

1R - 202

**GENERAL
CORRESPONDENCE**

YEAR(S):

NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

OIL CONSERVATION DIVISION
RECEIVED

'96 MAY 2 AM 8 52

NMOCD INTER-OFFICE CORRESPONDENCE

TO: Bill Olson-NMOCD Hydrogeologist-Environmental
Bureau

From: Wayne Price-Environmental Engineer *Wayne Price*

Date: April 30, 1996

Reference: Petroleum Production Management Inc.

Subject: State "BD" Pit Closure

Comments:

Per your request please find enclosed the final report for the above referenced pit.

The NMOCD District I office has reviewed the plan and recommend approval.

We would greatly appreciate a quick turnaround due to the fact that the companies involved would like to close the sell on this property and the fact of having to pay lease rental.

We appreciate your coordination and oversight on this project.

cc: Jerry Sexton-NMOCD District I Supervisor
Gary Wink-NMOCD District I Field Rep. II

attachments-1



State of New Mexico
ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT
 Santa Fe, New Mexico 87505

STATE OF
 NEW MEXICO
 OIL
 CONSERVATION
 DIVISION

MEMORANDUM OF MEETING OR CONVERSATION

| | | | |
|---|-----------------------------------|--------------|-----------------|
| <input checked="" type="checkbox"/> Telephone | <input type="checkbox"/> Personal | Time 0815 | Date 4/25/96 |
|---|-----------------------------------|--------------|-----------------|

| <u>Originating Party</u> | <u>Other Parties</u> |
|----------------------------|-------------------------|
| Bill Olson - Envir. Bureau | Wayne Price - OCP Hobbs |

Subject
 PPMI - State BO # 1 SWD-288

Discussion
 PPMI submitted work plan which was approved by Hobbs District and they are currently performing work. When final report is submitted, Wayne will forward to me for approval.

Conclusions or Agreements

Distribution

| | |
|--------|------------|
| Signed | Bill Olson |
|--------|------------|

NEW MEXICO ENERGY MINERALS AND NATURAL RESOURCES DEPARTMENT

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

OIL CONSERVATION
RECEIVED
FEB 22 AM 8 52

To: Bill Olson
NMOCD

NMOCD INTER-OFFICE CORRESPONDENCE

TO: Roger Anderson-Environmental Bureau Chief
From: Wayne Price-Environmental Engineer *Wayne Price*
Date: Feb. 17, 1996
Reference: Petroleum Production Management, Inc. (PPM)
Subject: Pit Closure @ State "BD" #1 SWD-288
sec 34-Ts 13s-R 32 e

Comments:

Dear Roger,

Jerry Sexton has requested that I contact you concerning this pit closure at the above mentioned location. Jerry would like for me to coordinate this closure thru your office.

The original pit closure request was submitted to the Hobbs District and received on April 21, 1995. On May 1, 1995 I visited the site and took pictures. It was discovered at that time that the pit closure had already begun. The dikes on the south side of the pit had been broken and the pit liquids were allowed to flow out onto the ground.

At this time I advised Jerry Sexton that it appears that PPM's remedial action of allowing the pit liquids to be discharged to the ground was ambiguous and not consistent with their pit closure submittal which stated "No Free liquids are in the pit". Also the pit closure plan did not address some of the key environmental assessment criteria, such as vertical extent of the contamination and final remediation levels.

Jerry had informed me that PPM had indicated to District personnel that they felt they were not in a good economic position to close the pit per NMOCD guidelines and the fact that the guidelines were not rules, made it unclear to the District as to what legal authority the NMOCD had on determining when, how or what criteria should be used to close pits.

In early May of 1995 we had a meeting with yourself, Bill Olson, and Bill LeMay in Hobbs concerning procedures to be used at the District level. At that time we all had discussed an "Interim Policy" concerning pit closures and Bill Olson had designed the new "Approval Conditions" to streamline the approval process.

As you know the "Interim Policy" never became reality and this particular pit closure submittal was never approved and no action taken on the District level.

On Feb. 7, 1996 of this year Jerry Sexton received a letter from Gary Cothran of PPM (attached) requesting permission to remove the contaminated soils from this lease and move it to their yard north of crossroads and use it as road repair materials.

Jerry requested I check into this matter and if I agree he would approve. I went to crossroads and the pit site and took pictures (enclosed).

After discussing the issue with Mr. Cothran, he indicated to me that PPM has plans on selling this SWD-288 (location of pit) to Penroc Corp.

According to Mr. Cothran, Penroc has requested the visually contaminated soils be removed from the site in order to complete the deal. PPM has no other plans concerning the pit closure other than to remove the contaminated soils from the surface and haul to their Crossroads yard. If anything else is required then PPM feels that they will just P&A the SWD and leave the site.

Mr. Cothran indicated if PPM is allowed to haul the material off-site as proposed then PPM feels that their responsibility of any further pit closure plans will be transferred to Penroc upon and pending the sell conditions.

After discussing with Jerry, he didn't think Penroc will be willing to accept this responsibility.

Jerry Sexton informed me that I should contact you and request that the NMOCD Environmental Bureau handle this pit closure.

Therefore, we have enclosed a complete copy of the file associated with this location and respectively request your Environmental Bureau's assistance in this matter.

Please let us know if we can assist you or your staff in any way concerning this matter.

cc: Jerry Sexton-District I Supervisor
Gary Wink-NMOCD Field Rep. II
Bill Olson-Hydrogeologist Santa Fe

attachments- Original C-103 "Pit Closure".
Two May 1995 pictures of pit location site.
Two Feb. 1996 picture of pit location site.
Two Feb. 1996 pictures of Crossroads location.
Letter dated Feb. 5, 1996 (request to move
contaminated soils).
Map of area.

Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

WELL API NO.

5. Indicate Type of Lease
STATE FEE

6. State Oil & Gas Lease No.
SWD-288

7. Lease Name or Unit Agreement Name
State "BD"

8. Well No.
1

9. Pool name or Wildcat
Undesignated

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"
(FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:
OIL WELL GAS WELL OTHER SWD

2. Name of Operator
Petroleum Production Management, Inc.

3. Address of Operator
P.O. Box 957 Crossroads, New Mexico 88114

4. Well Location
Unit Letter N : 1980 Feet From The West Line and 660 Feet From The South
Section 34 Township 13-S Range 32-E NMPM Lea COLL

10. Elevation (Show whether DF, RKB, RT, GR, etc.)

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

| NOTICE OF INTENTION TO: | | SUBSEQUENT REPORT OF: | |
|--|---|---|---|
| PERFORM REMEDIAL WORK <input type="checkbox"/> | PLUG AND ABANDON <input type="checkbox"/> | REMEDIAL WORK <input type="checkbox"/> | ALTERING CASING <input type="checkbox"/> |
| TEMPORARILY ABANDON <input type="checkbox"/> | CHANGE PLANS <input type="checkbox"/> | COMMENCE DRILLING OPNS. <input type="checkbox"/> | PLUG AND ABANDONMENT <input type="checkbox"/> |
| PULL OR ALTER CASING <input type="checkbox"/> | | CASING TEST AND CEMENT JOB <input type="checkbox"/> | |
| OTHER: Pit Closure <input checked="" type="checkbox"/> | | OTHER: | |

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

NO FREE Liquids are in the pit.
Ground water is below 100'.
Domestic water source is over 1000'.
Evacuate contaminated soils and landfarm on location.
After soils are biodegraded, backfill and contour pit sight to provide
drainage away from site.

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

SIGNATURE Gary T. Cothran TITLE District Superintendent DATE 4-17-95

TYPE OR PRINT NAME Gary T. Cothran TELEPHONE NO. 575-247

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

- 11 PPM Pit-Feb. 13, 1996-Picture by W. Price NMOCD, Picture looking north shows weathered contents of pit sludge. Background shows pit. PPM proposes to haul off all visually contaminated surface soils and backfill and level location. sec 34-Ts 13s-R32e.
- 12 PPM Pit-Feb. 13, 1996-Picture by W. Price NMOCD, standing on west side of pit looking east. sec 34-Ts 13s-R32e.
- 13 PPM Crossroads NM location; PPM proposes to stock pile soils here. Picture looking NE at NE corner of yard.
- 14 PPM Crossroads NM location; Looking south background shows residence approx. 100 yds. Water well house located in background.
- 15 PPM Pit-May 1, 1995-Picture by W. Price NMOCD; Looking north shows pit south berm where sludge was allowed to discharge to ground. sec 34-Ts 13s-R32e.
- 16 PPM Pit-May 1, 1995-Picture By W. Price NMOCD; Looking east, show pit sludge contents on ground. sec 34-Ts 13s-R32e.



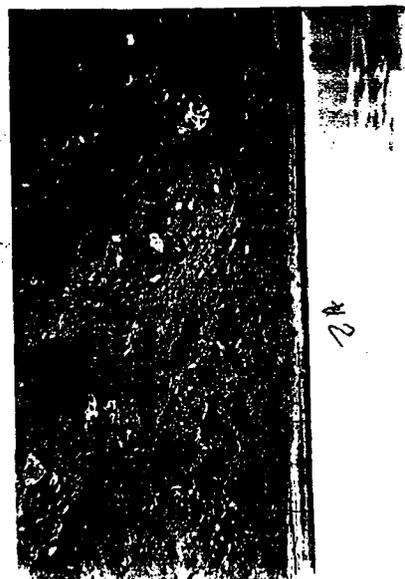
X3



X1



X4



X2



45



46



PETROLEUM PRODUCTION MANAGEMENT, INC.

P.O. BOX 957

CROSSROADS, NEW MEXICO 88114

(505) 675-2

44214
505-371-1398

Mr Jerry Sexton
Oil Conservation Division
PO Box 1980
Hobbs, N.M. 88240

2-5-96

re: State "BD" #1
SWD-288
S 34 T 135 R 32E

Dear Mr Sexton,

Petroleum Production Management request permission to remove the contaminated soils from this lease and move it to our yard, north of Cro. N.M. and use it as road repair materials.

This looks okay to me.
If you agree with initial,
I'll let them know.

Sincerely
Gary S. Cochran
Dist. Superintendent

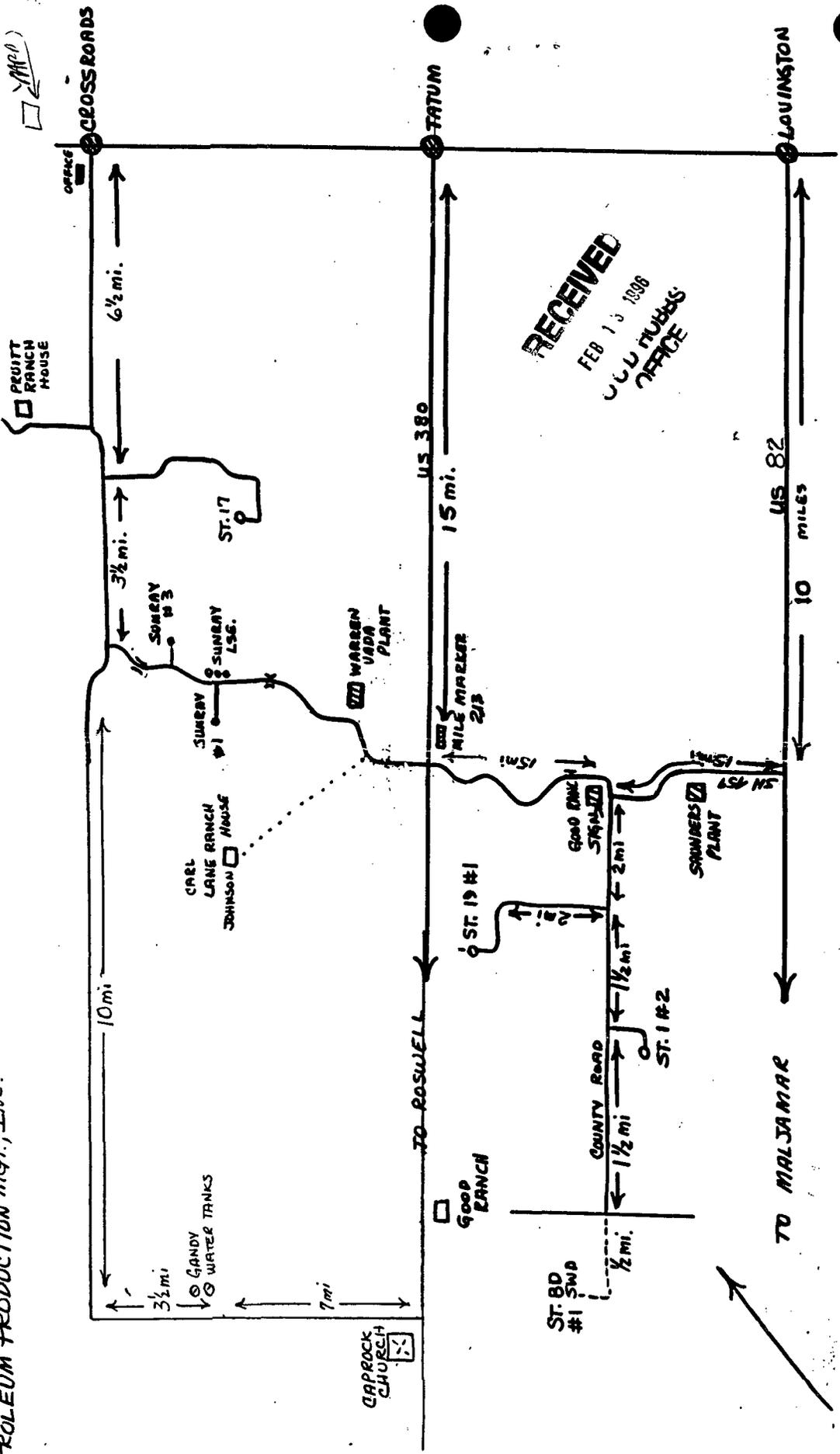
J.S.

Called Gary on 2/12/96
will go look at site, will
give him recommendation.

RECEIVED
FEB 1996
OIL CONSERVATION DIVISION

PETROLEUM PRODUCTION (1917-1918)

MAP



RECEIVED
 FEB 13 1908
 U.S. GEOLOGICAL SURVEY
 OFFICE

BAUM FIELD



CONSERVATION DIVISION
RECEIVED

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

95 MAY 19 AM 8 52

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

May 15, 1995

Mr. Gary T. Cothran-District Superintendent
Petroleum Production Management, Inc.
P.O. Box 957
Crossroads, New Mexico 88114

Dear Mr. Cothran,

The New Mexico Oil Conservation Division (NMOCD) is in receipt of the two pit closure requests that you have submitted on September 7, 1994 and April 17, 1995 and which are located approximately in (sec 5-Ts 9s-R36e) and (sec 34-Ts 13s-R32e) respectively.

Please be aware that the NMOCD Environmental Bureau is in the process of formulating a new interim policy on pit closures. Hopefully, this policy will allow the operators and the NMOCD districts more flexibility and streamline the "Pit Closure" approval process.

However, there will be certain requirements of an operator if he chooses to close the pit with contaminates remaining in the ground. Under this scenario the operator will be required to determine the vertical extent of the contamination and demonstrate that the remaining contaminates have not, or will not, impact ground water in the foreseeable future, and/or adversely affect public health and the environment.

Please note, as soon as we receive this new interim policy this office will forward you a copy. We anticipate it will be two to three weeks before it is issued.

Sincerely yours,

Wayne Price-Environmental Engineer
NMOCD District I - Hobbs office

cc: Jerry Sexton-NMOCD District I Supervisor
Roger Anderson-Environmental Bureau Chief
Bill Olson-Hydrogeologist
Gary Wink-Field Rep. II - NMOCD Hobbs

attachments-2



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Energy Minerals and Natural Resources Department

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Revised 1-1-89

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DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

| |
|---|
| WELL API NO. |
| 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |

| |
|---|
| 6. State Oil & Gas Lease No. SWD-288 |
|---|

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"
(FORM C-101) FOR SUCH PROPOSALS.)

| |
|--|
| 7. Lease Name or Unit Agreement Name State "BD" |
|--|

| |
|---|
| 1. Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER SWD |
|---|

| |
|------------------|
| 8. Well No. 1 |
|------------------|

| |
|--|
| 2. Name of Operator Petroleum Production Management, Inc. |
|--|

| |
|---|
| 9. Pool name or Wildcat Undesignated |
|---|

| |
|---|
| 3. Address of Operator P.O. Box 957 Crossroads, New Mexico 88114 |
|---|

| |
|--|
| 4. Well Location Unit Letter N : 1980 Feet From The West Line and 660 Feet From The South Line Section 34 Township 13-S Range 32-E NMPM Lea County |
|--|

| |
|--|
| 10. Elevation (Show whether DF, RKB, RT, GR, etc.) |
|--|

| |
|--|
| 11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data |
| NOTICE OF INTENTION TO: |
| PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> |
| TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> |
| PULL OR ALTER CASING <input type="checkbox"/> |
| OTHER: Pit Closure <input checked="" type="checkbox"/> |
| SUBSEQUENT REPORT OF: |
| REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> |
| COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/> |
| CASING TEST AND CEMENT JOB <input type="checkbox"/> |
| OTHER: <input type="checkbox"/> |

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

NO FREE Liquids are in the pit.
Ground water is below 100'.
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Evacuate contaminated soils and landfarm on location.
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I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Gary T. Cothran TITLE District Superintendent DATE 4-17-95

TYPE OR PRINT NAME Gary T. Cothran TELEPHONE NO. 675-2478

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY: