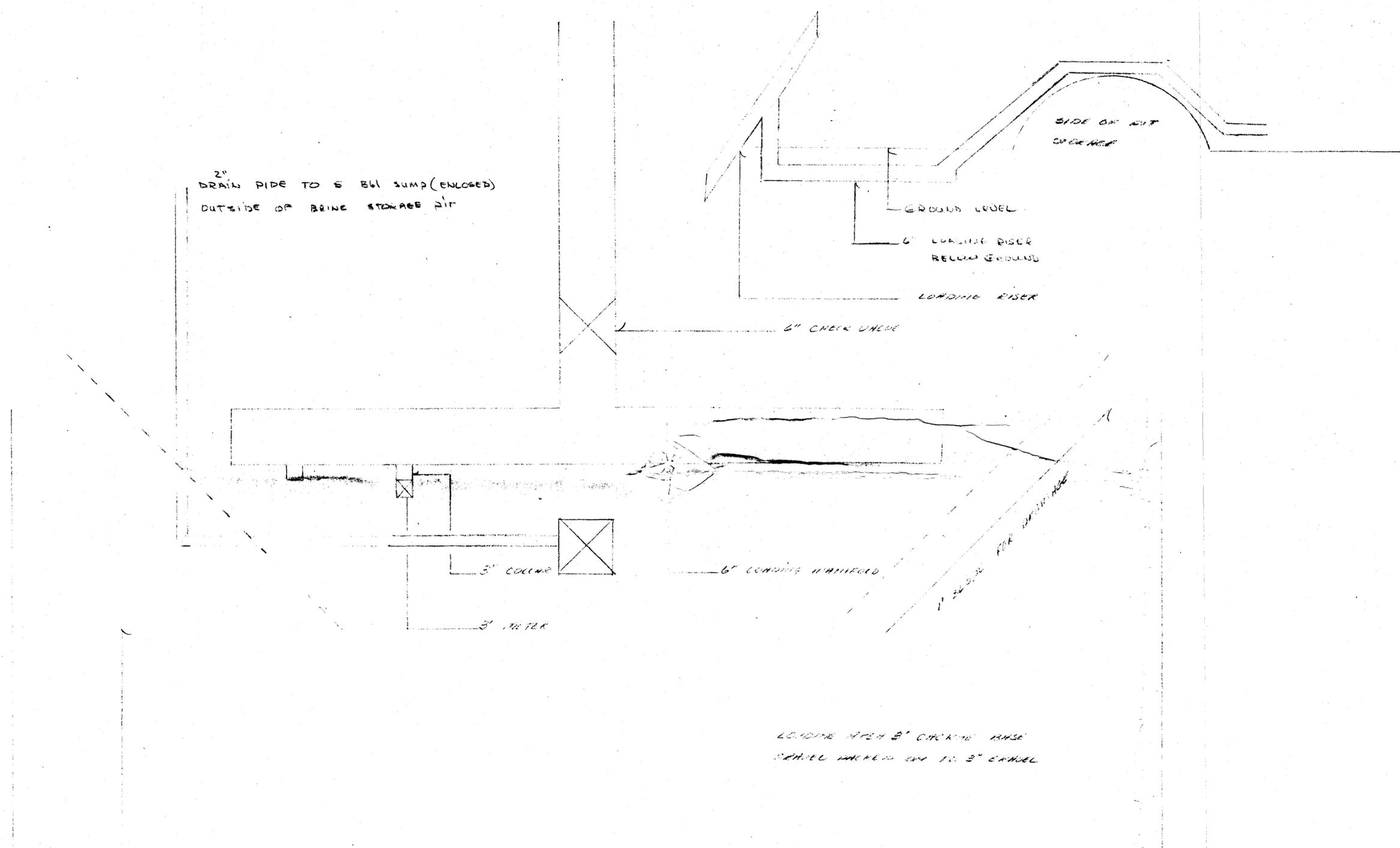


NOTE: LAYOUT IS DESTROYED
SOME ARE MISSING
THE SEWER HAS ALL
TOP OF THE GULL STOPS

6' CURB LINE APPROX
INCREASING TO 12' APPROX
SAND FILL APPROX 12' DEEP
SAND FILL APPROX 12' DEEP
SAND FILL APPROX 12' DEEP

529 CRANE		
SCALE:	APPROVED BY:	DRAWN BY: LH
DATE: 12-22-92		REVISED:
		DRAWING NUMBER:

THE REPRODUCTION OF
THE
FOLLOWING
DOCUMENT(S)
CANNOT BE IMPROVED
DUE TO
THE CONDITION OF
THE ORIGINAL



2" DRAIN PIPE TO S B/L SUMP (ENCLOSED)
OUTSIDE OF BRINE STORAGE PIT

SIDE OF PIT
OPENED

GROUND LEVEL

6" LOADING RISER
BELOW GROUND

LOADING RISER

6" CHECK VALVE

3" COLLAR

6" LOADING WAREHOUS

3" WATER

1" BASE FOR UNLOADING

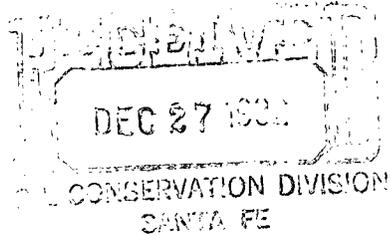
LOADING AREA 3' CIRCULAR BASE
GRAVEL BACKED ON TO 3" SAND

ENTIRE LOCATION BACKED WITH CEMENT BASE
CINDER @ LOADING AREA

507 BRINE		
SCALE:	APPROVED BY:	DRAWN BY: <i>GH</i>
DATE: 12-22-82		REVISED
		DRAWING NUMBER

Hobbs, New Mexico
December 22, 1982

Mr. Oscar Simpson, III
Water Resource Specialist
State Land Office Building
Post Office Box 2088
Santa Fe, New Mexico 87501



Dear Mr. Simpson:

Please find enclosed complete descriptive procedure plans, well completion schematic and other pertinent information required by the State Engineer for the operation of this brine well.

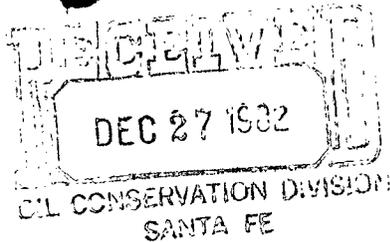
Also, find included copies of mining permits and other pertinent data as required by the U. S. G. S.

If we can be of further assistance to you, or if there is other additional information required, please contact us at Post Office Box 24 in Hobbs, New Mexico.

Very truly yours,

ERNIE HEGWER
P. O. Box 24
Hobbs, New Mexico 88240

EH/ft
enc.



Hobbs, New Mexico
December 22, 1982

Re: Discharge Plan for Brine Facility
Located in Section ~~31~~, T ~~16 S~~, R ~~35 E~~, NMPM
Lea County, New Mexico

30 175 32 E

WRONG WRIGHT

- 2) Under Section No. of Section 3-106, Page 25
 - a) Well has currently been completed and no brine has been produced to establish quality on monthly basis production. We will include these figures as soon as production begins.
 - b) We are submitting an analysis of brine water production to your office.
 - c) Including detailed flow diagram.

Also, water supply information, storage, loading and reclamation for spills.
Including photographs

- 3) Under Item 2 of Section 3-106, Page 25
Including topographic map of the U. S. G. S. and location of well.
- 4) Under Item 3 of Section 3-106, Page 25
To the best of our knowledge, there is no ground water beneath our facility.
- 5) Under Item 4 of Section 3-106, Page 25
There is no flooding potential to our brine facility.
Find included topographic maps .
- 6) Under Item No. 5 of Section 3-106, Page 25
Brine samples can be obtained at the well head or from the brine storage pit.
- 7) Under Item No. 6 of Section 3-106, Page 25
Find enclosed, well log describing formation underlying brine facility.
Find enclosed topographic map of salt from the OCD Hobbs District Office.

- 8) Find enclosed a schematic which illustrates a leak detection system.
- 9) There are no fresh water wells within two miles radius of our facility.
- 10) Enclosed is well schematic drawing of brine well.
- 11) Our fresh water tap is metered for total barrels from Double Eagle Water Line from City of Carlsbad, which is located .7 miles west.

Sales meters will be installed at the loading manifold. An accurate accounting procedure, accompanied by meter readings monthly and all other operating information records will be kept at our office.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Number

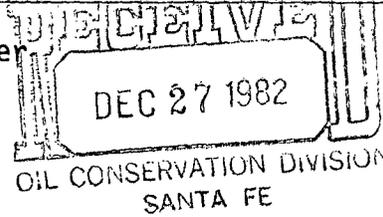
NM 53332

BOND * UNDER PERMIT TO PROSPECT
FOR DEPOSITS

Bond Number

U28 36 13

KNOW ALL MEN BY THESE PRESENTS, That Ernie L. Hegwer
of Hobbs, New Mexico
and United Pacific Insurance Company
of the State of Washington



, as principal,

, as surety,

are held and firmly bound unto the United States in the sum of Five thousand and no/100* * * * * dollars
(\$5,000.00), lawful money of the United States, to be paid to the United States, for the use and benefit of
(1) the United States and (2) any owner of a portion of the land subject to the coverage of this bond, who has a statutory right to compensation in connection with a reservation of the above mentioned deposits to the United States.
For such payment, well and truly to be made, we bind ourselves, and each of us, and each of our heirs, executors, administrators, and successors, jointly and severally, by these presents.

The condition of the foregoing obligation is such that, whereas, by permit bearing the above serial number, the permittee has been granted the exclusive right to prospect for the above mentioned deposits on or under the land described in the permit; and whereas any owner of a portion of the land who has a statutory right to compensation as specified herein, is entitled to security for payment of certain damages caused to the land by reason of prospecting for the above mentioned deposits.

NOW THEREFORE, if the said principal, his heirs, executors, administrators, or successors, shall fully comply with all of the terms and conditions of said permit or of any extension thereof authorized by law, use all reasonable precautions to prevent damage to the deposits, leave the premises in a safe condition upon the termination of said permit, and compensate the surface owner or claimant, if any, for damages to the land as by law required, then this obligation shall be null and void; otherwise to remain in full force and effect.

Signed on this 30th day of August , 19 82 , in the presence of:

(Signature of Witness)

Ernie L. Hegwer

(Signature of Principal)

(Address of Witness)

518 E. Zia, Hobbs, New Mexico 88240

(Address of Principal)

Patricia Alvarez

(Signature of Witness)

Pat Cargile

Pat Cargile, Attorney-in-Fact

(Address of Witness)

P.O. Box 1258, Hobbs, New Mexico 88240

(Address of Surety)

(Signature of Witness)

(Signature of Surety)

(Address of Witness)

(Address of Surety)

* This form of bond may be used in connection with potassium permits, Act of February 7, 1927 (44 Stat. 1057, et seq.), as amended; coal, sodium, and phosphate permits, Act of February 25, 1920 (41 Stat. 437, et seq.), as amended; and all such permits involving acquired lands, Act of August 7, 1947 (30 U.S.C. 351), by inserting the particular mineral applicable in the space provided therefor. This form is for use where the permit covers either public lands or lands embraced in an entry or patent subject to a reservation of potassium, phosphate, or sodium deposits to the United States under the Act of July 17, 1914 (38 Stat. 509; 30 U.S.C. 121-123); of coal pursuant to the Act of June 22, 1910 (36 Stat. 583; 30 U.S.C. 83-85), of coal in Alaska, pursuant to the Act of March 8, 1922 (42 Stat. 415; 48 U.S.C. 376-377); or of sulphur pursuant to the Act of March 4, 1933 (47 Stat. 1570; 30 U.S.C. 124). If this bond is executed by a corporation, it must bear the corporate seal.

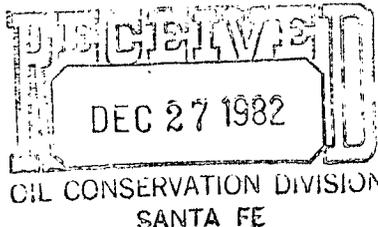


United States Department of the Interior

BUREAU OF LAND MANAGEMENT
NEW MEXICO STATE OFFICE
P.O. BOX 1449
SANTA FE, NEW MEXICO 87501

IN REPLY REFER TO
NM 53332
3500-C (943C-4c)

SEP 21 1982



Mr. Ernie L. Hegwer
518 Zia
Hobbs, NM 88240

Dear Mr. Hegwer:

Enclosed is sodium prospecting permit NM 53332 issued effective October 1, 1982.

The United Pacific Insurance Company Bond No. U28 36 13 issued August 30, 1982, in the amount of \$5,000.00 as surety and Ernie L. Hegwer as principal is hereby accepted.

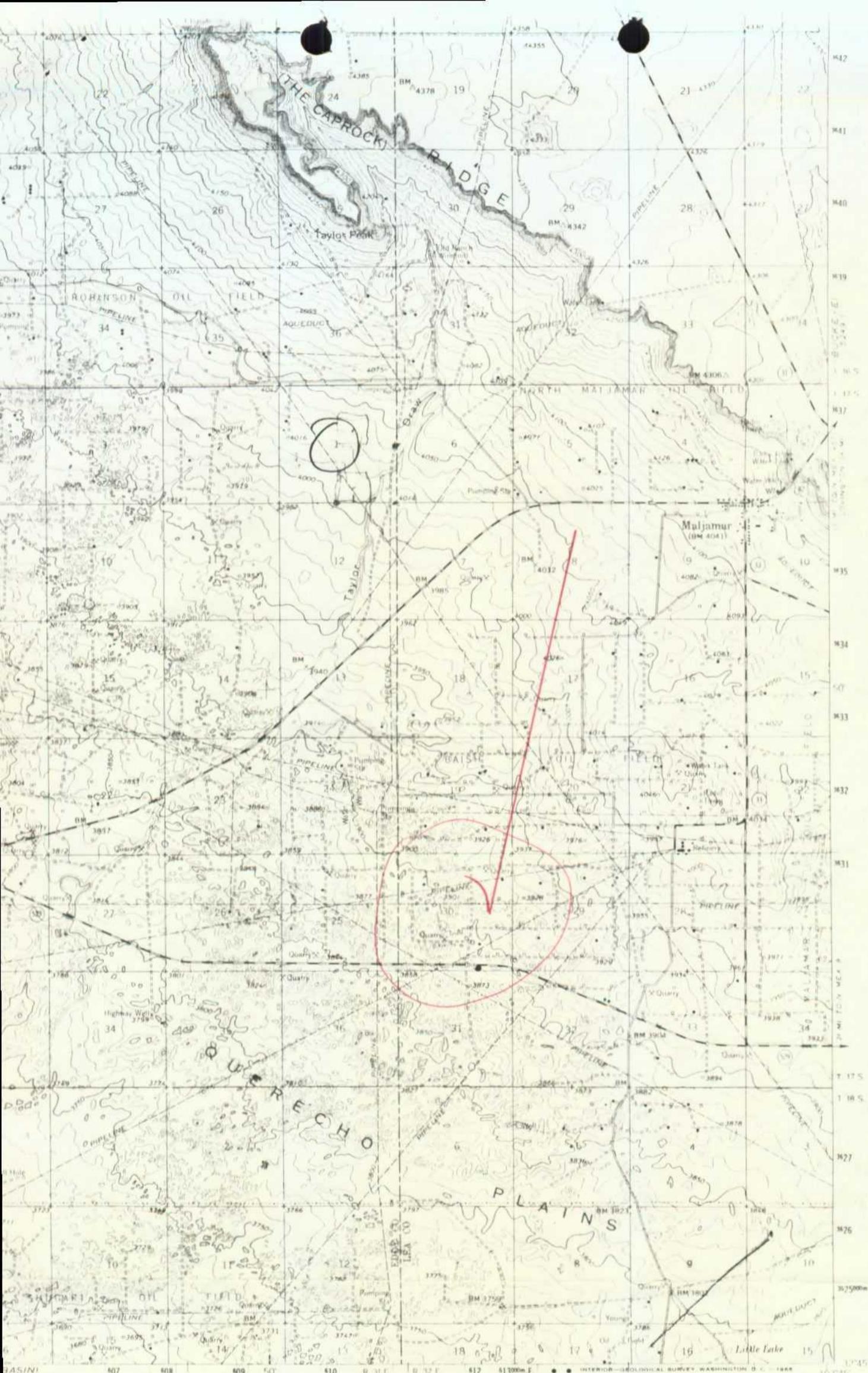
Sincerely yours,

Theresa Romero
Acting Chief, Mining Unit

Enclosure
Sodium Prospecting Permit w/stips.

cc:
United Pacific Insurance Company wo/encl.
c/o Daniels Insurance, Inc.
P. O. Box 1258
Hobbs, NM 88240

SEP 24 1982





STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR

December 21, 1982

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

Ernie Hagwire
P.O. Box 24
Hobbs, NM 88240

RE: Request for Discharge Plan
for Brine Facility in Section
30, Township 17 South, Range
32 East, NMPM, Lea County, NM

Dear Sir:

Under the provisions of the Water Quality Control Commission (WQCC) regulations, you are hereby notified that the filing of a discharge plan for your brine well is required.

On September 20, 1982, Part 5, Water Quality Control -- Underground Injection, pages 41-70, a new section to the WQCC regulations became effective.

The Oil Conservation Division classifies your type of operation as an in situ extraction process whereby injection well(s) are used for mineral (salt) extraction. Please refer to the definition of "in situ extraction well" in Section 1-101. cc. page 4 of the regulations.

On pages 24 and 25 of the Water Quality Control Commission regulations (WQCC) in Section 3-106 (c) there are eight questions that must be addressed and incorporated in your discharge plan. Please follow the outline by supplying a descriptive and detailed narrative for each of these items. I have enclosed examples of questions from the OCD to other brine operators which only had to comply with Part 3. You will have to comply with Parts 3 and 5. The other operators only had to comply with Part 3 because their discharge plans can be approved before December 20, 1982. A 90-day grace period was given to existing operators in which to submit and have approved a discharge plan. This 90-day period allowed present operators to come under only Part 3 instead of both 3 and 5.

If you have any questions on this matter, please do not hesitate to call Oscar Simpson at (505) 827-5822. Mr. Simpson has been assigned responsibility for review of all discharge plans and can be very helpful with any filing you make.

Sincerely,

Joe D. Ramey
Division Director

JDR/OS/dp

Enc.

cc: Hobbs District Office



BW-14 MARCH
1999



BW-14

BW-14 MARCH 1979



BW-19 MARCH
1997



P.O. BOX 98
LOCO HILLS, NEW MEXICO 88255

Mr. Wayne Price
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

