

1R - 393

**GENERAL
CORRESPONDENCE**

YEAR(S):
2006 - 2004



P.O. Box 1613
703 E. Clinton Suite 102
Hobbs, New Mexico 88240
505/397-0510
Fax 505/393-4388
www.sesi-nm.com

Safety & Environmental Solutions, Inc.

April 17, 2006

Mr. Wayne Price
Bureau Chief
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe New Mexico 87505

Dear Wayne:

This letter is to inform you that Safety & Environmental Solutions Inc. (SESI) has completed excavation of the Saga Petroleum Apollo SWD site located in Section 1, Township 16S, Range 36E, Lea County, New Mexico

The area inside the berm has been excavated to a depth of approximately 10 to 12 feet. The excavated area was sampled on a grid spacing of 25'. A 5-point composite sample was retrieved from each of these areas. The samples were properly preserved and transported under Chain of Custody to Argon Laboratories of Hobbs, New Mexico. The samples were analyzed for TPH (EPA Method 418.1), Chlorides (Standards Method 4500-CLC, and BTEX (EPA Method 8021). The results of the analysis were as follows:

Sample ID	TPH (ppm)	Chloride (ppm)	Benzene (ppm)	Toluene (ppm)	Ethyl Benzene (ppm)	Xylenes (ppm)
1A	230	2300	ND	ND	ND	ND
1B	140	2300	ND	ND	ND	ND
1C	460	1200	ND	ND	ND	ND
1D	500	1500	ND	ND	ND	ND
1E	350	1300	ND	ND	ND	ND
2A	210	2400	ND	ND	ND	ND
2B	300	1400	ND	ND	ND	ND
2C	140	1200	ND	ND	ND	ND
2D	530	930	ND	ND	ND	ND
2E	530	1100	ND	ND	ND	ND
3A	260	1100	ND	ND	ND	ND
3B	170	1300	ND	ND	ND	ND
3C	1700	1100	ND	ND	ND	ND
3D	690	690	ND	ND	ND	ND
4A	240	1500	ND	ND	ND	ND
4B	1200	1200	ND	ND	ND	ND
4C	1400	850	ND	ND	ND	ND
4D	640	870	ND	ND	ND	ND
5A	1400	1000	ND	ND	ND	ND
5B	1100	1200	ND	ND	ND	ND
5C	280	1600	ND	ND	ND	ND
5D	490	1800	ND	ND	ND	ND

The results for areas 3C, 4B, 4C, 5A and 5B were above the action level of 1000 ppm TPH. These areas were excavated an additional two feet and resampled. The samples were properly preserved and transported under Chain of Custody to Argon Laboratories of Hobbs, New Mexico. The samples were analyzed for TPH (EPA Method 418.1), Chlorides (Standards Method 4500-CLC, and BTEX (EPA Method 8021). The results of the analysis were as follows:

Sample ID	TPH (ppm)	Chloride (ppm)	Benzene (ppm)	Toluene (ppm)	Ethyl Benzend (ppm)	Xylenes (ppm)
3C	190	390	ND	ND	ND	Nd
4C	75	190	ND	ND	ND	N
4B	32	600	ND	ND	ND	ND
5B	690	770	ND	ND	ND	ND
5A	120	580	ND	ND	ND	ND

The results of the second sampling indicate levels under the 1000 ppm TPH action level required at this site.

We are requesting your approval to commence backfilling operations and installation of the 40 mil liner immediately. After installation of the liner, the remaining excavation will be backfilled with clean material from off-site and returned to grade.

Thank you for your prompt attention to this matter as time is of the essence.

If I may answer any questions, or be of further service, please contact me at 505-390-7063.

Sincerely,

Bob Allen ASP, CHMM, REM,CET, CES
President

Martin, Ed, EMNRD

To: Bob Allen (ballen@sesi-nm.com)
Cc: VonGonten, Glenn, EMNRD; Price, Wayne, EMNRD
Subject: Saga Petroleum Apollo Well

Please advise on the status of this project. Per a letter, dated June 21, 2005, the work on this site should have started on July 1, 2005.

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

Price, Wayne, EMNRD

From: Price, Wayne, EMNRD **Sent:** Wed 6/15/2005 9:59 AM
To: hsncpbm@leaco.net
Cc:
Subject: FW: Saga Petroleum Lovington Well Field Apollo SWD OCD Case # 1R0393 State AE OCD Case #1R0392
Attachments:  Apollo Work Plan 5-17-05.doc(3MB)

Patrick, do you have any comments on this plan before OCD approves?

From: Bob Allen [mailto:ballen@sesi-nm.com]
Sent: Wed 6/15/2005 9:23 AM
To: Price, Wayne, EMNRD
Subject: RE: Saga Petroleum Lovington Well Field Apollo SWD OCD Case # 1R0393 State AE OCD Case #1R0392

Bob Allen

Safety & Environmental Solutions, Inc.

505-397-0510

505-390-7063 Cell

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

From: Price, Wayne, EMNRD [mailto:wayne.price@state.nm.us]
Sent: Wednesday, June 15, 2005 7:50 AM
To: Bob Allen
Cc: Edmund H. Kendrick; Johnson, Larry, EMNRD
Subject: RE: Saga Petroleum Lovington Well Field Apollo SWD OCD Case # 1R0393 State AE OCD Case #1R0392

Thanks Bob for the up-date. Due to the length of time that has transpired from my last approval please submit a new plan for OCD Santa Fe approval. Please note due to the sensitivity of this project OCD is requiring all projects that are located in the Lovington Well Field to be reviewed by the Santa Fe Environmental Bureau. This includes all previous approvals issued out of the District Office if the work has not been completed.

Please submit the plan within 10 days.

From: Bob Allen [mailto:ballen@sesi-nm.com]
Sent: Wed 6/15/2005 7:35 AM
To: Price, Wayne, EMNRD
Cc: Edmund H. Kendrick
Subject: RE: Saga Petroleum Lovington Well Field Apollo SWD OCD Case # 1R0393 State AE OCD Case #1R0392

Wayne...

Saga Petroleum and the City of Lovington have been in negotiations regarding the Apollo SWD, the moving of the facility and the following cleanup. I am happy to report that these negotiations appear to be coming to a close which will allow the completion of the approved work plans. The AE project will follow with the completion of the Apollo. Please let me know if you require additional information.

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

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

From: Price, Wayne [mailto:WPrice@state.nm.us]
Sent: Thursday, June 02, 2005 9:17 AM
To: 'bhusband@latigopetro.com'
Cc: Johnson, Larry; Bob Allen (E-mail); Pat Wise (E-mail); Patrick B. McMahon (E-mail)
Subject: Saga Petroleum Lovington Well Field Apollo SWD OCD Case # 1R0393 State AE OCD Case #1R0392

Dear Bonnie:

On January 26, 2004 and February 02, 2004 the OCD approved works plans for the two subject sites. As of this date we have not received closure plans for these sites. Please provide the status of these two sites within 10 days.

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

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Price, Wayne, EMNRD

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Attachments:  Apollo Work Plan 5-17-05.doc(5MB)

Bob Allen

Safety & Environmental Solutions, Inc.

505-397-0510

505-390-7063 Cell

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

From: Price, Wayne, EMNRD [mailto:wayne.price@state.nm.us]
Sent: Wednesday, June 15, 2005 7:50 AM
To: Bob Allen
Cc: Edmund H. Kendrick; Johnson, Larry, EMNRD
Subject: RE: Saga Petroleum Lovington Well Field Apollo SWD OCD Case # 1R0393 State AE OCD Case #1R0392

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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

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Price, Wayne, EMNRD

From: Price, Wayne, EMNRD **Sent:** Wed 6/15/2005 8:50 AM
To: Bob Allen
Cc: Edmund H. Kendrick; Johnson, Larry, EMNRD
Subject: RE: Saga Petroleum Lovington Well Field Apollo SWD OCD Case # 1R0393 State AE OCD Case #1R0392
Attachments:

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Bob Allen
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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

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LAW OFFICES

HEIDEL, SAMBERSON, NEWELL, COX & MCMAHON

C. GENE SAMBERSON
MICHAEL T. NEWELL
LEWIS C. COX, III
PATRICK B. MCMAHON

311 NORTH FIRST STREET
POST OFFICE DRAWER 1599
LOVINGTON, NEW MEXICO 88260
TELEPHONE (505) 396-5303
FAX (505) 396-5305

F.L. HEIDEL
(1913-1985)

TELECOPY TRANSMITTAL SHEET

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DATE: February 10, 2004

TIME: 10:56am

TO: Wayne Price (505) 476-3462

Re: Saga Petroleum Site Investigation

YOU SHOULD RECEIVE 10 PAGE(S) OF COPY, INCLUDING THIS COVER PAGE. PLEASE NOTIFY US IMMEDIATELY AT (505) 396-5303 IF NOT RECEIVED PROPERLY.

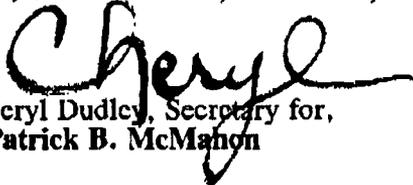
- FOR YOUR INFORMATION/RECORDS
- AS WAS DISCUSSED
- FOR YOUR REVIEW
- PER YOUR REQUEST
- FOR YOUR COMMENTS
- PLEASE CALL ABOUT THIS

If you have any questions, please do not hesitate to call.

IF CHECKED ORIGINAL WILL BE FORWARDED TO YOU BY:
 FEDERAL EXPRESS REGULAR MAIL

THANK YOU,

HEIDEL, SAMBERSON, NEWELL, COX & MCMAHON

By:  Cheryl Dudley, Secretary for,
Patrick B. McMahon

LAW OFFICES

HEIDEL, SAMBERSON, NEWELL, COX & McMAHON

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F.L. HEIDEL
(1913-1985)

February 10, 2004

Wayne Price
Oil Conservation Division
P.O. Box 6429
Santa Fe, NM 87505

Re: Review of the Saga Petroleum Site Investigation

Dear Mr. Price,

Enclosed for your information and review is a copy of this firm's comments to Mr. Bob Allen in reference to the above-mentioned matter.

Thank you for your attention to this matter. Please contact me upon your review.

Sincerely,

HEIDEL, SAMBERSON, NEWELL, COX & McMAHON

By: 
Patrick B. McMahon

PBM:cd
Enclosure
pc: Pat Wise
Bob Allen

LAW OFFICES

HEIDEL, SAMBERSON, NEWELL, COX & McMAHON

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F.L. HEIDEL
(1913-1985)

MAR 01 2004

Oil Conservation Division
1220 S. Saint Francis Drive
Santa Fe, NM 87505

February 26, 2004

Wayne Price
The Energy, Minerals and Natural Resource
P.O. Box 6429
Santa Fe, NM 87505

Re: Saga Petroleum Apollo SWD

Dear Mr. Price,

As per our conversation, please find enclosed a photo copy of an aerial photograph that I obtained from the USDA offices in Lovington, New Mexico. The photograph was taken sometime in 1976. The Saga Petroleum Apollo SWD battery (Section 1, Township 17 South, Range 36 East, NMPM) is located in the red square.

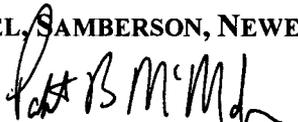
On behalf of the City of Lovington, I am requesting that the OCD and Saga Petroleum thoroughly investigate the Apollo SWD site for oil field contamination. This request is based upon what appears to be gross staining directly to the northwest, the north and east of this tank battery which is evident in the photocopy. In addition, during the November 7, 2003 tour of the City's well field, which you attended, this same area exhibited gross staining and contained large areas of weathered hydrocarbons.

Your attention to this matter is greatly appreciated. If you have any questions, please do not hesitate to call.

Sincerely,

HEIDEL, SAMBERSON, NEWELL, COX & McMAHON

By:


Patrick B. McMahon

PBM:cd
Enclosure

pc: Pat Wise
Bob Allen

LAW OFFICES

HEIDEL, SAMBERSON, NEWELL, COX & McMAHON

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F.L. HEIDEL
(1913-1985)

February 6, 2004

Bob Allen
Safety and Environmental Solutions, Inc.
703 E. Clinton
Suite 103
Hobbs, NM 88240

Re: Review of Saga Petroleum LLC, Apollo SWD Site Investigation

Dear Bob,

As per your request I have reviewed the Plan for the Saga State AE Battery ("Battery"). The following are the City's draft comments on that Plan. Please contact me upon your review.

I. Background

No comments.

II. Surface and Groundwater

The City disagrees that the State Engineer's Office database indicates no groundwater of record for Section 36, Township 16 South, Ranch 36 East, NMPM. Attached is a partial printout from that database showing those groundwater records. Also attached is a portion of a map that identifies City Well #13. City Well #13 is approximately 500 feet southeast of the Battery.

III. Soils

No Comments.

Letter to Bob Allen
Review of Saga Petroleum Site Investigation
February 6, 2004
Page two.

IV. Work Performed

Drilling of Boreholes

The Site Plan identifies BH1 as being inside the tank ring. The photo, "Tank Pad and Boreholes", appears to be looking North. The photo depicts BH1 outside the tank ring, to the south. The photo does not depict BH4.

Attached is a copy of an aerial photograph obtained from the USDA offices in Lovington, New Mexico. The Battery is located in between the two white areas. Based upon review of the aerial, the City requests investigation of what appears to be a stained soil area on or near the Battery's east boundary. Based upon a site inspection, the City requests investigation of areas of weathered crude oil located on the northern portion of the Battery area.

For reasons set forth in the Conclusions, the City requests an additional borehole, located down gradient of the Battery, drilled to the depth of groundwater.

V. Conclusions and Recommendations

The results of the analysts do not indicate that the vertical extent of TPH or chloride contamination does not exceed 10' in depth. The results indicate TPH and Chloride contamination levels at the 10' interval only. Conclusions of the contamination levels in soil from surface to the 10' sample interval and from the 10' sample interval to groundwater are not supported by the Work Performed at the site.

The City requests that this sit be delineated to determine "Depth to Groundwater" (as it is defined in the OCD's Guidelines for Remediation of Leaks, Spills and Releases), that the site be ranked accordingly and remediated to appropriate levels considering its close proximity to a public water supply.

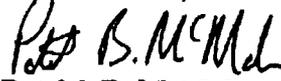
The City does not agree with any soil remediation, blending, etc. on the site. Any backfill material brought on site should not be unlike background soil for that area.

The City does not oppose the four requirements set forth by Mr. Wayne Price in his February 2, 2004 e-mail to Mr. Bob Allen. (A copy of which is attached hereto). However, the City does reserve the right to object to an "alternate closure plan".

Sincerely,

Letter to Bob Allen
Review of Saga Petroleum Site Investigation
February 6, 2004
Page three.

HEIDEL, SAMBERSON, NEWELL, COX & MCMAHON

By: 
Patrick B. McMahon

PBM:cd
Enclosures

New Mexico Office of the State Engineer
Well Reports and Downloads

Township: Range: Sections:

NAD27 X: Y: Zone: Search Radius:

County: Basin: Number: Suffix:

Owner Name: (First) (Last) Non-Domestic Domestic All



WELL / SURFACE DATA REPORT 02/05/2004

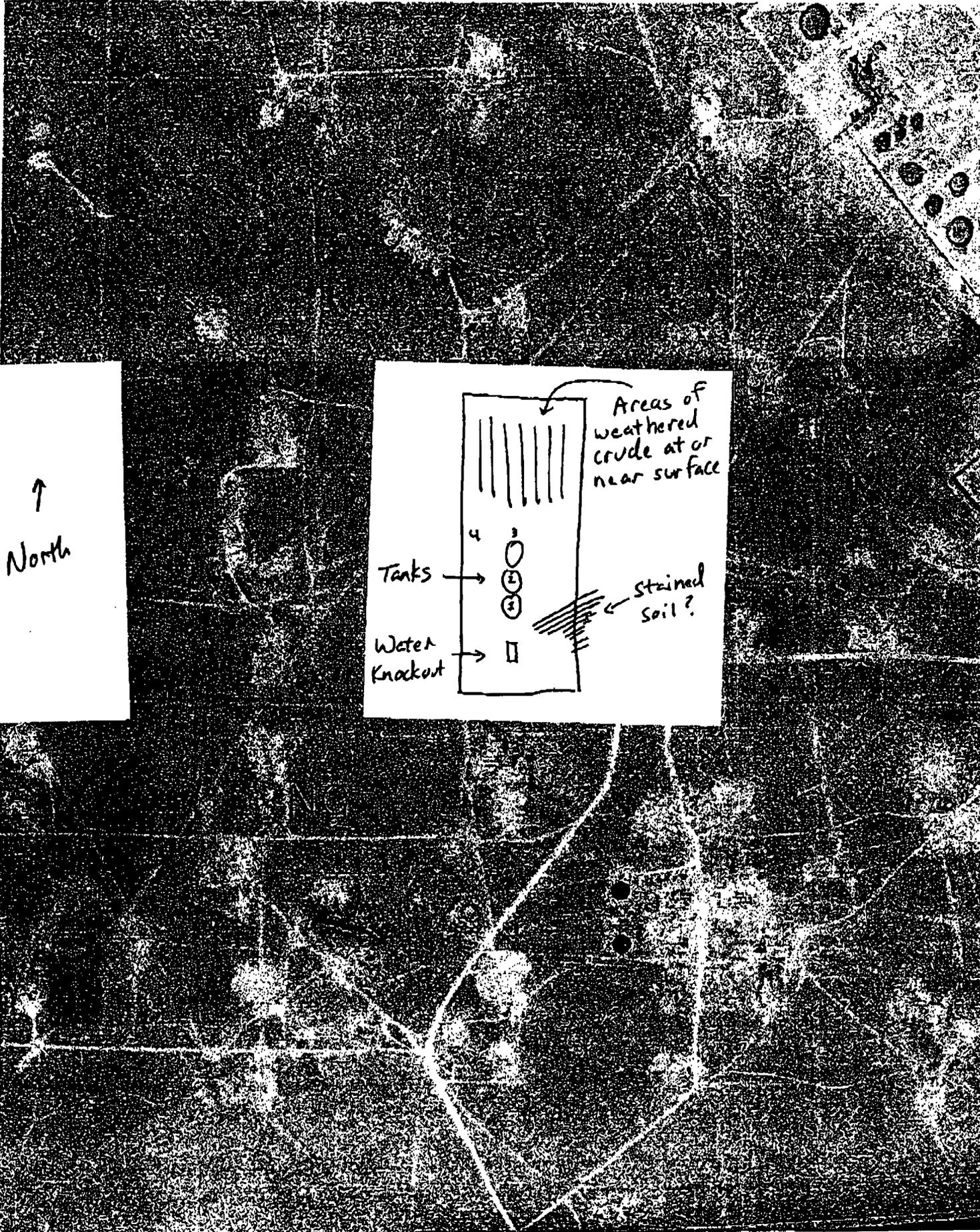
(acre ft per annum)

DB File Nbr	Use	Diversion	Owner
L 01350	PRO	3	PARKER DRILLING CO.
L 01371	PRO	3	SHARP DRILLING CO.
L 01438	PRO	0	SKERELLY OIL CO.
L 01557	PRO	3	WARREN BRADSHAW
L 01567	PRO	3	MAGNOLIA PETROLEUM COMPANY
L 04058	MUN	0	CITY OF LOVINGTON

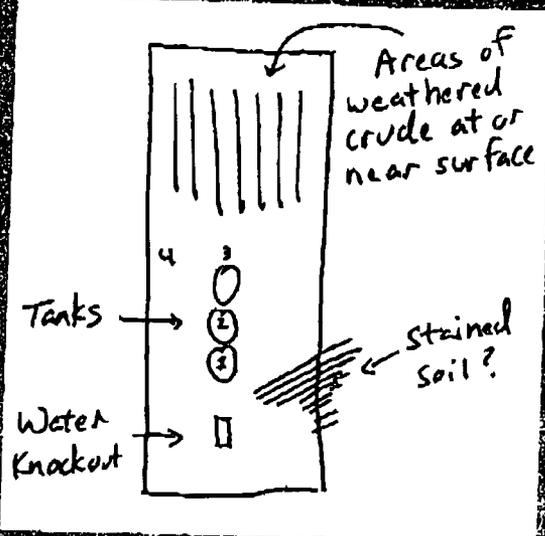
(quarters are 1=NW 2=NE 3=SW 4=SE)
(quarters are biggest to smallest)

Well Number	Source	Twg	Rng	Sec	q	q	q	q	X	Y	are in	I
L 01350 APPRO	Shallow	16S	36E	36	4	2						
L 01371 APPRO	Shallow	16S	36E	36	4	3	4					
L 01438 APPRO	Shallow	16S	36E	36	4	3						
L 01557 APPRO	Shallow	16S	36E	36	3	3	4					
L 01567		16S	36E	36								
L 04058 (EXPLORE)		16S	36E	36	1	3	2					
L 04058 8-24	Shallow	16S	36E	36	1	1	2					
L 04058 8-25	Shallow	16S	36E	36	1	1	2					

Record Count: 9



↑
North



Pat Wise

From: "Price, Wayne" <WPrice@state.nm.us>
To: "Bob Allen" <ballen@sesi-nm.com>; "Price, Wayne" <WPrice@state.nm.us>
Cc: "B. Husband" <bhusband@sagapetroleum.com>; "Bruce Woodard" <bwoodard@sagapetroleum.com>; "Williams, Chris" <CWilliams@state.nm.us>; "Johnson, Larry" <LWJohnson@state.nm.us>; "Pat Wise" <pwise@lovington-nm.org>
Sent: Monday, February 02, 2004 1:33 PM
Subject: RE: Saga State AE Battery

Dr. Mr. Allen: Representative for Saga Petroleum.

The Saga AE Battery is located within the City of Lovington's fresh water well field and located approximately 400-500 feet from one of the city wells. The OCD will require that Saga clean-up to the most stringent clean-up standards due to the location of this site. The attached clean-up plan is hereby approved subject to the following additional conditions:

1. The City of Lovington must be notified before activities start and have ample opportunity to review and comment on the plan including witnessing all significant activities. Saga shall provide proof that the City of Lovington agrees with the plan.
2. All soils exceeding 100 ppm TPH and 250 ppm chlorides shall be excavated and removed. If the contamination exceeds 15 feet in depth, then Saga may propose an alternate closure plan subject to OCD approval.
3. All waste shall be disposed of off-site at an OCD approved site.
4. All back fill shall be clean soil and properly compacted. The surface shall be restored for native plant growth.

Saga shall provide a closure report by February 20, 2004 for OCD approval. The report shall contain the results of the bottom hole and sidewall analytical results photos etc. Soil samples shall be collected for TPH, BTEX and Chlorides.

Please be advised that NMOCD approval of this plan does not relieve Saga Petroleum of liability 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 Sage Petroleum of responsibility for compliance with any other federal, state, or local laws and/or regulations.

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

From: Bob Allen [mailto:ballen@sesi-nm.com]
Sent: Monday, February 02, 2004 9:14 AM
To: 'Bob Allen'; Wayne Price
Cc: B. Husband; Bruce Woodard; Chris Williams; Larry Johnson; Pat Wise
Subject: RE: Saga State AE Battery

Wayne...please accept this amended copy of the Site Investigation for your review. Please note the addition of the language regarding the excavation of the horizontal extent to 100 ppm to insure no migration to the City of Lovington water well.

2/2/2004

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

2/2/2004

LAW OFFICES

HEIDEL, SAMBERSON, NEWELL, COX & McMAHON

C. GENE SAMBERSON
MICHAEL T. NEWELL
LEWIS C. COX, III
PATRICK B. McMAHON

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TELEPHONE (505) 396-5303
FAX (505) 396-5305

F.L. HEIDEL
(1913-1985)

February 19, 2004

RECEIVED

FEB 25 2004

OIL CONSERVATION
DIVISION

Wayne Price
P. O. Box 6429
Santa Fe NM 87504-6429

Re: City of Lovington Water Wells (No. 17 and No. 21)

Dear Mr. Price,

As per our conversation please find enclosed a map showing a portion of the City's water field. The map identifies the location of well numbers 17 and 21, as well as, the Apollo State AE/Penrock Battery and the Sage Petroleum Apollo SWD (identified as Penrock Batt.).

Also, enclosed are copies of water analysis' results for city water wells including 17 and 21. These samples were collected by Pure Resources personnel. Although well number 17 is close to the 250ppm Chloride limit, the fluctuation in sample results is not large. Well number 21, however, does exhibit a marked increased of chlorides from August 2003 to November of 2003, and approaches the 250ppm limit. Sampling protocol should be confirmed with Pure Resources.

Additionally, I have enclosed sample results from Mr. Bob Allen taken on or about February 10, 2004. Although the chloride level in well number 21 has decreased from the November 2003 result, sample results appear to confirm a recent spike in chlorides. Mr. Allen and the City will be re-sampling well number 21 in the very near future. I will forward sample results as they become available.

Your attention to this matter is greatly appreciated. If you have any questions, please do not hesitate to call.

Sincerely,

Letter to Wayne Price
City of Lovington Water Wells Nos. 17 and 21
February 19, 2004
Page two.

HEIDEL, SAMBERSON, NEWELL, COX & MCMAHON

By:



Patrick B. McMahon

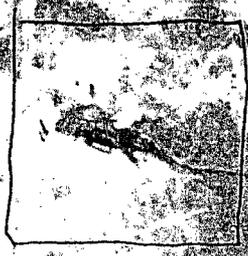
PBM:cd

Enclosures

pc: Pat Wise, Lovington City Manager
Eddie Seay
Bob Allen

↑
NORTH

NC



Price, Wayne

From: Price, Wayne
Sent: Thursday, June 02, 2005 10:37 AM
To: 'khuckaba@sagapetroleum.com'; Pat Wise (E-mail); Patrick B. McMahon (E-mail); Bob Allen (E-mail)
Cc: Johnson, Larry
Subject: FW: Saga Petroleum Lovington Well Field Apollo SWD OCD Case # 1R0393 State AE OCD Case #1R0392

Dear Mr. Huckaba:

On January 26, 2004 and February 02, 2004 the OCD approved works plans for the two subject sites. As of this date we have not received closure plans for these sites. Please provide the status of these two sites within 10 days.

[Price, Wayne]

[Price, Wayne]

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

From: Price, Wayne
Sent: Thursday, June 02, 2005 10:17 AM
To: 'bhusband@latigopetro.com'
Cc: Johnson, Larry; Bob Allen (E-mail); Pat Wise (E-mail); Patrick B. McMahon (E-mail)
Subject: Saga Petroleum Lovington Well Field Apollo SWD OCD Case # 1R0393 State AE OCD Case #1R0392

Dear Bonnie:

On January 26, 2004 and February 02, 2004 the OCD approved works plans for the two subject sites. As of this date we have not received closure plans for these sites. Please provide the status of these two sites within 10 days.

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

Price, Wayne

From: Price, Wayne
Sent: Thursday, June 02, 2005 10:17 AM
To: 'bhusband@latigopetro.com'
Cc: Johnson, Larry; Bob Allen (E-mail); Pat Wise (E-mail); Patrick B. McMahon (E-mail)
Subject: Saga Petroleum Lovington Well Field Apollo SWD OCD Case # 1R0393 State AE OCD Case #1R0392

Dear Bonnie:

On January 26, 2004 and February 02, 2004 the OCD approved works plans for the two subject sites. As of this date we have not received closure plans for these sites. Please provide the status of these two sites within 10 days.

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

Price, Wayne

From: Bob Allen [ballen@sesi-nm.com]
Sent: Tuesday, January 27, 2004 8:22 AM
To: 'Pat Wise'
Cc: Larry Johnson; 'Chris Williams'; Wayne Price

Pursuant to the email approval of the Work Plan for the Apollo SWD dated 1-26-04. SESI will install the monitor well next to the bermed area on Wednesday, January 28, 2004 at 8:00 A.M. This well will be developed and sampled on Thursday afternoon at a time to be determined. All parties will be notified of the sampling time.

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

Price, Wayne

From: Price, Wayne
Sent: Monday, January 26, 2004 3:56 PM
To: Bob Allen (E-mail)
Cc: 'pwise@lovington-nm.org'; Williams, Chris; Wrotenbery, Lori; Anderson, Roger
Subject: FW: Apollo SWD State Sec 1-Ts17s-R36e

Dr. Mr. Allen: Representative for Saga Petroleum.

The attached site investigation plan is hereby approved subject to the following conditions:

- 1. The City of Lovington must be notified before activities start and have ample opportunity to witness all activities.**
- 2. A second well will be placed between the city of Lovington fresh water well and the site as originally planned.**
- 3. The proposed monitor well located nearest the site will be drilled starting no later than Wednesday January 28, 2004. The well shall be drilled, constructed, developed, purged and sampled pursuant to EPA standards and OCD guidance.**
- 4. Saga shall provide a progress report by February 06, 2004 with conclusions and recommendations.**
- 5. The new location shall be deemed clean before constructing site. The new liner shall be installed over the berm and anchored in a trench on top of the berm.**

Please be advised that NMOCD approval of this plan does not relieve Saga Petroleum of liability 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 Sage Petroleum of responsibility for compliance with any other federal, state, or local laws and/or regulations.

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

From: Bob Allen [mailto:ballen@sesi-nm.com]
Sent: Friday, January 23, 2004 3:10 PM
To: Wayne Price
Subject:

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

Lori Wrotenbery

Director

Oil Conservation Division

November 21, 2003

Mr. Pat Wise, City Manager
City of Lovington
P.O. Box 1269
Lovington, New Mexico 88260

RE: LOVINGTON CITY WATER WELL FIELD

Dear Mr. Wise:

On November 7, 2003, staff members of the New Mexico Oil Conservation Division (NMOCD) and I met with you, Mayor Harris, Mayor Pro-Tem Shipp and other officials of the City of Lovington to tour oilfield activities within the city water well field south of Lovington, New Mexico. During the tour, you expressed concerns about some spill sites and two former pit locations within the bounds of the water well field. At that time, I informed you that NMOCD would look into the matter and respond to you. Below you will find specific information for each site and actions that the NMOCD is taking or has previously taken at these sites. The sites are listed in the order of the stops that were made during the tour.

Stop 1

This stop was the site of a produced water spill on January 26, 2003 from the Pure Resources Lovington Paddock Unit Well #21 injection line. Approximately 230 barrels (bbls) of produced water were spilled and 130 bbls were recovered. Pure Resources reported the spill to the NMOCD on January 26, 2003 and subsequently submitted a project plan/site investigation report. The NMOCD has reviewed this document and found the preliminary investigations and proposed work plan to be satisfactory. As observed during the inspections, Pure Resources has currently excavated the spill area. The NMOCD, by letter, has directed Pure Resources to submit the results of the excavation work and their proposal for completing site remediation to the OCD for approval. Attached is a copy of the NMOCD inspection report and letter to Pure Resources.

Stop 2

According to Pure Resources, this stop is the site of a produced water line leak connected to Pure Resources' Lovington Paddock Unit Well # 106 where approximately two barrels of produced water were spilled. Pure Resources stated that since the volume of the spill was below the NMOCD reporting requirements of Rule 116, the spill was not reported to NMOCD. The line

Mr. Pat Wise
November 21, 2003
Page 2

was replaced, and the spill was not remediated. NMOCD has sent a letter directing Pure Resources to provide information regarding the spill and, due to its location within the city water well field, submit a work plan for investigation and remediation of the site. Attached is a copy of the NMOCD inspection report and letter to Pure Resources.

Stop 3

During the tour, this stop was noted to be an oilfield tank battery. A sign indicated it was operated by Penroc Oil Corporation and called the State AE Tank Battery. Oil spills were noted on the ground surface around the tank battery facility. We have determined that Saga Petroleum currently owns the site. According to Saga Petroleum, the tanks have been emptied and the site is no longer operational. NMOCD has sent a letter directing Saga Petroleum to provide information regarding spills and, due to the location within the city water well field, submit a work plan for investigation and remediation of the site. Attached is a copy of the NMOCD inspection report and letter to Saga Petroleum.

Stop 4

This stop was the site of the Apollo Salt Water Disposal Facility operated by Saga Petroleum. Produced water spills were noted on the ground surface around the injection pump and outside the tank battery berms. NMOCD has sent a letter directing Saga Petroleum to provide information regarding spills and, due to the location within the city water well field, submit a work plan for investigation and remediation of the site. Attached is a copy of the NMOCD inspection report and letter to Saga Petroleum.

Stop 5

This stop involved the Arahó, Inc. site, a former injection well disposal facility, which has a single-lined evaporation pit containing oily wastes. An NMOCD Phase I cleanup and investigation, using the state oil and gas reclamation fund, was completed on October 20, 2003. Phase I included the removal of the tank fluids, tanks, equipment, above and below grade pipe and trash. It also involved an investigation to determine the nature and extent of subsurface soil contamination. NMOCD's contractor is currently finalizing a report that will give an estimated volume of remaining soil contamination, a proposal for a cost effective Phase II investigation and cleanup, and a cost estimate for the Phase II plan. The NMOCD has so far expended approximately \$121,000 of the reclamation fund at this site. In 2002, Navajo Refining offered to clean up the lined evaporation/holding pit that is at the site. Navajo's preliminary sampling indicated that underlying ground water has not been impacted by the pit. They have not yet begun the cleanup effort because they are in the process of negotiating an access agreement with the City of Lovington.

Mr. Pat Wise
November 21, 2003
Page 3

An area of concern that the city discussed, but was not included in the tour, was Pure Resources former unlined production pit at the Lovington Paddock/Lovington San Andres Unit ATB 1-1 site located south of the Araho site. Pure Resources has been working with the OCD to investigate and remediate this site. Soil and ground water investigations are ongoing at the site pursuant to NMOCD rules. We will copy the city on all future NMOCD correspondence regarding the site so that you are kept informed on clean-up activities at the site.

We appreciate you spending time to show the NMOCD your concerns within the city water well field. Based upon the relatively shallow depth to ground water and the extensive number of city water wells in this area, the NMOCD will be conducting a study of the city water well field to assess if additional measures are necessary to protect ground water resources in this area. We will keep the city informed of the results of this study. Please let us know if you have other sites of immediate concern regarding the city water well field.

If you have any questions, please call me at (505) 476-3458 or Bill Olson at (505) 476-3491.

Sincerely,


Lori Wrotenberg
Director

Attachments

LW/wco

Cc: Mayor Troy Harris, City of Lovington
Mayor Pro-Tem Bill Shipp, City of Lovington
Chris Williams, NMOCD Hobbs District Office
Roger Anderson, NMOCD Environmental Bureau