1R - 287

APPROVALS

YEAR(S):

CLOSED

Price, Wayne

From: Price, Wayne
Sent: Wednesday, April 21, 2004 1:30 PM
To: Johnson, Larry
Subject: Xeric capps Fed 1R0287

Dear Larry:

Please find attached the closure information on this site. OCD Santa Fe considers this site closed.


1R0287.tif


1r0287 pic capps fed.jpg


CAPPSFD1.DOC

Sincerely:

Wayne Price
New Mexico Oil Conservation Division
1220 S. Saint Francis Drive
Santa Fe, NM 87505
505-476-3487
fax: 505-476-3462
E-mail: WPRICE@state.nm.us

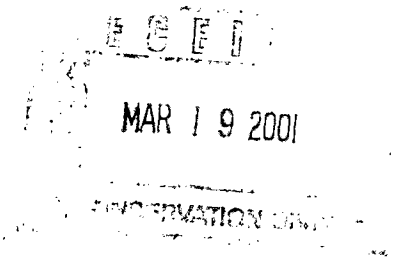
XERIC OIL & GAS CORPORATION

1801 West Texas Avenue
Midland, Texas 79701
TEL: (915) 683-3171
FAX: (915) 683-3152

1R0287

March 15, 2001

New Mexico Energy, Minerals, and
Natural Resources Department
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505
Attn: Mr. Wayne Price



RE: Capps Federal #1
Lea County, NM
Pit Closure

Dear Mr. Price,

Pursuant to our telephone conversation earlier this month, and further to our agreement that the above referenced pit closure be completed by March 30, 2001, enclosed herewith please find the following:

a. Photographs of the referenced pit which depict the reclaimed site and new vegetation growing in the area;

b. A copy of the data sheet indicating chlorides in the pit area to be 106 mg/kg.

I hope that this information will enable you to close your file on the Capps Federal #1, however, should you have any questions or concerns, or require additional information, please do not hesitate to contact me at the letterhead address or telephone number.

Cordially,

Shannon Goble
General Counsel/Environmental Coordinator

SG/rkk
Enclosures

ENVIRONMENTAL LAB OF , INC.

"Don't Treat Your Soil Like Dirt!"

XERIC OIL & GAS
ATTN: MR. SHANNON GOBLE, J.D.
P.O. BOX 352
MMIDLAND, TEXAS 79702
FAX: 915-683-3152

Sample Type: Soil
Sample Condition: Intact/ 18.0 deg.C
Project #: None Given
Project Name: None Given
Project Location: S. Hobbs

Sampling Date: 01/10/01
Receiving Date: 01/12/01
Analysis Date: 01/12/01

ELT#	FIELD CODE	Chloride mg/kg
36243	Capps Fed #1	106

QUALITY CONTROL	5052
TRUE VALUE	5000
% INSTRUMENT ACCURACY	101
BLANK	<10

Methods: SW 846-9253

Armando O. Gomez

1-15-01
Date

Environmental Lab of Texas, Inc.

12600 West I-20 East
Odessa, Texas 79763
Phone: 915-563-1800
Fax: 915-563-1713

CHAIN OF CUSTODY RECORD AND ANALYSIS REQUEST

Project Manager: _____ Project Name: _____

Company Name: Xeric Oil & Gas Project #: _____

Company Address: _____ Project Loc: S. Hobbs

City/State/Zip: _____ PO #: _____

Telephone No: _____ Fax No: _____

Sampler Signature: SG

LAB # (lab use only)	FIELD CODE	Date Sampled	Time Sampled	No. of Containers	Preservative: Ice	Preservative: HNO_3	Preservative: HCl	Preservative: NaOH	Preservative: H_2SO_4	Preservative: None	Preservative: Other (Specify)	Matrix: Water	Matrix: Sludge	Matrix: Soil	Matrix: Other (specify)	Analyze For: TCLP/TOTAL: TDS ACLY SAR / EC	TPH 418.1	TPH TX 1005/1006	TPH 8015M GRO/DRO	Metals: As Ag Ba Cd Cr Pb Hg Se	Volatiles	Semivolatiles	BTEX 8021B/5030	RUSH TAT (Pre-Schedule)	Standard TAT
36243	Capps Fed. #1	1/10/01	12:05	1										✓		✓									

Special Instructions:

Sample Containers Intact? (Y) N
Temperature Upon Receipt: 18.0 °C
Laboratory Comments:

Relinquished by:	Date	Time	Received by:	Date	Time
Relinquished by:	Date	Time	Received by ELOT: Celey Keene	Date: 01/12/01	Time: 12:30

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

November 27, 2000

NEW DEADLINE!
3/30/01

CERTIFIED MAIL
RETURN RECEIPT NO. 5051 4799

Mr. Shannon Goble
Environmental Coordinator
Xeric Oil & Gas Corporation
P.O. Box 352
Midland, Texas 79702

Re: Capps Federal #1
Lea County, NM

Dear Mr. Goble:

The New Mexico Oil Conservation Division (OCD) is in the process of completing the final report for the EPA/USFW Problem Oil Pits program. Please submit to the OCD by December 29, 2000 a closure report for the above referenced site. Please include a picture of the pit closure and provide documentation demonstrating that produced water that was found being discharged under the pit liner did not impact groundwater.

If you have any questions please call me at 505-827-7155.

Sincerely;

Wayne Price-Pet. Engr. Spec.

Cc: OCD Hobbs Office

Attachments-

Xeric Oil & Gas Corporation
200 N. Loraine, Suite 1000 P.O. Box 352
Midland, Texas 79702
(915) 683-3171 Fax: (915) 683-3152

cc: ROGER ANDERSON

November 10, 1998

New Mexico Oil Conservation Division
P.O. Box 1980
Hobbs, NM 88241

Attn: Mr. Chris Williams
District Supervisor

Re: Capps Federal #1
Lea County, NM

Dear Sir,

Following a recent telephone conversation with Mr. Wayne Price (11/5/98), it was brought to my attention that produced water from the captioned well was being discharged into the reserve pit at the subject location and that said discharge was taking place under the pit liner. Subsequent to this conversation, I immediately notified production personnel who in turn informed me that they had been apprised of the situation the previous evening (*see enclosure*) and had already taken remedial action. It seems that a leak had developed in the water tank which made it necessary to reduce the fluid level in said tank in order to effectuate repairs (the reason for redirecting the discharge into the reserve pit). Later that evening it appears that high winds managed to cause a tear in the pit liner which resulted in this unfortunate situation. Nonetheless, Xeric field personnel responded immediately and managed to mitigate the damage resulting form the produced water discharge(*see enclosure*).

Please be assured that we here at Xeric Oil & Gas Corporation take seriously our responsibility to maintain the delicate ecosystem that is shared by all. We shall endeavor to take all measures necessary to remediate the damage that may have been caused by this unfortunate event and prevent such occurrences from happening in the future. Should you

have any questions please do not hesitate to contact me at the letterhead address or telephone number.

Best Regards,

Shannon Goble
Environmental Coordinator

SG/rkk

Enclosure

cc: Mr. Wayne Price
New Mexico Oil Conservation Division
Environmental Bureau
2040 South Pacheco
Santa Fe, NM 87505

ROCKY MOUNTAIN RESOURCES

Memo

To: Randall Capps

From: Mike Mooney

CC: File

Date: 11/05/98

Re: Capps Federal # 1 – Reserve Pit

Randy – I am in receipt of your letter as of this date in regard to the flowline from the Capps Federal Water tank to the drilling pit – Last Thursday 10/29/98 a small leak was detected in the fiberglass water tank about 4' from the top of the tank – I drained the water tank to the reserve pit to lower the level in the tank to initiate repairs – I used a line which was laying on the west side of the location – I promise you that this line was inside the lined pit and not under the liner – to the best of my knowledge the integrity of the pit liner is good – I will drive by it tomorrow and look at it more closely – I contacted your pumper and told him that I would like to keep water off the patch for 24 hrs – he reiterated that the lease only makes 3 – 4 bbls of water per day. I did not disconnect the line because it was late and I intended to get back to it the following day – I was unaware that the valve at the tank was still open until the evening of 11/4/98 at which time I disconnected it. I am sorry that this has caused you problems with the NMOCD – I did not think that 25 – 30 bbls of water from the tank would be a problem especially with the reserve pit nearly full of Brine water and rain water. The oil in the pit did not come from the water tank but instead was put there when we put the # 1 well on pump jack – we had to bleed down the pressure. I was on location this morning when the BLM inspector was talking with your pumper – He told us to have the oil removed from the pit (which has been done) – repair the weight gaurds on the # 1 well (which has been done) – replace the belt guard on the # 2 well (which has been done) and clean up around the battery (which has been done) – also all the valves are currently sealed - He did not mention anything about the water line probably because I had disconnected the previous evening – He said we had 1 year to let the pit dry and reclaim – As far as contaminated soil you must realize every reclaimed pit in the area will have contaminated soil due to the brine from the pits. The small amount of water that went into the pit from the water tank is negligible – again this is not an excuse but an explanation of what I did and I am sorry for the problems that this has apparently caused. Please let me know if I can be of assistance in this matter

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

(505) 393-6161
FAX: 393-0720

TO: Martyne Kieling - Wayne

FROM: Hobbs OCD - Gary

DATE: 12-18-98

4 pg including cover sheet

COMMENTS:

P.O. Box 352
Midland, Texas 79702
Phone: 915-683-3171
Fax: 915-683-6348

XERIC OIL & GAS CORPORATION

Fax

To: Mr. Gary Wink **From:** Shannon Goble

Fax: 505) 393-0720 **Pages:** 3 inclusive of Cover

Phone: **Date:** 12/16/98

Re: **CC:**

☐ Urgent ☑ For Review ☑ Please Comment ☐ Please Reply

Comments:

Gary,

Sorry that it has taken so long to get one little piece of information rounded up.

SG

Xeric Oil & Gas Corporation
200 N. Loraine, Suite 1000 P.O. Box 352
Midland, Texas 79702
(915) 683-3171 Fax: (915) 683-3152

December 16, 1998

New Mexico OCD
P.O. Box 1980
Hobbs, NM 88241

Attn: Mr. Gary Wink

Dear Sir,

Concerning the recent unauthorized discharge of produced water and hydrocarbons at the West Pearl Queen Unit in Lea County, NM, Xeric Oil & Gas Corporation proposes the following clean-up and bioremediation procedure of said discharge.

PROCEDURE

1) Bioremediation of hydrocarbon affected areas.

(a) The hydrocarbon affected soil shall be placed within a bermed area sufficient in size to properly and adequately contain the contents of said bio-cell. The thickness or lift of the bio-cell shall be between 12" and 18". The cell base shall be tested prior to the introduction of any hydrocarbon affected soil.

(b) Remediation (landfarming) of hydrocarbon contaminated soil shall be conducted on location using fertilizer containing high concentrations of nitrogen, phosphorous, and potassium (4:1:1 ratio). The affected soil shall be combined with the aforementioned fertilizer as well as manure, topsoil, and sawdust in order to enhance and accelerate aerobic biodegradation.

(c) The bio-cell shall be tilled or disced as well as moistened on a monthly basis until the level of hydrocarbon contamination is reduced to acceptable limits (<5,000 parts per million).

2) Remediation of produced water affected areas.

(a) The produced water affected soil shall also be placed in the aforedescribed bio-cell and remediated by the process of leaching. In addition to the nutrients already in place, and upon recommendation from the Environmental Lab of Texas, the bio-cell shall be sprayed with a solution of calcium sulfate (gypsum),

calcium nitrate, and magnesium nitrate. The ratio of this mineral blend shall be 3:1:1.

(b) During each monthly tilling of the bio-cell and throughout the duration of the remediation process, the bio-cell shall be moistened using the abovedescribed mineral solution.

- The NMOCD shall be notified at least 48 hours prior to any samples being taken.
- Upon completion of the bioremediation project, the cell base shall again be tested to assure the existence of acceptable hydrocarbon levels.
- Copies of all laboratory analysis shall be submitted to the NMOCD.
- This bioremediation project is for the sole and exclusive remediation of hydrocarbon contaminated soil belonging to Xeric Oil & Gas Corporation.

Thank you for your continuing patience in this matter and should you have any additional questions or concerns, please do not hesitate to contact me at the letterhead address or telephone number.

Cordially,

Shannon Goble
Environmental Coordinator

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

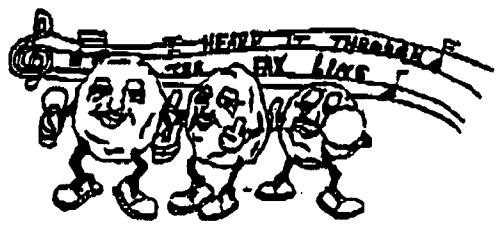
TO: Wayne Price

FROM: Sylvia Ducker F/Gary Wink

DATE: 12/14/98

NUMBER OF PAGES: 3
(INCLUDING COVER)

NMOCD FAX NUMBER: (505) 393-0720
IF YOU DO NOT RECEIVE A TRANSMISSION, CALL (505) 393-6161



WAYNE PRICE
505-827-7155

P.O. Box 352
Midland, Texas 79702
Phone: 915-683-3171
Fax: 915-683-6348

XERIC OIL & GAS CORPORATION

Fax

To: MR. GARY WINK **From:** SHANNON GOBLE

Fax: 505) 393-0720 **Pages:** 2 INCLUSIVE OF COVER

Phone: **Date:** 11/10/98

Re: WPQ SPILL **CC:**

☐ Urgent ☑ For Review ☑ Please Comment ☐ Please Reply

Comments:

GARY,

HEREWITH ARE TPH ANALYSIS OF THE OTHER SAMPLES. IT APPEARS THAT THE VERTICAL EXTENT OF THE CONTAMINATION IS NEGLIGABLE. I HAVE DRAFTED A REMEDIATION PROCEDURE FOR THE AFFECTED ARE BUT AM WAITING ON A LAB IN SOUTH CAROLINA TO CALL WITH THE BLENDING RATIO FOR THE MINERALS WHICH ARE TO BE USED TO REMEDIATE & REDUCE THE SOIL SALINITY CONTENT. I EXPECT THE CALL AROUND 11:00 TEXAS TIME. THANKS FOR YOUR PATIENCE.

S Goble

ENVIRONMENTAL LAB OF [redacted], INC.

"Don't Treat Your Soil Like Dirt"

XERIC OIL & GAS CORPORATION
ATTN: MR. SHANNON GOBLE, J.D.
P.O. BOX 352
MIDLAND, TEXAS 79702
FAX: 915-683-3152

Receiving Date: 11/17/98
Sample Type: Soil
Project #: West Pearl Queen
Project Location: Lea County, New Mexico

Analysis Date: 12/09/98
Sampling Date: see below
Sample Condition: Intact

ELT#	FIELD CODE	Sample Date	TPH mg/kg
15987	WPQ #1 Surface	11/13/98	1,550
15988	WPQ #3 @ 2'	11/16/98	20
15990	WPQ #4 @ 4'	11/16/98	20

QUALITY CONTROL	431
TRUE VALUE	416
% PRECISION	103
BLANK	<10

Methods: EPA 418.1

Roland K. Tuttle — 12-9-98
Roland K. Tuttle — Date

per Gary there are planning on submitting clean-up plan soon JS

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

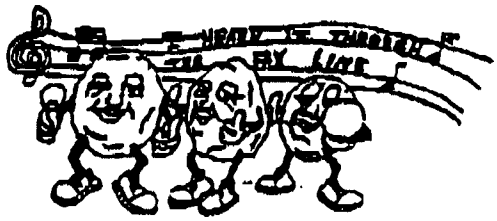
TO: Wayne Price

FROM: Gary Wink

DATE: 12-01-98

NUMBER OF PAGES: 4
(INCLUDING COVER)

NMOCD FAX NUMBER: (505) 393-0720
IF YOU DO NOT RECEIVE A TRANSMISSION, CALL (505) 393-6161



P.O. Box 352
Midland, Texas 79702
Phone: 915-683-3171
Fax: 915-683-6348

XERIC OIL & GAS CORPORATION

Fax

To: Gary Wink **From:** Shannon Goble

Fax: 505) 393-0720 **Pages:** 3 inclusive of Cover

Phone: **Date:** 11/24/98

Re: WPQ Spill **CC:**

☐ Urgent ☑ For Review ☑ Please Comment ☐ Please Reply

Comments:

Mr. Wink,

Please find herewith the lab analysis on samples taken from the spill on the WPQ unit. I will prepare a proposed remediation procedure for your review the early part of next week. Please give me a call with any questions or comments.

Cordially,

S Goble

ENVIRONMENTAL LAB OF , INC.

"Don't Treat Your Soil Like Dirt!"

NOV 3 0 1998

XERIC OIL & GAS CORPORATION
ATTN: MR. SHANNON GOBLE, J.D.
P.O. BOX 352
MIDLAND, TEXAS 79702
FAX: 915-683-3152

Receiving Date: 11/17/98
Sample Type: Soil
Project #: West Pearl Queen
Project Location: Lea County, New Mexico

Analysis Date: 11/17 & 11/18/98
Sampling Date: See below
Sample Condition: Intact

ELT#	FIELD CODE	Sample Date	TPH mg/kg	Chloride mg/kg	Total Fe mg/kg
15987	WPQ #1 Surface	11/13/98	*	35,627	53,750
15988	WPQ #2 Surface	11/13/98	219,000	2,127	39,800
15989	WPQ #3 @ 2'	11/16/98	*	8,594	507,500
15990	WPQ #4 @ 4'	11/16/98	*	3,403	492,500
	QUALITY CONTROL		411	5,211	4.95
	TRUE VALUE		418	5,000	5.00
	% PRECISION		98	104	99
	BLANK		<10	*	<1

Methods: SW 846-3050, 7380, 9252, EPA 418.1

Roland K. Tuttle

11-23-98
Date

ENVIRONMENTAL
LAB OF TEXAS, INC.
"Don't Treat Your Soil Like Dirt!"

Xeric Oil & Gas Corp.
Mr. Shannon Goble, J.D.
Post Office Box 352
Midland, Texas 79702

November 21, 1998

Dear Mr. Goble,

In regard to the amount of iron and chloride in soil to make it toxic there are several things to consider.

Chlorides, usually in brine (salt) spills would form with the most abundant cation, forming sodium chloride. This compound can be very harmful to plant growth, but each crop or plant growing will have its own salt tolerant levels.

The Texas Administrative Code 31 TAC 309.20, describes the amount of salinity giving ranges in electrical conductivity (millimhos/cm at 25 degrees C). Though this is not directly proportional, the conductivity can be used to determine salt tolerant levels.

The levels of electrical conductivity between 8 and 12 millimhos/cm would be equal to or greater than the salt contamination of the WPQ #2 Surface, WPQ #3 @ 2', WPQ #4 @ 4'. At this level highly salt tolerant plants like bermuda, barley (hay), blue grama and panicgrass would perform well. The one sample WPQ #1 Surface (35627 ppm Cl) would fall beyond this level and would be difficult to produce a yield from any plant growth.

To remedy the situation a calcium nitrate/ magnesium nitrate/ gypsum blend would be beneficial with plenty of watering. The purpose of this is to produce a cation exchange with the sodium available to form new compounds (calcium chloride/ magnesium chloride/ sodium sulfate) easier to leach beyond the root zone while also providing a more nutrient rich soil for better plant growth.

As for the iron levels, total iron levels can be found from below 1% (10,000ppm) to beyond 20% (200,000ppm). The levels present in these samples do seem slightly high, yet high iron levels could be deceiving because most iron is not readily available to be absorbed by plants. Unless the pH of the soil is very low most iron will not be absorbed. The soils in this area are not of a low pH which would usually cause a low iron absorption causing a condition call chlorosis.

Therefore, toxic levels for iron in plant life, especially at the levels that are present in this soil under these conditions is not very likely.

Should you need any further information please call me at your convenience.

Sincerely,

Raland K. Tuttle

12600 West I-20 East • Odessa, Texas 79765 • (915) 563-1800 • Fax (915) 563-1713