

1R - 393

# APPROVALS

YEAR(S):

2006 - 2003



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

**Joanna Prukop**

Cabinet Secretary

**Mark E. Fesmire, P.E.**

Director

**Oil Conservation Division**

April 18, 2006

Mr. Bob Allen  
Safety & Environmental Solutions, Inc.  
P.O. Box 1613  
Hobbs, NM 88240

RE: Request for Backfilling at the  
Saga Petroleum Apollo SWD Site  
Section 1, Township 16 South, Range 36 East  
Lea County, New Mexico  
NMOCD File Number 1R-0393

Dear Mr. Allen:

The New Mexico Oil Conservation Division (NMOCD) has received and reviewed the above request, submitted by Safety & Environmental Solutions, Inc. (SESI) on behalf of Saga Petroleum, LLC (Saga). This request is hereby approved with the following understandings and conditions:

1. Sampling on a grid spacing of 25 feet in the bottom of the existing excavation, and analyses of these samples, was accomplished as described in the request.
2. Installation of the 40-mil liner will commence as soon as possible.
3. Groundwater monitoring will continue at the site.
4. Activities at the site during 2006 will be recapped on the 2006 Annual Monitoring Report due to be submitted to the NMOCD Santa Fe office by April 1, 2007.

NMOCD approval does not relieve Saga of liability should its operations at this site prove to have been harmful to public health or the environment. Nor does it relieve Saga of its responsibility to comply with the rules and regulations of any other governmental agency.

If you have any questions, contact me at (505) 476-3492 or [ed.martin@state.nm.us](mailto:ed.martin@state.nm.us)

NEW MEXICO OIL CONSERVATION DIVISION

Edwin E. Martin  
Environmental Bureau

Copy: NMOCD, Hobbs  
Pat McMahan

**Martin, Ed, EMNRD**

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**To:** Bob Allen  
**Cc:** Jerri Lee  
**Subject:** RE: Saga Petroleum Request for permission to backfill

Backfilling of this site is hereby approved. I will send a hard copy today or tomorrow.

*Ed Martin*

New Mexico Oil Conservation Division  
Environmental Bureau  
1220 S. St. Francis  
Santa Fe, NM 87505  
Phone: 505-476-3492  
Fax: 505-476-3462  
email: [ed.martin@state.nm.us](mailto:ed.martin@state.nm.us)

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**From:** Bob Allen [mailto:[ballen@sesi-nm.com](mailto:ballen@sesi-nm.com)]  
**Sent:** Monday, April 17, 2006 3:25 PM  
**To:** Martin, Ed, EMNRD  
**Cc:** Mark Caldwell; Patrick McMahon  
**Subject:** Saga Petroleum Request for permission to backfill

Ed...per our conversation today. Thanks

Bob Allen  
Safety & Environmental Solutions, Inc.  
505-397-0510  
505-390-7063 Cell



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

**Joanna Prukop**

Cabinet Secretary

**Mark E. Fesmire, P.E.**

Director

**Oil Conservation Division**

June 21, 2005

Mr. Huckaba  
Saga Petroleum LLC  
415 W. Wall, Suite 1900  
Midland, Texas 79701

Reference: Apollo SWD Section 1-Township 17S-Range 36E  
Lovington fresh water well field OCD Case # 1R0393

Dear Mr. Huckaba:

The New Mexico Oil Conservation Division (OCD) is in receipt of the May 17, 2005 Apollo SWD work plan submitted by Safety & Environmental Solutions, Inc. on behalf of Saga Petroleum LLC. The OCD hereby approves of the plan with the following conditions:

1. This project shall start no later than July 01, 2005. The excavation depth shall be no less than 10 feet. All contaminated soils removed from the site shall be disposed of at an OCD approved site.
2. The site shall be delineated both horizontally and vertically. The delineation parameters will be as follows. TPH 100 ppm, chlorides 250 ppm, total BTEX 100 ppm.
3. Samples for laboratory confirmation shall be collected from the bottom and side walls of the final excavated area. The samples shall be analyzed for BTEX (8021), TPH (418.1 or 8015 GRO & DRO) and chlorides all using EPA approved methods.
4. An interim report shall be submitted to the OCD within 10 days of the final excavation or no later than August 15, 2005. This report shall contain the results of the analysis requested in items 2 and 3 above. The report shall contain a log of events, waste disposal manifest, photos and conclusions. The excavated area shall not be backfilled until OCD approves.
5. The liner installation shall extend 10 feet horizontally past any remaining contamination. A suitable amount of top soil similar to the existing conditions shall be placed on top of the clean compacted caliche backfill material.
6. Saga will notify the OCD Santa Fe office and the OCD District office at least 72 hours in advance of all scheduled activities such that the OCD has the opportunity to witness the events and/or split samples during OCD's normal business hours.

Please be advised that NMOCD approval of this plan does not relieve (Saga Petroleum LLC) of responsibility should their operations fail to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD approval does not relieve (Saga Petroleum LLC) of responsibility for compliance with any other federal, state, or local laws and/or regulations.

If you have any questions please do not hesitate to contact me at 505-476-3487 or e-mail [wayne.price@state.nm.us](mailto:wayne.price@state.nm.us).

Sincerely;

A handwritten signature in black ink, appearing to read 'Wayne Price', with a long horizontal flourish extending to the right.

Wayne Price-Pet. Engr. Spec.

cc:      OCD Hobbs Office  
          City of Lovington, NM



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**  
Governor  
**Joanna Prukop**  
Cabinet Secretary

**Lori Wrotenberg**  
Director  
**Oil Conservation Division**

November 21, 2003

Mr. Chuck Farmer  
Saga Petroleum  
415 W. Wall Suite 1900  
Midland Texas 79701

Subject: **Contamination from Oil Field Operations**

The New Mexico Oil Conservation Division (OCD) recently received a complaint from the City of Lovington New Mexico concerning surface contamination at two Saga Petroleum (Saga) facilities, the Apollo Salt Water Disposal (SWD) system and the State AE abandoned (old Penroc) tank battery site located in Sec 1-Ts 17s-R 36e and Sec 36-Ts 16s-R 36e, respectively. The city owns approximately 1800 acres of land in this area where its fresh water wells are located.

At the request of the City, the OCD conducted a joint inspection with City of Lovington officials and noted several deficiencies (see attached inspection report). Based on the following findings, OCD requires Saga to perform corrective actions as listed below.

**A. State AE abandoned (old Penroc) tank battery site located in Sec 36-Ts 16s-R 36e:**

*Finding:*

Visual contamination that exhibited gross staining was noted on the ground surface and around the abandoned tanks.

*Corrective Action Required:*

Saga shall submit an action plan for OCD approval by December 15, 2003. The plan shall describe how Saga plans to correct the problems OCD found, including plans to remove sources of contamination, determine the extent of contamination, and clean up and remediate the site.

**B. Apollo Salt Water Disposal (SWD) system site located in Sec 1-Ts 17s-R 36e.**

*Findings:*

1. Visual contamination that exhibited gross oil and salt staining was noted on the ground surface.
2. Water from pumps was being discharged to the ground surface at time of visit.
3. The sign did not identify the legal location.
4. Part of the location has been abandoned.
5. There is an old pit located on-site that requires proper closure.

Corrective Action Required:

1. Saga shall make notification and perform corrective actions on all future leaks and spills pursuant to 19.15.C.116 NMAC and abide by all OCD rules and regulations.
2. Saga shall immediately stop all releases of oilfield products or waste, make repairs to equipment to prevent future releases, and install best management practices where feasible.
3. Saga shall submit an action plan for OCD approval by December 15, 2003. The plan shall describe how Saga plans to correct the problems OCD found, including a clean up and remediation plan, and a plan to determine the extent of contamination at the site.
4. Saga shall submit evidence that OCD Rule 118 (Hydrogen Sulfide) H<sub>2</sub>S is being complied with.

If you have any questions please do not hesitate to contact me at 505-476-3487 or [WPRICE@state.nm.us](mailto:WPRICE@state.nm.us).

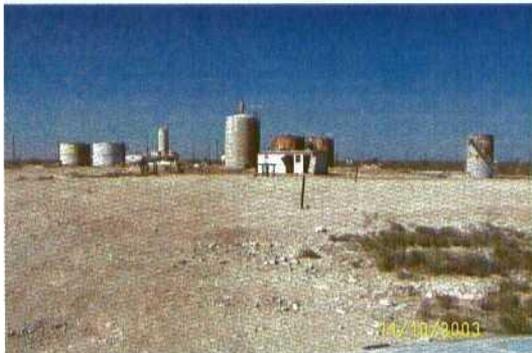
Sincerely;



Wayne Price-Pet. Engineer

cc: OCD Hobbs Office

Attachments-2



Picture # 1429- Abandoned battery on left side of picture, active salt water disposal tanks and pumps on right side. Picture taken from south side looking north.



Picture # 1435- Saga SWD tanks and centrifugal pumps inside of berm. Picture taken from west side looking SE. At time of site visit these pumps were leaking water onto the ground surface.



Picture #1430- Active SWD south side looking north.



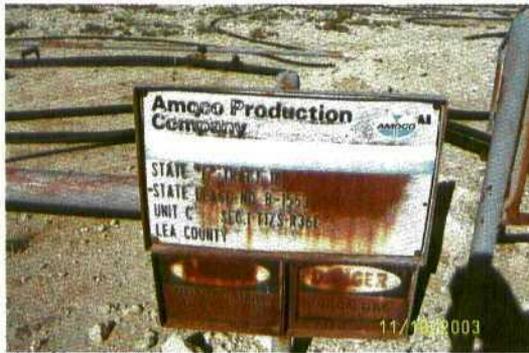
Picture # 1436- North side of pumps looking south. Soil is wet and gross salt water staining observed.



Picture #1431- Active well located approximately 150 feet SE of Saga SWD facility.



Picture # 1437- Cattle tracks observed inside of SWD berm on NE side.



Picture # 1438- Facility sign located between SWD tanks and abandoned production header and vessels.



Picture # 1448- Looking inside of pit.



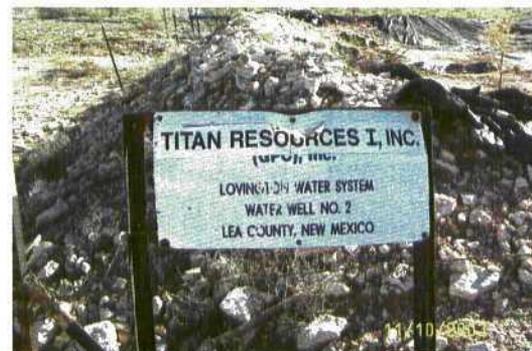
Picture # 1445- NE corner of SWD berm area. Salt water stains observed.



Picture # 1461- Apparent abandoned unplugged water source well used to fill pit.



Picture # 1447 Old fresh water pit located approximately 200 feet ENE from Saga facility. Picture taken SW looking NE. Navajo Oil Refinery in background.



Picture # 1462- Pit identification sign on NE corner.



Picture # 1463- Pit NE corner looking west.  
Saga Apollo SWD facility show in background.



Picture # 1464- Low lying area located 150 feet  
east of pit.

November 18, 2003

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Saga Petroleum  
415 W. Wall Suite 1900  
Midland Texas 79701

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Sincerely;

Wayne Price-Pet. Engineer

cc: OCD Hobbs Office

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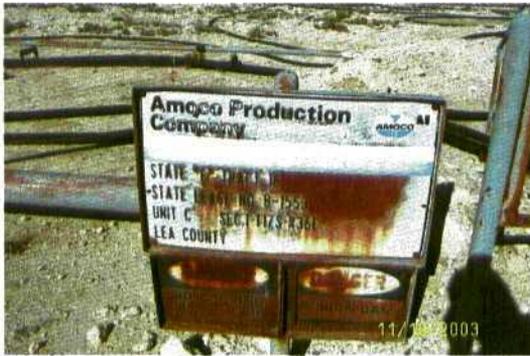
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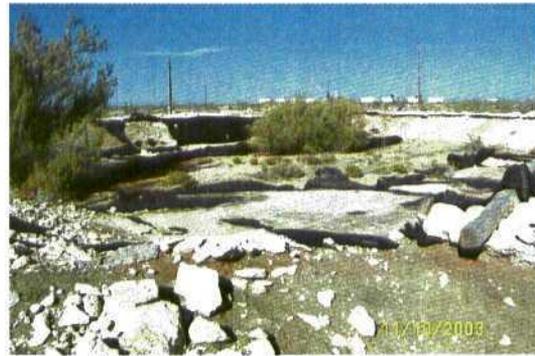
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