

1R - 170

**GENERAL
CORRESPONDENCE**

YEAR(S):

2000 - 2001

Griswold, Jim, EMNRD

From: Brenda Chambers [bkchambers@texband.net]
Sent: Monday, November 17, 2008 9:45 PM
To: Griswold, Jim, EMNRD
Subject: RE: Two State Tank Rental

Thank you again for your assistance. We finally got our server to come back up and I was able to access all of the information from the file.
Brenda Chambers

From: Griswold, Jim, EMNRD [mailto:Jim.Griswold@state.nm.us]
Sent: Monday, November 17, 2008 2:50 PM
To: bkchambers@texband.net
Subject: Two State Tank Rental

Ms. Chambers,

My boss, Wayne Price, received your email of 11/8/08 and asked me this morning if I would look into the situation regarding the former Two State Tank Rental facility located at 1300 NW County Road in Hobbs, New Mexico. There had been a cleanup operation of an old wash pit at the location designated 1R-170. A closure report was filed with the OCD by Rhino Environmental in March of 2001 after soil excavation was completed. Mr. Price sent your to your father a letter dated 6/15/01 approving the closure. Please call me at your convenience, and I can show you how to access the available files over the internet such that you can print them yourself.

Jim Griswold

Hydrologist

Environmental Bureau

ENMRD/Oil Conservation Division

1220 South St. Francis Drive

Santa Fe, New Mexico 87505

direct: 505.476.3465

email: jim.griswold@state.nm.us

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This inbound email has been scanned by the MessageLabs Email Security System.

11/18/2008

Griswold, Jim, EMNRD

From: Price, Wayne, EMNRD
Sent: Monday, November 17, 2008 9:15 AM
To: Griswold, Jim, EMNRD
Cc: bkchambers@texband.net
Subject: FW: Environmental remediation case # 1R0170

Jim look in the file and see if we issued closure and then contact Ms. Chambers

From: Brenda Chambers [mailto:bkchambers@texband.net]
Sent: Saturday, November 08, 2008 4:11 PM
To: Price, Wayne, EMNRD
Subject: Environmental remediation case # 1R0170

Dear Mr. Price,

My name is Brenda Chambers and I am the Executor of my father's estate, Charles A. Slater. Mr. Slater died last June and I am finalizing his estate. In the process, I am trying to identify and properly maintain any important papers surrounding the remediation of a property he owned in Hobbs, New Mexico. I found some communication in his files with your signature, but the file appears to be incomplete. Unfortunately, my mother has dementia and is unable to help me locate this information. I understand that Rhino Environmental submitted a remediation and closure plan and subsequently performed the work. Would it be possible for you to provide me with any correspondence stating that the closure plan was approved along with the final clearance documents from your office. I believe this information could be important for future generations of our family and want to make every effort to obtain the aforementioned documents.

The file includes a case number 1R0170. The name of the business he owned was Two State Tank Rental and it was located at 1300 West County Road in Hobbs. The legal description of the property is :

That certain tract located in the Southwest Quarter of Section 29, Township 18 South, Range 38 East, N.M.P.M., Lea County, New Mexico, and being more particularly described as follows:

Beginning at a point which lies N89°47'30"±E, 1232.30 feet and N00°09'±W, 698.2 feet from the Southwest corner of said Section 29; thence Northeasterly along a curve to the left having a radius of 1036.96 feet, a distance of 314.25 feet; thence N89°51'±E, 734.2 feet; thence S00°09'±E, 300.00 feet; thence S89°51'±W, 823.7 feet to the point of beginning, containing 5.31 acres more or less, ±

I appreciate your time! I can be reached at 903-433-2171 or by fax at 903-433-1480. My mailing address is: 1500 Bledsoe Rd., Gunter, TX 75058.

11/18/2008

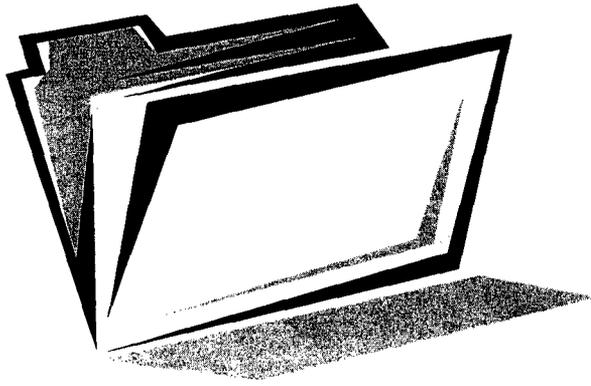
If you need a letter of testimony in order to release this information, please contact me. I would be happy to furnish you with a copy.

Respectfully,

Brenda Chambers

This inbound email has been scanned by the MessageLabs Email Security System.

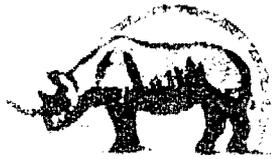
11/18/2008



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OF ORIGINALS**



1R0170



RHINO

Environmental Services, Inc.

4077 North Lorington Highway
Phone: (505) 392-4498

Hobbs NM 88240
Fax: (505) 392-9376

TO: Wanda O'Neil

FROM: (505) 466-1171

RE: Allen Hodge

DATE: January 17, 2001

NUMBER OF PAGES INCLUDING COVER PAGE: 8

If you do not receive all pages, please contact us at (505) 392-4498.

E-MAIL

WEC ALLEN@GTE.NET

DOLAN & DOMENICI, P.C.
ATTORNEYS AT LAW
6100 Seagull St. NE, Suite 205
Albuquerque, New Mexico 87109
(505) 883-6250

DANIEL R. DOLAN, II^{1,2,3}
PETER V. DOMENICI, JR.²
JEANNE CAMERON WASHBURN²
CHRISTOPHER D. SHAW²

Fax: (505) 884-3424

Licensed in ¹ KY; ² NM; ³ TX.

FACSIMILE TRANSMISSION

DATE: December 5, 2000 **Case No.**
TIME: 8:45 a.m.
TO: Mr. Wayne Price
FAX NO: (505) 827-8177
FROM: Daniel R. Dolan, Esq.
Dolan & Domenici, P.C.
RE: Remediation Plan and Meeting with OCD for former
Two State Rental Company property in Hobbs

NUMBER OF PAGES, INCLUDING COVER: 3

If there are any problems with transmission, please call Heidi Martin at (505) 883-6250.

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MESSAGE:

DOLAN & DOMENICI, P.C.
ATTORNEYS AT LAW
6100 Seagull St. NE, Suite 205
Albuquerque, New Mexico 87109
(505) 883-6250

Fax: (505) 884-3424

DANIEL R. DOLAN, II^{1,2,3}
PETER V. DOMENICI, JR.²
JEANNE CAMERON WASHBURN²
CHRISTOPHER D. SHAW²
Licensed in ¹ KY; ² NM; ³ TX.

December 4, 2000

Mr. Wayne Price
Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87505

Re: remediation plan and meeting with OCD for former
Two State Tank Rental Company property in Hobbs

Dear Mr. Price:

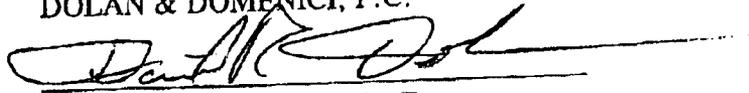
Thank you for your phone message resulting from the voice mail to you of last Thursday. I am sorry I did not get your voice mail on my cell phone until Saturday afternoon asking for a letter on the extension issues on the property former owned by Two-State in Hobbs. It is soon to be owned a second time by Two-State as a result of an agreement with Key Energy for the property purchase from them by two-State.

I have sent property purchase agreement documents, etc. to Mr. Slater in Hobbs and the purchase of the property will be completed on Thursday, December 7. We understand that the OCD was anxious to get Key Energy's work plan by December 1 but we were negotiating for the sale and wanted to use our own consultant and remediation contractors for the work rather than have them submit their plan to the OCD.

The OCD's delaying acceptance and demand for the work plan until Friday, December 8, is greatly appreciated and allow us adequate time to consummate the documents of sale for the real property in question. We intend to set up a meeting with the Hobbs OCD office staff to discuss remediation by Friday. Thank you for your attention and assistance with this matter.

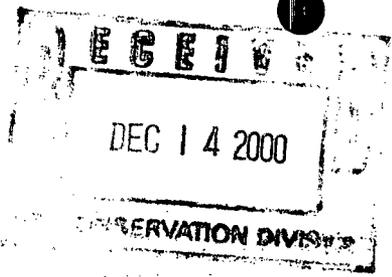
Sincerely,

DOLAN & DOMENICI, P.C.



DANIEL R. DOLAN, P.E., Esq.

DRD:csc



DOLAN & DOMENICI, P.C.
ATTORNEYS AT LAW
6100 Seagull St. NE, Suite 205
Albuquerque, New Mexico 87109
(505) 883-6250

Fax: (505) 884-3424

DANIEL R. DOLAN, II^{1,2,3}
PETER V. DOMENICI, JR.²
JEANNE CAMERON WASHBURN²
CHRISTOPHER D. SHAW²
Licensed in ¹ KY; ² NM; ³ TX.

December 4, 2000

Mr. Wayne Price
Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87505

Re: remediation plan and meeting with OCD for former
Two State Tank Rental Company property in Hobbs

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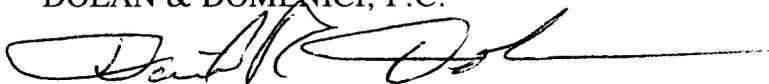
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Sincerely,

DOLAN & DOMENICI, P.C.

A handwritten signature in black ink, appearing to read "Dan R. Dolan", written over a horizontal line.

DANIEL R. DOLAN, P.E., Esq.

DRD:csc

Price, Wayne

From: Gene Butler[SMTP:gbutler@keyenergy.com]
Sent: Thursday, October 26, 2000 8:22 AM
To: Price, Wayne
Cc: Ragna Henrichs
Subject: RE:

October 25, 2000

>
>
> Mr. Wayne Price
> New Mexico Energy, Minerals
> and Natural Resource Department
> Oil Conservation Division
> 2040 South Pecheco
> Santa Fe, NM 87505
>
> Dear Mr. Price:
>
> This letter is in response to the conversation we had concerning the
> Hobbs,
> NM yard. Key is requesting a 30-day extension on the work plan that was
> requested by OCD.
>
> If you have any questions, please call me at (915)- 620-0300.
>
> Thank You

-----Original Message-----

From: Price, Wayne [mailto:WPrice@state.nm.us]
Sent: Wednesday, October 04, 2000 9:31 AM
To: 'Gene Butler'
Cc: Ragna Henrichs
Subject: RE:

Approved!

> -----
> **From:** Gene Butler[SMTP:gbutler@keyenergy.com]
> **Sent:** Wednesday, October 04, 2000 6:32 AM
> **To:** Price, Wayne
> **Cc:** Ragna Henrichs
>
> October 2, 2000
>
>
> Mr. Wayne Price
> New Mexico Energy, Minerals
> and Natural Resource Department
> Oil Conservation Division
> 2040 South Pecheco
> Santa Fe, NM 87505
>
> Dear Mr. Price:
>
> This letter is in response to the conversation we had concerning the
> Hobbs,
> NM yard. Key is requesting a 30-day extension on the work plan that was
> requested by OCD.
>
> If you have any questions, please call me at (915)- 620-0300.

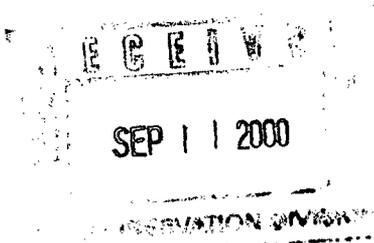
- >
- > Thank You
- >
- >
- > Gene Butler
- > Key Energy Services
- >



Key Energy Services, Inc.

Gulf Coast Division
P.O. Box 11310 (77842)
2911 Texas Avenue South, Suite 200
College Station, TX 77845

Phone: 409-694-4700
Fax: 409-694-4711



September 6, 2000

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

*LYN HERBERT TO
CALL KEY! 9/13/00/jf*

Dear Mr. Price

Key Energy Services has requested an opportunity to meet with OCD to discuss obligations relating to property at 1300 N.W. County Road in Hobbs, a site for which you have requested that Key submit a remediation plan. This property was acquired by Key subject to a contractual indemnity from its prior owner who has now agreed in principal to accept reconveyance of the property and to complete clean up as required by OCD. Key would like to coordinate transition of the cleanup responsibility with OCD.

This property was transferred to Key's predecessor, Rowland Trucking Co., Inc., in 1995 by Two State Frac Tank Rental Co., Inc. which had owned the property and operated its business at the site since the early 1970's. The property was previously undeveloped. In 1997, Key acquired the stock of Rowland Trucking Co., Inc. An environmental site assessment of the Property was performed in connection with both the 1995 and the 1997 acquisitions, but neither assessment uncovered the existence of a historical pit at the site. After it acquired Rowland, Key became aware of the existence of the historical washout pit, but was unable to confirm its closure status. This led Key to engage Brown and Caldwell to perform a subsurface investigation resulting in the March 7, 2000 Final Subsurface Investigation Report submitted to OCD. Key also pursued rights to contractual indemnity from Two State, resulting in the settlement described above. Under the settlement, Two State's obligation to clean up the property will be satisfied when OCD has approved completion of the remediation. As part of this settlement, Key would like OCD to look directly to Two State to address environmental remediation at the property.

Under the facts described above, Key is an innocent purchaser and did not contribute to the contamination. It conducted reasonable and customary due diligence prior to acquiring the site. The pit was not visible in 1995 or 1997 nor did it become known during either environmental assessment process. Two State is prepared to assume responsible for remediation. Key request that OCD recognize Two State as the sole responsible party for this site, look to Two State for completion of remediation, and relieve Key of further obligation for the clean up upon reconveyance of the property to

Two State. Upon completion of the settlement, Two State will be both the present owner of the property with a contractual obligation to complete the clean up and will retain its status as owner at all times during which the pit was actually in operation.

OCD's position regarding these issues is critical to settlement of this matter. We therefore appreciate your willingness to meet with us on this subject.

If you have any questions or if the meeting has changed please call me at 915-620-0300.

Thank you

A handwritten signature in black ink, appearing to read "Gene Butler", with a long horizontal line extending to the right.

Gene Butler



AUG 31 10 00 AM '00

Key Energy Services, Inc.

6 Desta Drive - Suite 5900
Midland, TX 79705

Phone: 915-498-0300

Fax: 915-620-0307

August 24, 2000

CERTIFIED MAIL
RETURN RECEIPT NO. 7099 3220 0005 8136

Mr. Wayne Price
New Mexico Energy, Minerals
& Natural Resources Department
Oil Conservations Division
2040 South Pacheco
P.O. Box 6429
Santa Fe, NM 87505-5472

Re: Remediation Work Plan
Old Two State Tank Rental
1300 North West County Road
Hobbs, NM

Dear Mr. Price:

Key Energy Services, Inc. is in receipt of your letter dated July 13, 2000 requesting a remediation work plan by August 31, 2000. At this time Key is requesting a 30-day extension for this submission.

If you have any questions please do not hesitate to call me at 915-620-0300.

Sincerely:

A handwritten signature in black ink, appearing to read "Gene Butler", written over a horizontal line.

Gene Butler CEI

cc: Ragan Henrichs
Stan Hatch
Jack Loftis



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

July 13, 2000

CERTIFIED MAIL
RETURN RECEIPT NO. 5051 5284

Mr. Gene Bulter
Key Energy Services, Inc.
6 Desta Drive Suite 5900
Midland, Texas 79705

Re: Subsurface Investigation
Old Two States Tank Rental
1300 North West County Road
Hobbs, New Mexico

Dear Mr. Butler:

The New Mexico Oil Conservation Division (OCD) is in receipt of your letter dated March 10, 2000 and subsurface investigation report dated March 07, 2000 for the above referenced site. Please submit a remediation work plan for OCD approval by August 31, 2000.

If you have any questions please do not hesitate to call me at 505-827-7155.

Sincerely:

Wayne Price-Pet. Engr. Spec.

cc: OCD Hobbs Office



6 Desta Drive Suite 5900
Midland, Texas 79705
(915) 620-0300
(915) 620-0307 Fax

March 10, 2000

RECEIVED
MAR 16 2000
Environmental Bureau
Oil Conservation Division

New Mexico Oil Conservation Division
Environmental Bureau
2040 South Pacheco
Santa Fe, New Mexico 87505

Re: 1300 North West County Road, Hobbs, New Mexico

Gentleman:

Enclosed for your information is a report of a recent subsurface investigation performed by Brown and Caldwell at the property at the above-referenced address. Key Energy Services, Inc. ("Key") initiated this investigation after learning of the pit's existence and making subsequent inquiries (which proved unsuccessful) to determine the circumstances of closure. Based on the findings in the report, Key has instructed Brown and Caldwell to prepare a work plan for remediation of the site, to be submitted for your approval.

If you have any questions regarding this matter, please contact me at the telephone number indicated above.

Very truly yours,

A handwritten signature in black ink, appearing to read "Gene Butler", written over a horizontal line.

Gene Butler

Enclosure