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**GENERAL
CORRESPONDENCE**

YEAR(S):

2/77

February 11, 1997

Mr. Eric Nelson
NM State Land Office (NMSLO)
Suite C
3830 N. Grimes
Hobbs, NM 88240

Re: Inspection report of field trip on January 21, 1997.

Dear Mr. Nelson,

On January 21, 1997 you had requested I accompany you to inspect certain NM State land Oil & Gas leases in the east caprock maljamar area more or less Township 16-17 and Range 32-33.

The NMOCD understands that the NMSLO is the trustee for these lands in this area and that you requested the NMOCD to make an environmental inspection concerning possible contamination on these properties as a result of present and past Oil & Gas activities.

Per your request please find enclosed copies of my recent field report during our trip on January 21, 1997 and my summation.

The Wiser Company has requested pit closure information from me and their plans according to Mr. Mike Jones of Wiser is to obtain bids on all of their pits in the Caprock Maljamar Unit and to close these pits per NMOCD Guidelines.

The Penroc Oil Corp. sites that we toured are as follows:

Mal-Mar unit Water Flood Plant 0-sec 12-Ts17s-R32e: There was an existing pit just east of the building, this pit has been closed. I do not have any information in my environmental files on this closure. I do have pictures available in the file before the pit was closed.

Penroc Aztec State E-sec 8-Ts17s-R33e battery: This location revealed unsaturated contaminated soils and historical crude oil contamination in an area where the old drilling pit was covered. Drilling pits are normally not included in the pit closure guidelines. However, per rule 105 these pits are required to be closed in a manner to prevent contamination to surface or subsurface waters.

The magnitude or the extent of this contamination is not know by the NMOCD at this time. I do not have any information on the closure of this pit at this time. There is a windmill in close proximity to the site.

Penroc Mal-Mar unit Tr. #3 Batt. I-sec 12-Ts17s-R32e; The tank battery has historical crude oil contamination in the form of solidified asphaltines. There is an old line running from the bottom of the tanks on the east side out to an area where there is evidence of contaminated soils with a fresh mound of calichie.

The NMOCD does not have any information on this site in the environmental files in Hobbs and at this time does not know what this area was used for.

There were a few miscellaneous well sites that still have unlined pits. One of these had an old drum in it. These pits appear to be work over or emergency blow down, etc. They did not have visual contamination of any significant magnitude.

Penroc NE Maljamar Unit nw/4 sec 5-Ts17s-R33e; See field report. Old BS&W pit.

Chaveroo Operating Co. Inc. st. of NM "O" (NCT-3) se/4 nw/4 sec 12-Ts17s-R32e.; Found BS&W unlined netted pit. Pit has old drum in it and free oil floating on top. It appears that the tank bottoms are being discharged into this pit.

I will be making the following recommendations to the NMOCD District I Supervisor and the NMOCD Environmental Bureau Chief.

Wiser Pits: NMOCD should follow up on and coordinate the approval of these pit closures.

Penroc: The NMOCD should request that Penroc provide closure information on any pits it has closed.

Penroc should complete closure of the NE Maljamar Unit #1 pit and remove old tank and junk.

Penroc should perform a site assessment and determine the vertical and horizontal extent of any contamination on site at these above locations and provide closure reports as per the NMOCD guidelines or another method approved by the NMOCD.

Chaveroo Pit: The NMOCD should require Chaveroo to stop discharging into this pit and require closure plans.

If you require any further assistance concerning this matter please do not hesitate to call (505-393-6161) or write.

Sincerely yours,

Wayne Price-Environmental Engineer

cc: Jerry Sexton-NMOCD District I Supervisor
Roger Anderson-Environmental Bureau Chief
NMOCD files: This correspondence, field reports and pictures:

attachments: Wiser field report
Penroc field report
Chaveroo field report