

1R - 441

**GENERAL
CORRESPONDENCE**

YEAR(S):

2004 - 2006

Memorandum

To: File 1R-441
CC:
From: Ed Martin
Date: 4/17/2006
Re: Mack Energy Corp. Monsanto 30 Site #4 Site

9:00 AM

Per phone conversation with Bob Allen:

A report should be sent today detailing activities at the site. Groundwater is clean, and this site may not need an abatement plan. Report will propose monitoring and request backfilling.



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

February 9, 2006

CERTIFIED MAIL Article Number 7001-1940-0004-7920-7805

Mr. Johnny Knorr
Mack Energy Corp.
P.O. Box 960
Artesia, NM 88211-0960

RE: Mack Energy Corporation Stage 1 Abatement Plan Proposal
Dated December 30, 2005 for the
Monsanto 30 State #4 Site Located in
Unit Letter P, Section 30, Township 16 South, Range 37 East
Lea County, New Mexico

Dear Mr. Knorr:

The New Mexico Oil Conservation Division (NMOCD) has reviewed the proposal shown above, submitted on behalf of Mack Energy Corp. (Mack) by Safety & Environmental Solutions, Inc. This proposal is accepted by the NMOCD, but as acknowledged in the proposal, is insufficient to qualify as a Stage 1 Abatement Plan. Such a Stage 1 Abatement Plan was required, by NMOCD, to be submitted by Mack in an NMOCD letter dated November 1, 2005. The requirements of that letter have not been met.

Mack shall submit the required Stage 1 Abatement Plan by February 28, 2006. In the event that this office does not receive an acceptable plan by that date, we will move forward with appropriate enforcement action, which may include penalties and/or a request for hearing on this matter.

If you have any questions, contact Ed Martin at (505) 476-3492 or ed.martin@state.nm.us

NEW MEXICO OIL CONSERVATION DIVISION

Roger C. Anderson
Environmental Bureau Chief

Copy: Patrick B. McMahon
NMOCD, Hobbs
Bob Allen



P.O. Box 960
Artesia, NM 88211-0960
Office (505) 748-1288
Fax (505) 746-9539

December 30, 2005

Mr. Roger C. Anderson
Environmental Bureau Chief
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

1R-441

RECEIVED
JAN 5 2006
Per.....

RE: Monsanto 30 State #4 Drilling Pit Site,
Unit Letter P, Section 30, Township 16 South, Range 37 East
Lea County, New Mexico
NMOCD Reference 1R-0441

Dear Mr. Anderson:

Enclosed with this letter are two copies of the Stage 1 Abatement Plan for the above site as required by your letter of November 1, 2005. The proposed abatement plan includes information required by 19.15.1.19 NMAC together with historical and current information on investigation activities previously conducted at the site including presentation of groundwater contour maps and water quality data.

No further impacts to groundwater will occur at the site as drilling pit materials have been removed and an impermeable synthetic liner has been installed to prevent infiltration of rain water. The work proposed in the abatement plan will further define the extent and concentration of chloride contaminants that may have emanated from the pit and allow selection of a remediation alternative, if necessary.

Mack Energy Corporation will diligently perform the proposed abatement plan activities and will work with the New Mexico Oil Conservation Division to protect groundwater resources and the environment.

If you have any questions, please contact David Boyer at (505) 397-0510.

Sincerely,

A handwritten signature in cursive script that reads "John A. Knorr".

Mr. John A. Knorr
Special Projects, Mack Energy Corporation

encl.

cc. Patrick B. McMahon, Heidel, Samberson, Newell, Cox & McMahon
NMOCD, Hobbs Office
Bob Allen, Safety and Environmental Solutions

Martin, Ed, EMNRD

From: Martin, Ed, EMNRD
Sent: Monday, December 12, 2005 7:07 AM
To: 'Bob Allen'
Subject: RE: Mack Energy Monsanto #4

Extension until 12/31/05 is approved.

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

IR-4411

From: Bob Allen [<mailto:ballen@sesi-nm.com>]
Sent: Wednesday, November 16, 2005 10:48 AM
To: Martin, Ed, EMNRD
Cc: Johnnie Knorr
Subject: Mack Energy Monsanto #4

Ed...per our conversation last Monday, Mack Energy requests that the Stage I Abatement Plan for the Monsanto #4 be due by December 31, 2005 to allow further analysis of the City of Lovington water wells and to allow more time to devote to the design of the delineation plan.

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

November 1, 2005

CERTIFIED MAIL Article Number 7001-1940-0004-7920-7744

Mr. Mack C. Chase
Mack Energy Corp.
P.O. Box 960
Artesia, NM 88211-0960

RE: Monsanto 30 State #4 Drilling Pit Site
Unit Letter P, Section 30, Township 16 South, Range 37 East
Lea County, New Mexico
NMOCD Reference 1R-0441

Dear Mr. Chase:

The New Mexico Oil Conservation Division (NMOCD) has received and reviewed your response to our letter of September 6, 2005 requiring a remediation plan for the above site. The NMOCD does not agree with your opinion that a remediation plan is premature. The protection of fresh water is of paramount importance. Awaiting the possible degradation of the quality of a public water supply is unacceptable.

An abatement plan, pursuant to 19.15.1.19 NMAC for this site will now be required. This abatement plan shall be submitted to the NMOCD Santa Fe office by November 30, 2005.

If you have any questions, contact Ed Martin at (505) 476-3492 or ed.martin@state.nm.us

NEW MEXICO OIL CONSERVATION DIVISION

A handwritten signature in black ink, appearing to read "Roger C. Anderson".

Roger C. Anderson
Environmental Bureau Chief

Copy: Patrick B. McMahon, Heidel, Samberson, Newell, Cox & McMahon
NMOCD Hobbs Office
Bob Allen, Safety and Environmental Solutions

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 SAN DIEGO, CA 92105

1R-441 EO

Sent To
 MR. MARK CHASE
 Street, Apt. No., or PO Box No. P.O. Box 960
 City, State, ZIP+4 ARTESIA NM 88211-0960

PS Form 3800, January 2001 See Reverse for Instructions

7001 1940 0004 7920 7244



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

September 6, 2005

CERTIFIED MAIL Article Number 7001-1940-0004-7920-7683

Mr. J Sherrill
Mack Energy Corporation
P.O. Box 960
Artesia, NM 88211

Re: Monsanto 30 State #4 Drilling Pit Site
Located in Section 30, Township 16 South, Range 37 East
Lea County, New Mexico
File Reference 1R-0441

Dear Mr. Sherrill:

The New Mexico Oil Conservation Division received, reviewed and approved the Site Investigation Report, on the above site, dated March 9, 2004. Safety & Environmental Solutions, Inc. prepared this report on behalf of Mack Energy Corp. (Mack). Groundwater analysis from the monitor wells associated with the site show the following:

Sample Location	Date	Chloride (mg/L)
MW-1	06/01/04	580
MW-1	10/05/04	520
MW-1	12/16/04	1300
MW-1	01/18/05	960
MW-1	03/04/05	516
MW-1	04/19/05	940
MW-1	05/27/05	380
MW-1	06/22/05	288

Other monitor wells at the site show chloride levels as follows:

Sample Location	Average 6/1/04-6/22/05 (mg/L)	Level on 6/22/05 (mg/L)
MW-2	41	32
MW-3	27.75	24
MW-4	37.50	32

The chloride concentration in monitor well MW-1 is still in excess of the groundwater standard for domestic water supplies of 250 parts per million (20.6.2.3103.B NMAC) and is well in excess of the levels in the other monitor wells.

Due to the proximity of this site to the Lovington, New Mexico municipal fresh water well field, the NMOCD requires that Mack submit a remediation plan for the groundwater at the site. This plan must be submitted to the NMOCD Santa Fe office no later than September 30, 2005.

If you have any questions, contact Ed Martin at (505) 476-3492 or ed.martin@state.nm.us

NEW MEXICO OIL CONSERVATION DIVISION

A handwritten signature in black ink, appearing to read "Roger C. Anderson", with a long horizontal flourish extending to the right.

Roger C. Anderson
Environmental Bureau Chief

Cc: Patrick B. McMahon, Heidel, Samberson, Newell, Cox & McMahon
NMOCD, Hobbs Office
Bob Allen, Safety and Environmental Solutions

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)

July 13, 2005

IR-441

NMOCD
Ed Martin
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Mack Energy/Monsanto 30 State No. 5

Dear Ed,

Thank you for visiting with me regarding the above referenced matter. As you may know, in December of 2003 the City of Lovington discovered a poly line coming from the above referenced well to a new unlined drilling pit. Mack Energy was disposing of fluids from the battery at the No. 5 through the poly line into the unlined pit. Attached for your file are photographs of the No. 5, the poly line, unlined pit, etc.

The City sampled soils in the unlined pit. Lab results indicate that chloride levels were 30,790 ppm. Attached for your file are those results. Initially, Mack Energy claimed that the 30,790 ppm chloride level was consistent with background soils in that area. The City obviously disputes Mack Energy's claim.

In February of 2005 I received a fax transmission from Glenn von Goten which included groundwater sampling results for four monitor wells installed at the drilling pit area. Lab results for a January 18, 2005 groundwater sampling event indicate chloride levels in MW# 1 to be 1120 ppm. Lab results for that same sampling event show chloride levels in MW2, MW3 and MW4 to be 36 ppm, 32 ppm and 32 ppm respectively.

I am writing this letter to you to request an opportunity to review any and all soil sample

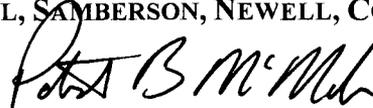
results and any and all groundwater sample results that Mack Energy has submitted to OCD regarding this site. In addition, I am requesting an opportunity to review any and all correspondence between Mack Energy, or its representative, and the OCD as well as Mack Energy's site assessment and remediation plan. If Mack Energy has not submitted a site assessment or has not submitted a remediation plan, please advise as to why they have not done so.

If you have any questions, please feel free to contact me. Otherwise, I look forward to hearing from you to schedule a date for my review of the requested materials.

Sincerely,

HEIDEL, SAMBERSON, NEWELL, COX & MCMAHON

By:


Patrick B. McMahon

PBM:jo

Enclosures

cc: Pat Wise (w/encl.)

City Manager



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:

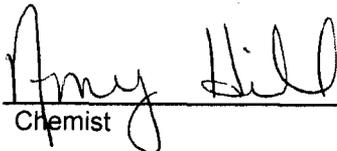
Receiving Date: 01/15/04
Reporting Date: 01/16/04
Project Number: MACK #4
Project Name: NOT GIVEN
Project Location: LOVINGTON WATER FIELD

Analysis Date: 01/16/04
Sampling Date: 01/15/04
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: BC
Analyzed By: AH

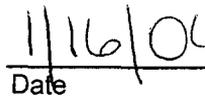
LAB NUMBER	SAMPLE ID	Cl ⁻ (mg/Kg)
H8366-1	MACK 4-1	30790
Quality Control		980
True Value QC		1000
% Recovery		98.0
Relative Percent Difference		3.0

METHOD: Standard Methods	4500-Cl ⁻ B
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Note: Analysis performed on a 1:4 w:v aqueous extract.



Chemist

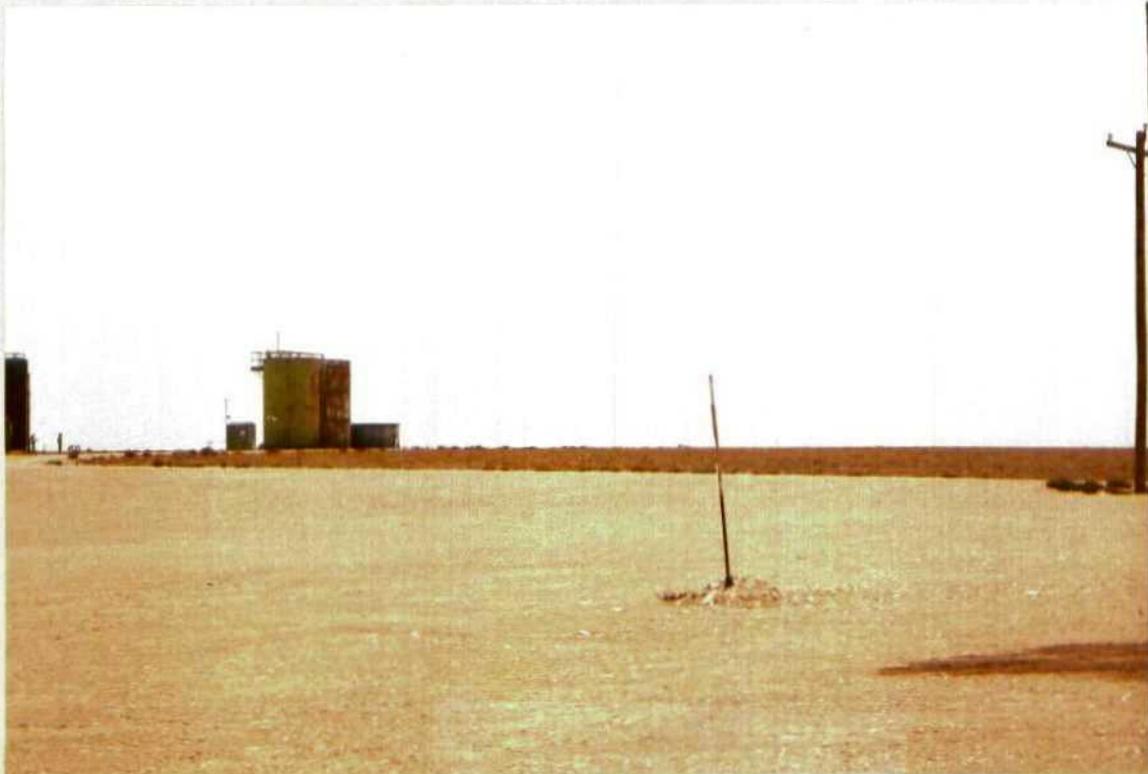
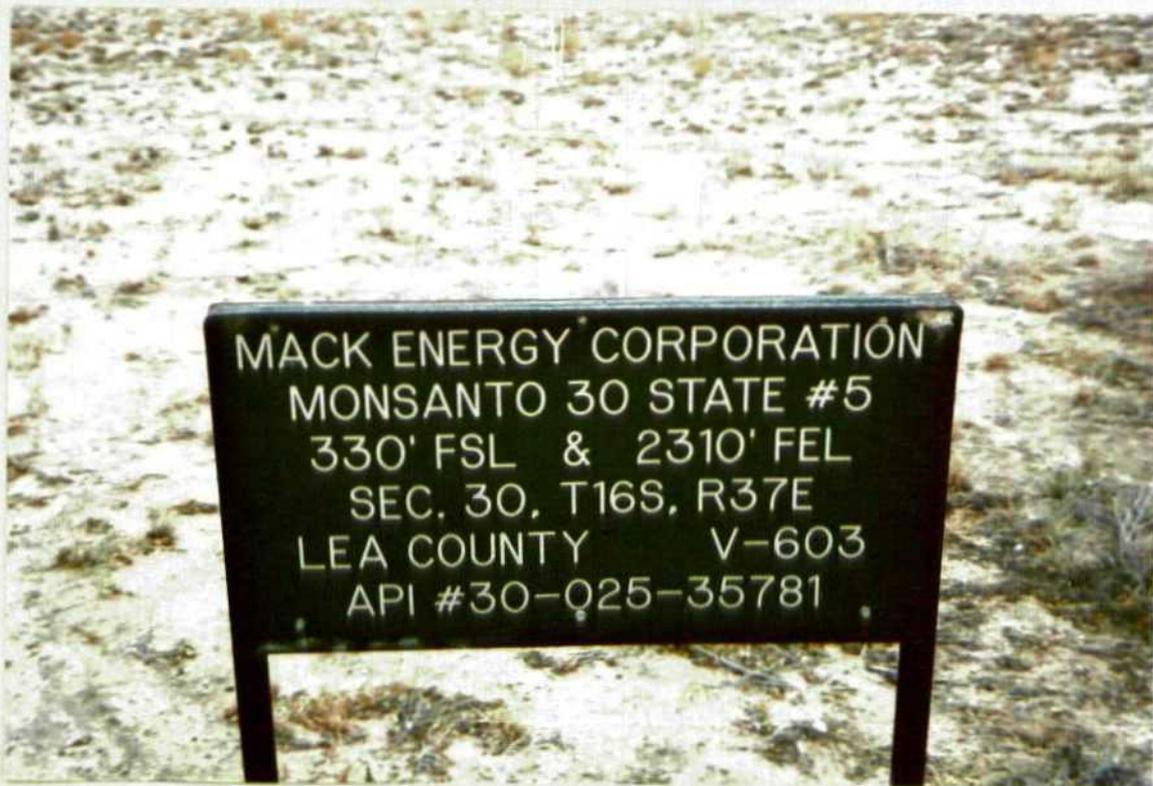


Date

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. In 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.

H8366

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Monsanto 30 State #4

Sample Location	Date	Chloride (mg/L)	Sulfate (mg/L)	TDS (mg/L)	Benzene (mg/L)	Toluene (mg/L)	Ethylbenzene (mg/L)	Total Xylenes (mg/L)
MW-1	06/01/04	580	47	1,302	<0.002	<0.002	<0.002	<0.006
	10/05/04	520	78	1,469	<0.002	<0.002	<0.002	<0.006
	12/16/04	1,300	100	2,738	--	--	--	--
	01/18/05	960	85.5	2,052	<0.002	<0.002	<0.002	<0.006
	03/04/05	516	49	1,393	--	--	--	--
	04/19/05	940	75	2,111	--	--	--	--
	05/27/05	380	70	953	--	--	--	--
	06/22/05	288	77	1,216	--	--	--	--
MW-2	07/08/04	40	57	473	<0.002	<0.002	<0.002	<0.006
	10/05/04	44	86	502	<0.002	<0.002	<0.002	<0.006
	12/16/04	44	72	420	--	--	--	--
	01/18/05	44	58.6	480	<0.002	<0.002	<0.002	<0.006
	03/04/05	44	49	451	--	--	--	--
	04/19/05	40	44	412	--	--	--	--
	05/27/05	40	58	442	--	--	--	--
	06/22/05	32	86	488	--	--	--	--
MW-3	10/06/04	32	51	423	<0.002	<0.002	<0.002	<0.006
	12/16/04	32	51	393	--	--	--	--
	01/18/05	32	39.4	428	<0.002	<0.002	<0.002	<0.006
	03/04/05	36	37	465	--	--	--	--
	04/19/05	26	47	404	--	--	--	--
	05/27/05	40	41	381	--	--	--	--
	06/22/05	24	55	408	--	--	--	--
MW-4	09/01/04	36	49	376	<0.002	<0.002	<0.002	<0.006
	10/06/04	40	58	442	<0.002	<0.002	<0.002	<0.006
	12/16/04	40	55	408	--	--	--	--
	01/18/05	36	54.4	424	<0.002	<0.002	<0.002	<0.006
	03/04/05	36	35	398	--	--	--	--
	04/19/05	40	44	388	--	--	--	--
	05/27/05	40	56	434	--	--	--	--
	06/22/05	32	68	436	--	--	--	--
NM WQCC Groundwater standards		250	600	1,000	0.010	0.750	0.750	0.650

Monsanto 30 State #5

Sample Location	Date	Chloride (mg/L)	Sulfate (mg/L)	TDS (mg/L)	Benzene (mg/L)	Toluene (mg/L)	Ethylbenzene (mg/L)	Total Xylenes (mg/L)
MW-1	06/01/04	720	40	1,473	<0.002	<0.002	<0.002	<0.006
	10/05/04	740	72	1,808	<0.002	<0.002	<0.002	<0.006
	12/16/04	1,320	99	2,540	--	--	--	--
	01/18/05	1,120	53.8	2,403	<0.002	<0.002	<0.002	<0.006
	03/04/05	920	45	1,975	--	--	--	--
	04/19/05	1,300	41	2,474	--	--	--	--
	05/27/05	1,280	50	2,827	--	--	--	--
	06/22/05	1,160	75	3,227	--	--	--	--
MW-2	07/08/04	36	57	436	<0.002	<0.002	<0.002	<0.006
	10/05/04	40	62	499	<0.002	<0.002	<0.002	<0.006
	12/16/04	36	69	430	--	--	--	--
	01/18/05	36	50.5	413	<0.002	<0.002	<0.002	<0.006
	03/04/05	28	40	451	--	--	--	--
	04/19/05	32	41	432	--	--	--	--
	05/27/05	36	43	449	--	--	--	--
	06/22/05	28	122	594	--	--	--	--
MW-3	07/08/04	40	54	477	<0.002	<0.002	<0.002	<0.006
	07/09/04	28	56	372	<0.002	<0.002	<0.002	<0.006
	10/05/04	36	68	537	<0.002	<0.002	<0.002	<0.006
	12/16/04	36	74	430	--	--	--	--
	01/18/05	32	58.9	428	<0.002	<0.002	<0.002	<0.006
	03/04/05	48	37	412	--	--	--	--
	04/19/05	28	55	393	--	--	--	--
	05/27/05	28	51	385	--	--	--	--
	06/22/05	28	135	530	--	--	--	--
MW-4	09/01/04	36	53	522	<0.002	<0.002	<0.002	<0.006
	10/05/04	32	69	440	<0.002	<0.002	<0.002	<0.006
	12/16/04	32	66	400	--	--	--	--
	01/18/05	32	56.3	424	<0.002	<0.002	<0.002	<0.006
	03/04/05	36	40	386	--	--	--	--
	04/19/05	36	45	396	--	--	--	--
	05/27/05	32	50	373	--	--	--	--
	06/22/05	28	60	418	--	--	--	--
NM WQCC Groundwater standards		250	600	1,000	0.010	0.750	0.750	0.650

From: Price, Wayne
Sent: Wednesday, March 10, 2004 11:00 AM
To: Johnson, Larry; Williams, Chris; Wrotenbery, Lori; Anderson, Roger
Cc: Bob Allen (E-mail); 'Patrick B. McMahon'; Martin, Ed
Subject: FW: Mack Energy Monsanto # 4 and # 5

Larry pursuant to our telephone conversation, I recommend that you proceed with the emergency plan as submitted by Bob Allen (SESI). If the monitor wells indicate water contamination in exceedence of the standards then the OCD Santa Fe Office will require Mack Energy to submit an abatement plan per rule 19.

Also, could you have Bob Allen show on the map the nearest up and down gradient Lovington City water wells. It is very important that we take all steps necessary to protect Lovington's fresh water supply.

Larry special thanks to you for doing a great job and staying on top of this issue. Let us know how we can assist you. Ed Martin has oversight on this project and should be back in the office next week.

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

From: Bob Allen [mailto:ballen@sesi-nm.com]
Sent: Wednesday, March 10, 2004 8:19 AM
To: 'Larry Johnson'
Cc: 'Wayne Price'; Jerrys@mackenergycorp.com
Subject: Mack Energy Monsanto # 4 and # 5

Larry....please let me know ASAP thanks...

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

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