

1R - 434

**GENERAL
CORRESPONDENCE**

YEAR(S):

2004 - 2006

LAW OFFICES

HEIDEL, SAMBERSON, NEWELL, COX & McMAHON

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F.L. HEIDEL

(1913-1985)

2006 MAY 18 AM 11 14

May 16, 2006

Wayne Price
New Mexico Oil Conservation Division
Environmental Bureau
1220 South St. Francis Blvd.
Santa Fe, NM 87505

Re: Alexander Farms/Case #1R0434

Dear Mr. Price,

As per our conversation on Thursday, May 11, 2006, it is my understanding that the OCD is going to investigate the chloride contamination at Alexander Farms, in McDonald, New Mexico.

As of this date, I have previously provided you with all of the information contained in my files. I am requesting that you copy me with any and all correspondence that you may have with Paladin Oil Company and that you give my client reasonable opportunity to participate in all future sampling events.

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

Sincerely,

HEIDEL, SAMBERSON, NEWELL, COX & MCMAHON

By:


Patrick B. McMahon

PBM:jo

pc: Dean Alexander

Price, Wayne

From: Price, Wayne
Sent: Friday, February 11, 2005 3:31 PM
To: Patrick B. McMahon (E-mail)
Cc: Eddie Seay (E-mail); Williams, Chris; Anderson, Roger; Sanchez, Daniel
Subject: Alexander Farms New OCD Case # 1R0434

Dear Mr. McMahon:

OCD is in receipt of your letter dated January 31, 2005 requesting OCD to investigate groundwater contamination on the Alexander Farms located in NW/4 Section 2, Township 14 South, Range 37 East, NMPM. OCD has assigned this project case number of 1R0434 as "Alexander Farms". Please refer to this case number on all future correspondence. OCD apologizes for the time delay concerning this project. Unfortunately we lost one of key members of the Santa Fe team and generally are short handed in the districts. I assure you this agency is very concerned about the states groundwater protection.

Please be advised that OCD has performed some preliminary investigation work. Our District office has collected groundwater samples and one of our field inspectors reviewed the well files for some of the closest wells near the Alexander Farm. Our preliminary work has not been complied and I will try to pull that together for your review. I have reviewed your letter and while we acknowledge there is "salts and TDS" that exceed the groundwater standard, they are very low compared to what we normally find when Oil field activities such as produced water is found. Also, it is my understanding that no hydrocarbons were observed.

I do know that the groundwater in this area has been pumped down extensively and it is normal for chlorides and TDS levels to rise in farming areas. So at this time we actually do not know if this site is being impacted by any oil and gas activities.

In order to assist our activities please submit to this office all available information that your consultant has performed to date. Once we receive that we will put together an action plan within 30 days if deemed warranted.

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

LAW OFFICES

HEIDEL, SAMBERSON, NEWELL, COX & McMAHON

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LOVINGTON, NM 88260
TELEPHONE (505) 396-5303
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F.L. HEIDEL
(1913-1985)

January 31, 2005

RECEIVED

FEB 8 2005

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

Wayne Price
New Mexico Oil Conservation Division
Environmental Bureau
1220 South St. Francis Blvd.
Santa Fe, NM 87505

1R0434

Re: **Alexander Farms** 1000453
NE/4 of Section 2, Township 14 South, Range 37 East NMPM

Dear Wayne,

Please be advised that this firm represents Mr. Dean Alexander regarding the above-referenced matter. Mr. Alexander has identified chloride contamination in his groundwater under the property at issue.

In September of 2003, Mr. Alexander identified chloride contamination at 600ppm and forwarded this information to Mr. Larry Johnson. (A copy of the September 2003 report is attached hereto). In July of 2004, Mr. Alexander sampled the same well and discovered chloride levels at 960ppm. This information was forwarded to Mr. Johnson by letter. (A copy of that letter and the July 2004 results are attached hereto). As of today's date, Mr. Johnson has failed to contact me regarding this matter. In addition, I am aware of no action taken by Mr. Johnson to address this serious situation.

Enclosed for your review are additional sample results and a map identifying the contaminated well and two additional sample points. The map identifies the contaminated water well in the northeast quarter of section two and is marked as #1. A second water well, marked as #2, in the northwest quarter of section two is also identified. Chloride levels in water well #2 are 104ppm as of October 2004. A third water well, marked as #26, located in Section 26, Township 13 South, Range 37 East, was sampled in January 2005. Chloride levels in #26 are 67ppm.

Letter to Wayne Price
NMOCD
Re: Alexander Farms
NE/4 S2, T14S, R37E
January 31, 2005
Page two.

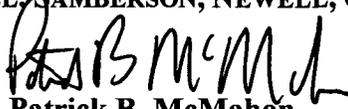
As you can see from the enclosed map, there is considerable oil and gas activity, including numerous injection wells, in Section 35. I am writing this letter to you to request that your office immediately begin an investigation into this matter. In addition, I am requesting that you provide me with a copy of all correspondence generated in this matter and reasonable notice of all future sampling events. Lastly, I am renewing my request that you provide to me, in writing, a detailed explanation of what actions the local OCD office has taken in regard to this matter to date.

I look forward to hearing from you.

Sincerely,

HEIDEL, SAMBERSON, NEWELL, COX & McMAHON

By:


Patrick B. McMahon

PBM:cd
Enclosures
pc w/encl: Dean Alexander
Mark Fesmire, Director
Chris Williams



PHONE (325) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603

PHONE (505) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
 EDDIE SEAY CONSULTING
 ATTN: EDDIE SEAY
 601 W. ILLINOIS
 HOBBS, NM 88242
 FAX TO:

Receiving Date: 01/20/05
 Reporting Date: 01/24/05
 Project Owner: ALEXANDER
 Project Name: ALEXANDER SECTION 26 WATER WELL
 Project Location: McDONALD, NM

Sampling Date: 01/20/05
 Sample Type: GROUNDWATER
 Sample Condition: COOL & INTACT
 Sample Received By: BC
 Analyzed By: AH

LAB NUMBER	SAMPLE ID	Na (mg/L)	Ca (mg/L)	Mg (mg/L)	K (mg/L)	Conductivity (μ S/cm)	T-Alkalinity (mgCaCO ₃ /L)
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ANALYSIS DATE:	01/21/05	01/21/05	01/21/05	01/21/05	01/21/05	01/21/05
H9490-1 SECTION 26 WW #1	67	73	14	9.78	529	192
Quality Control	NR	58	54	4.90	1322	NR
True Value QC	NR	50	50	5.00	1413	NR
% Recovery	NR	116	108	98.0	93.6	NR
Relative Percent Difference	NR	3.1	3.8	0.8	0.7	NR
METHODS:	SM3500-Ca-D	3500-Mg E	8049	120.1	310.1	

ANALYSIS DATE:	01/21/05	01/21/05	01/21/05	01/21/05	01/21/05	01/21/05
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ANALYSIS DATE:	01/21/05	01/21/05	01/21/05	01/21/05	01/21/05	01/21/05
H9490-1 SECTION 26 WW #1	68	107	0	234	6.34	576
Quality Control	970	50.33	NR	961	7.02	NR
True Value QC	1000	50.00	NR	1000	7.00	NR
% Recovery	97.0	101	NR	96.1	100	NR
Relative Percent Difference	4.0	0.2	NR	1.6	0.1	1.4
METHODS:	SM4500-Cl-B	375.4	310.1	310.1	150.1	160.1

Amy Hill
 Chemist

Date 1/24/05

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. Cardinal shall be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise.

<p>Brigham OEG J.M. Teague (memo of opt.) Jr. et al no term</p> <p>F.J. Darglader</p> <p>Tenneco Kukui, Inc. 1/2 3-18-99</p> <p>27</p> <p>Shell, 1/2 M.I. J.D. Doran (S)</p>	<p>Tenneco Kukui, Inc. 1/2 4-1-2001 V-4845 275 9C</p> <p>Rand Paulson State TD11950 DIA1-19-98 State</p>	<p>Tenneco 5-26-97 Pomeroy Farm, Ltd. Prtnshp. 1/2 M.I. Joe B & J.D. Doran</p> <p>Foreste Houston State TD13495 DIA10-30-53 Kukui, Inc. 1/2 Tenneco 9-1-98 V-4192 7833 State</p> <p>Kukui, Inc. 1/2 Tenneco 4-27-97 A-26-97 Pomeroy Farm, Ltd. Prtnshp. 1/2 M.I. J.D. Doran</p>	<p>Rand Paulson Oil 1/2 Tenneco 9-1-98 V-4192 7833 State</p> <p>BTA, et al</p> <p>Cotton Pet. Lowe & Co. TD12547</p> <p>Ventura Lowe TD6300</p> <p>Larry Lowe</p>	<p>Sullivan & Co. 2-28-98 7-31-97 6-26-98 James McCrory</p> <p>Bahlburg Expl, et al</p> <p>Sullivan & Co. Lowe TD12800</p> <p>(Forest) Lowe TD10240 DIA1-6-54</p> <p>BTA Hartley 8509 J.V.P. Paladin A Lowe C.102651</p> <p>(wo) Lowe Larry Lowe</p>	<p>J.M. Huber 6-11-88 5-30-88 W. Newkumet 4-7-89</p> <p>T.R.&T Sawyer, et al, M.I. David Fortin, et al (S)</p> <p>25</p> <p>KING</p> <p>James McCrory</p>
<p>Rand Paulson Oil 1/2 Tenneco 7-1-98</p> <p>Lois C. Hobbs & C.E. Alexander & Sons</p>	<p>O.W. McWhorter, Jr. Tr. 1/4 M.I. H.L. Lowe, et al, M.I.</p> <p>Rand Paulson Oil 1/2 Tenneco 4-21-97 7-1-98</p> <p>C.E. Alexander & Sons</p> <p>Larry Lowe</p> <p>34</p>	<p>Rand Paulson Oil 1/2 Tenneco 4-21-97 7-1-98 Larry Lowe</p> <p>Rand Paulson Oil 1/2 Tenneco 7-1-98</p> <p>Lois Hobbs & C.E. Alexander & Sons</p> <p>Rand Paulson Oil 1/2 Tenneco 4-21-97 Larry Lowe</p>	<p>Cabot Lowe TD11686 DIA63056 (wo) 2</p> <p>Paladin Ener. 3</p> <p>GECKO (Cabot Pet) (1) TD11665 (wo) 2</p> <p>TD11200 (3)</p> <p>J.L. Reed</p> <p>Paladin Ener. (3) (PR) Swo Cabot Pet. Fleet (Dev. Disc.) (wo) 2</p> <p>Fleet 1163</p> <p>Howard Fleet, et al James McCrory</p>	<p>TD 570 (Cities Service) Manzano Oil</p> <p>E-8176</p> <p>State</p> <p>36</p> <p>Yates Pet., et al 12-1-2000 VB-460</p> <p>Williamson 15 E Phillips-St. TD10250 DIA12-11-54</p> <p>Kerr-McGee State-E-7169 State, MI</p> <p>James McCrory</p>	<p>M.E. Dayton 15-1-99 V-4347 3629</p>
<p>4073 Ac 1 4080 Ac 3 4086 Ac 2 4093 Ac 1</p> <p>Rand Paulson Oil 1/2 Tenneco 7-1-98</p> <p>Amerada Hobbs TD11754 DIA6 23-53</p> <p>Rand Paulson Oil 1/2 Tenneco 2-10-98</p>	<p>034 Ac 1 0316 Ac 1</p> <p>Kukui, Inc. 1/2 Tenneco 2-1-99</p> <p>V-4372 9533</p> <p>O.W. McWhorter, Jr. Tr. 1/4 M.I. H.L. Lowe, et al, M.I.</p>	<p>400 Ac 2 4143 Ac 1</p> <p>Manzano Run Point (PR) 1-5</p> <p>St. (B.H.) 1 Tex-Poc</p> <p>V-5839 ARCO Reed TD12864</p> <p>JFG NMT-57</p> <p>T.P.C. Co State TD10715 DIA9-9-53</p> <p>Read E. Stevens So King (Pubco) TD18,100 TD2000</p> <p>State MI So King Extn</p>	<p>4160 Ac 1 4182 Ac 3 4207 Ac 2 4274 Ac 1</p> <p>AN-SON Corp. 1 McCrory Cary, Disc. F272</p> <p>J.R. McCrory</p> <p>Amer Expl et al Lindenmuth Assoc. J.J. Soren Barnhill So M.I. C. Barnhill R Car 1/2 M.I. Soren et al G Jackson</p> <p>Lindenmuth Assoc. (Pubco) Post (Dev Disc) Johnson Ent. M.I. T.W. Wier (S)</p>	<p>4160 Ac 1 4182 Ac 3 4207 Ac 2 4274 Ac 1</p> <p>AN-SON Corp. 1 McCrory Cary, Disc. F272</p> <p>J.R. McCrory</p>	<p>4160 Ac 1 4182 Ac 3 4207 Ac 2 4274 Ac 1</p> <p>AN-SON Corp. 1 McCrory Cary, Disc. F272</p> <p>J.R. McCrory</p>

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, NM 88260
TELEPHONE (505) 396-5303
FAX (505) 396-5305

F.L. HEIDEL
(1913-1985)

August 18, 2004

COPY

Larry Johnson
Oil Conservation Division
1625 N. French Dr.
Hobbs, NM 88240

**Re: Alexander Farms
NE/4, Section 1, Township 14 South, Range 37 East, NMPM**

Dear Mr. Johnson,

Please be advised that this firm represents Mr. Dean Alexander regarding the above-referenced matter. Mr. Alexander has identified chloride contamination in his groundwater under the property at issue.

In September of 2003, Mr. Alexander received a report that identified high chloride levels in his groundwater. At that time chlorides were 600ppm. Mr. Alexander spoke to you about this matter and forwarded to you a copy of that report (a copy of which is attached hereto for your convenience). I have attached a copy of analytical results from a sampling event that took place in July of 2004. As you can see, chlorides have increased by more than fifty (50%) percent from September 2003 to July 2004. In addition, TDS has increased by one thousand ppm.

This problem has had and continues to have adverse effects on Mr. Alexander's farming operations. I am requesting that you provide to me, in writing, a detailed explanation of what actions you have taken in regard to this matter to date. In addition, I am requesting that you commence further investigation of this matter in a timely and diligent manner.

Please feel free to contact me regarding arrangements to sample Mr. Alexander's groundwater. I look forward to discussing this matter with you.

Letter to Larry Johnson
Oil Conservation Division
Hobbs, New Mexico
August 18, 2004
Page two.

Sincerely,

HEIDEL, SAMBERSON, NEWELL, COX & MCMAHON

By:

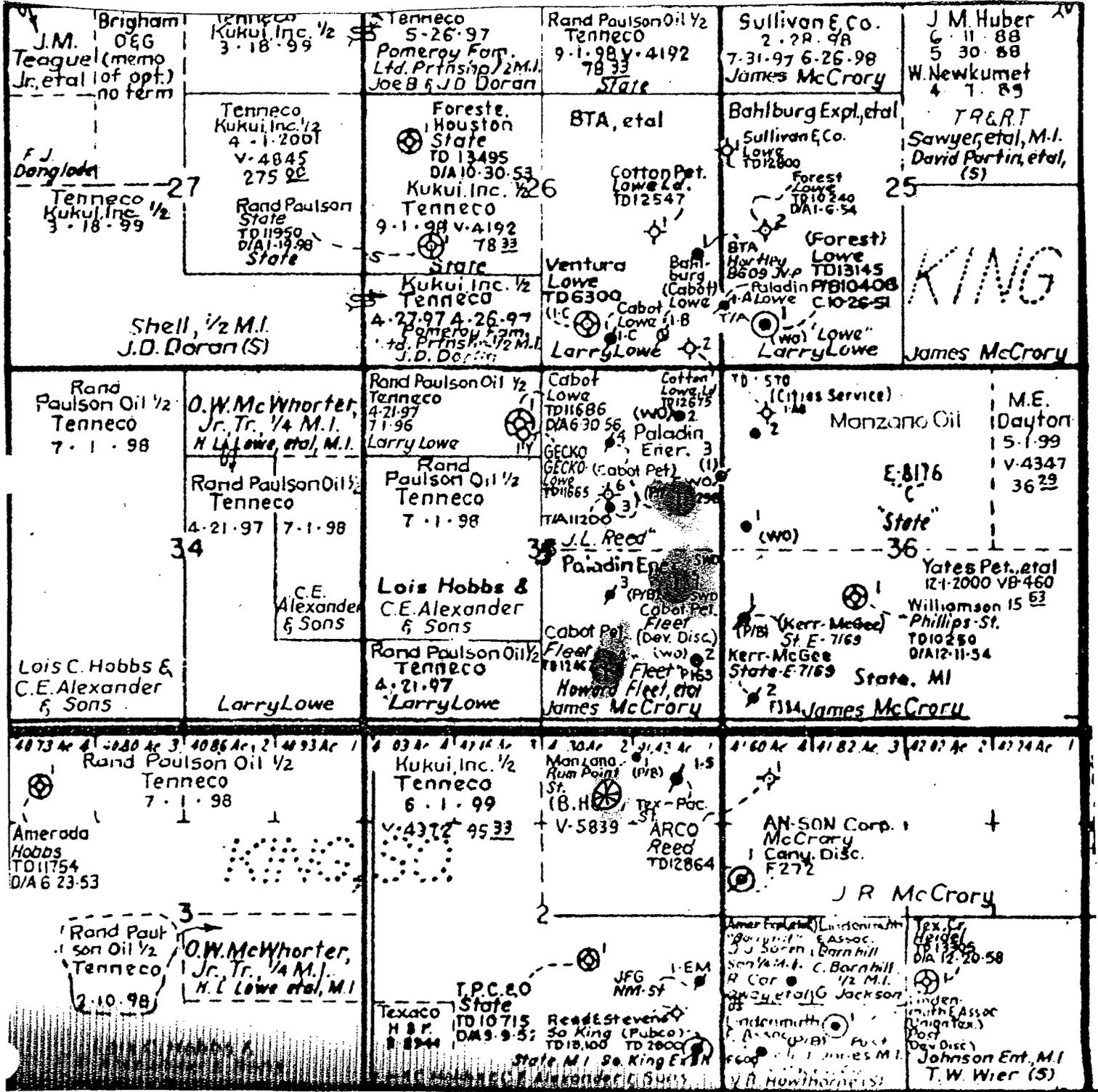

Patrick B. McMahon

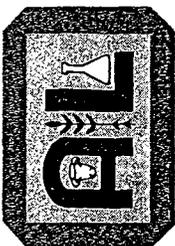
PBM:cd

pc: Dean Alexander
Wayne Price, OCD

SWD walls

Alexander Irrigation wall





A & L PLAINS AGRICULTURAL LABORATORIES, INC.

302 34th St. • P.O. Box 1590 • Lubbock, TX 79408 • (806) 763-4278
 FAX (806) 763-2762 • www.al-labs-plains.com

03-246-306

REPORT NUMBER

CLIENT NO: 99999

SAMPLES
SUBMITTED BY:

SEND TO:

ALEXANDER FARMS
 604 E. McDONALD ROAD
 LOVINGTON, NM 88260-

GROWER:

IRRIGATION WATER ANALYSIS REPORT

DATE: 09/04/03

PAGE: 1

SAMPLE ID.	LAB NO.	Sodium meq/liter Na	Calcium meq/liter Ca	Magnesium meq/liter Mg	Carbonate meq/liter CO ₃	Bicarbonate meq/liter HCO ₃	Chloride meq/liter Cl	(E.C.) Conductivity mmhos/cm	pH	Copper ppm Cu	Iron ppm Fe	Manganese ppm Mn	Zinc ppm Zn
WATER	53763	13.1	6.7	2.2	<1	3.8	16.9	2.26	7.3				
		Na ppm	Ca ppm	Mg ppm	CO ₃ ppm	HCO ₃ ppm	Cl ppm						
WATER	53763	301	135	27	<1	232	600						

SAMPLE ID.	Phosphorus ppm P	Potassium ppm K	Nitrate ppm NO ₃	Sulfate ppm SO ₄	Boron ppm B	TOTAL Dissolved Solids ppm	adj. S.A.R.	Comments:
WATER	0.47	4	10.20	114	0.43	1446	6.18	This report applies only to the sample(s) tested. Samples are retained for a maximum of thirty days after testing. A & L PLAINS AGRICULTURAL LABORATORIES, INC. <i>E. A. Coleman / CF</i> By: E. A. COLEMAN, PhD

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ARDINAL LABORATORIES

PHONE (325) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603

PHONE (505) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
EDDIE SEAY CONSULTING
ATTN: EDDIE SEAY
601 W. ILLINOIS
HOBBS, NM 88240
FAX TO:

Receiving Date: 07/15/04
Reporting Date: 07/16/04
Project Owner: D. ALEXANDER
Project Name: ALEXANDER FARM
Project Location: McDONALD, NM

Sampling Date: 07/15/04
Sample Type: GROUNDWATER
Sample Condition: COOL & INTACT
Sample Received By: AH
Analyzed By: HM

LAB NUMBER	SAMPLE ID	Na (mg/L)	Ca (mg/L)	Mg (mg/L)	K (mg/L)	Conductivity (μ S/cm)	T-Alkalinity (mgCaCO ₃ /L)
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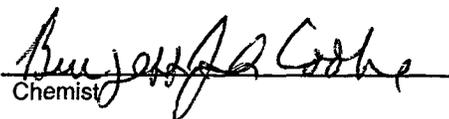
ANALYSIS DATE:	07/15/04	07/15/04	07/15/04	07/15/04	07/15/04	07/15/04
H8918-1 ALEXANDER WW #1	485	174	31	7.33	3547	172
Quality Control	NR	40	52	4.87	1322	NR
True Value QC	NR	50	50	5.00	1413	NR
% Recovery	NR	80	104	97.4	93.6	NR
Relative Percent Difference	NR	2.0	6.0	5.8	0.7	NR

METHODS:	SM3500-Ca-D	3500-Mg E	8049	120.1	310.1
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Cl ⁻ (mg/L)	SO ₄ (mg/L)	CO ₃ (mg/L)	HCO ₃ (mg/L)	pH (s.u.)	TDS (mg/L)
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ANALYSIS DATE:	07/15/04	07/15/04	07/15/04	07/15/04	07/15/04	07/16/04
H8918-1 ALEXANDER WW #1	960	98	0	210	7.56	2466
Quality Control	990	50.67	NR	976	7.01	NR
True Value QC	1000	50.00	NR	1000	7.00	NR
% Recovery	99.0	101	NR	97.6	101	NR
Relative Percent Difference	1.0	4.9	NR	2.2	0.4	1.4

METHODS:	SM4500-Cl-B	375.4	310.1	310.1	150.1	160.1
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Chemist

7/16/04
Date

PLEASE NOTE: **Liability and Damages.** Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. No event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise.



ARDINAL LABORATORIES

PHONE (325) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603

PHONE (505) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
EDDIE SEAY CONSULTING
ATTN: EDDIE SEAY
601 W. ILLINOIS
HOBBS, NM 88242
FAX TO:

Receiving Date: 07/15/04
Reporting Date: 07/29/04
Project Owner: D. ALEXANDER
Project Name: ALEXANDER FARM
Project Location: McDONALD, NM

Analysis Date: 07/29/04
Sampling Date: 07/15/04
Sample Type: GROUNDWATER
Sample Condition: COOL & INTACT
Sample Received By: AH
Analyzed By: AH

LAB NUMBER	SAMPLE ID	Br ⁻ (mg/L)
H8918-1	ALEXANDER WW #1	1.21
Quality Control		3.00
True Value QC		3.00
% Recovery		100
Relative Percent Difference		0.7

METHOD: Standard Methods 4500-Br⁻B

Amy Hill
Chemist

7/29/04
Date