

2R - 16

**GENERAL
CORRESPONDENCE**

**YEAR(S):
1994-1993**



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

January 26, 1994

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

CERTIFIED MAIL

RETURN RECEIPT NO. P-667-241-898

President
Saulcon Construction
P.O. Box 657
Carlsbad, New Mexico 88220

**RE: JOHNNY REID UNPERMITTED DISPOSAL SITE
EDDY COUNTY, NEW MEXICO**

Dear Sir:

On July 26, 1993, the New Mexico Oil Conservation Division (OCD) sent you correspondence by certified mail requesting information related to the illegal transportation and disposal of oil field waste at the unpermitted Johnny Reid disposal site located in the SW/4, NW/4 of Section 23, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico. The OCD has a record of Saulcon Construction receiving this correspondence. To date the OCD has received no reply from your company.

The OCD considers your failure to respond an admission that Saulcon Construction was involved in the illegal transportation of oil field wastes to this site for disposal.

Upon review of the correspondence from other parties in this case and a site inspection, the OCD has approved the closure of the unpermitted Johnny Reid disposal site located in the SW/4, NW/4 of Section 23, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico.

The OCD would like to remind Saulcon Construction that the **transportation** and disposition of all oil field wastes associated with any well site must be authorized by the OCD. Failure to receive authorization for the transportation and/or disposal of oil field wastes is a violation of OCD rules and the New Mexico Oil and Gas Act. The site location, waste content and transporter information provided by the responsible parties regarding disposal activities at this unpermitted facility will remain on file with the OCD. Further violations could subject Saulcon Construction to civil penalties.

Saulcon Construction
January 26, 1994
Page 2

In order to avoid future occurrences of this nature, it is incumbent upon Saulcon Construction to contact the OCD to receive approval for the transportation and disposition of any oil field wastes associated with an oil and gas well site or sites.

If you have any questions, please contact me at (505) 827-5812.

Sincerely,

A handwritten signature in cursive script, appearing to read "Roger C. Anderson".

Roger C. Anderson
Environmental Bureau Chief

xc: Ray Smith, OCD Artesia District Office



CONSERVATION DIVISION
ARTESIA DISTRICT OFFICE

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

BRUCE KING
GOVERNOR

OIL CONSERVATION DIVISION
ARTESIA DISTRICT OFFICE

P.O. DRAWER DD
ARTESIA, NEW MEXICO 88211
(505) 748-1283

MEMORANDUM

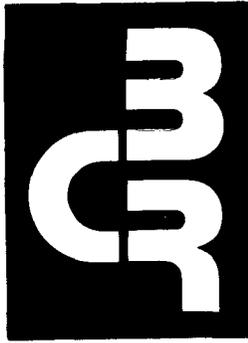
TO: Bill Olsen

FROM: Ray Smith

SUBJECT: Closure of Johnny Reed Pit, Loving NM

DATE: January 26, 1994

As per our conversation 1/25/94, I did talk to Wade Alexander with Bird Creek Resources about closing the pit. He plans to spread the reserve pit cuttings that have been hauled in, roll in the sides of the pit and cover the material with dirt.



Bird Creek Resources, Inc.

1412 S. Boston, Suite 550
Tulsa, Oklahoma 74119
(918) 582-7713
Fax: (918) 560-4958

August 5, 1993

State of New Mexico
Energy, Minerals and Natural Resources Department
Oil Conservation Division
310 Old Santa Fe Trail
Santa Fe, NM 87501

Attention: Mr. Roger C. Anderson
Environmental Bureau Chief

Re: Unpermitted Disposal Site
Eddy County, New Mexico

Gentlemen:

In response to your letter of July 26, 1993, this is to advise that the drilling pits from following wells were disposed of at the Johnny Reid site:

WELL NAME: Caviness Paine #2
OPERATOR: Bird Creek Resources, Inc.
DESCRIPTION: SE/4 SE/4, Section 15-23S-28E, Eddy
County, New Mexico
MATERIAL TYPE: Drilling mud, drill cuttings, cement
residue and top soil
VOLUME: 528 yards
TRANSPORTER: H & H Excavating
3411 Derrick Road
Carlsbad, NM 88221
DATES TRANSPORTED: December 18, 19 and 28, 1990

WELL NAME: Chaves #1
OPERATOR: Bird Creek Resources, Inc.
DESCRIPTION: NW/4 NE/4, Section 15-23S-28E, Eddy
County, New Mexico
MATERIAL TYPE: Drilling mud, drill cuttings, cement
residue and top soil
VOLUME: 616 yards
TRANSPORTER: H & H Excavating
3411 Derrick Road
Carlsbad, NM 88221
DATES TRANSPORTED: December 20 & 29, 1990 and January 14, 16
and 17, 1991

WELL NAME: RGA #3
OPERATOR: Bird Creek Resources, Inc.
DESCRIPTION: SW/4 SW/4, Section 14-23S-28E. Eddy
County, New Mexico
MATERIAL TYPE: Drilling mud, drill cuttings, cement
residue and top soil
VOLUME: 484 yards
TRANSPORTER: H & H Excavating
3411 Derrick Road
Carlsbad, NM 88221
DATES TRANSPORTED: December 28 & 29, 1990 and January 14, 16
and 17, 1991

WELL NAME: Ogden #1
OPERATOR: Bird Creek Resources, Inc.
DESCRIPTION: NE/4 NE/4, Section 7-24S-28E, Eddy
County, New Mexico
MATERIAL TYPE: Drilling mud, drill cuttings, cement
residue and top soil
VOLUME: 440 yards
TRANSPORTER: H & H Excavating
3411 Derrick Road
Carlsbad, NM 88221
DATES TRANSPORTED: January 16, 17, 18 and 19, 1991

WELL NAME: Queen #1
OPERATOR: Bird Creek Resources, Inc.
DESCRIPTION: NE/4 NE/4, Section 22-23S-28E, Eddy
County, New Mexico
MATERIAL TYPE: Drilling mud, drill cuttings, cement
residue and top soil
VOLUME: 612 yards
TRANSPORTER: H & H Excavating
3411 Derrick Road
Carlsbad, NM 88221
DATES TRANSPORTED: February 18, 19, and 28, April 12 and
June 7, 1991

Page 3
Oil Conservation Division
August 5, 1993

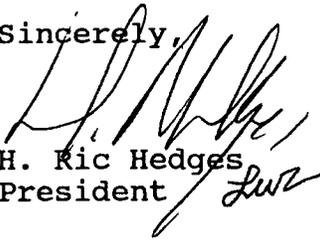
WELL NAME: Pardue Martin #2
OPERATOR: Bird Creek Resources, Inc.
DESCRIPTION: NW/4 SW/4, Section 2-23S-28E, Eddy
County, New Mexico
MATERIAL TYPE: Drilling mud, drill cuttings, cement
residue and top soil
VOLUME: 726 yards
TRANSPORTER: H & H Excavating
3411 Derrick Road
Carlsbad, NM 88221
DATES TRANSPORTED: May 18, 19 and 20, 1993

We do not find any documentation showing authorization to transport or dispose of oilfield wastes at the Johnny Reid site. I have been advised by our field personnel that they were unaware that such authority was required and they were under the impression that the Johnny Reid site was permitted.

We regret any inadvertent violations and stand ready to take the necessary steps to remedy this situation.

If you have any questions or require any further information, please do not hesitate to contact me.

Sincerely,


H. Ric Hedges
President

H & H Excavating

Ralph Hood (505) 785-2147



P.O. Box 3024
3411 Derrick Road
Carlsbad, N.M. 88221-3024
Office - (505) 236-6077
FAX - (505) 236-6082



1993 AUG 5 AM 9 23

August 5, 1993

State of New Mexico
Energy, Minerals, and Natural Resources Dept.
Oil Conservation Division
Roger C. Anderson
Environmental Bureau Chief
P O Box 2088
Santa Fe Land Office Building
Santa Fe, New Mexico 87504

RE: Your letter 7-26-93 - Certified # 0-667-242-362

Dear Mr. Anderson:

Pursuant to your letter, listed below is your required information concerning our company transporting oilfield waste to Mr. Johnny Reid's disposal facility.

OPERATOR: Birdcreek Resources, Inc.
LEASE NAME: Caviness Paine
WELL NUMBER: 2
LEGAL LOCATION: SE/SE 4 Sec. 15 Twnshp 23 S Range 28 E Eddy County, NM
REQUESTED BY: B.K. Energy--810 S. Cincinnati # 110--Tulsa, OK 74119
Agent for Birdcreek Resources, Inc.
VOLUME: 528 yards
TYPE: Drill cuttings, cement residue, drilling mud and top soil.
DATES TRANSPORTED: 12-18-90, 12-19-90, 12-28-90.

OPERATOR: Birdcreek Resources, Inc.
LEASE NAME: Chavez
WELL NUMBER: 1
LEGAL LOCATION: NW/NE 4 Sec. 15 Twnshp 23 S Range 28 E Eddy County, NM
REQUESTED BY: B.K. Energy--810 S. Cincinnati # 110--Tulsa, OK 74119
Agent for Birdcreek Resources, Inc.
VOLUME: 616 yards
TYPE: Drill cuttings, cement residue, drilling mud and top soil.
DATES TRANSPORTED: 12-20-90, 12-26-90, 12-27-90, 12-28-90.

OPERATOR: Birdcreek Resources, Inc.
LEASE NAME: R.G.A.
WELL NUMBER: 3
LEGAL LOCATION: SW/SW 4 Sec. 14 Twnshp 23 S Range 28 E Eddy County, NM
REQUESTED BY: B.K. Energy--810 S. Cincinnati #110--Tulsa, OK 74119
Agent for Birdcreek Resources, Inc.
VOLUME: 484 yards
TYPE: Drill cuttings, cement residue, drilling mud and top soil.
DATES TRANSPORTED: 12-28-90, 12-29-90, 1-14-91, 1-16-91, 1-17-91.

OPERATOR: Birdcreek Resources, Inc.
LEASE NAME: Ogden
WELL NUMBER: 1
LEGAL LOCATION: NE/NE 4 Sec. 7 Twnshp 24 S Range 28 E Eddy County, NM
REQUESTED BY: B.K. Energy--810 S. Cincinnati #110--Tulsa, OK 74119
Agent for Birdcreek Resources, Inc.
VOLUME: 440 yards
TYPE: Drill cuttings, cement residue, drilling mud and top soil.
DATES TRANSPORTED: 1-16-91, 1-17-91, 1-18-91, 1-19-91.

OPERATOR: Birdcreek Resources, Inc.
LEASE NAME: Queen
WELL NUMBER: 1
LEGAL LOCATION: NE/NE 4 Sec. 22 Twnshp 23 S Range 28 E Eddy County, NM
REQUESTED BY: B.K. Energy--810 S. Cincinnati #110--Tulsa, OK 74119
Agent for Birdcreek Resources, Inc.
VOLUME: 612 yards
TYPE: Drill cuttings, cement residue, drilling mud and top soil.
DATES TRANSPORTED: 2-18-91, 2-19-91, 2-28-91, 4-12-91, 6-7-91.

OPERATOR: Birdcreek Resources, Inc.
LEASE NAME: Pardue Martin
WELL NUMBER: 2
LEGAL LOCATION: NW/SW 4 Sec. 2 Twnshp 23 S Range 28 E Eddy County, NM
REQUESTED BY: Wade Alexander
Birdcreek Resources--1400 S. Boston #550--Tulsa, OK 74119
VOLUME: 726 yards
TYPE: Drill cuttings, cement residue, drilling mud and top soil.
DATES TRANSPORTED: 5-18-93, 5-19-93, 5-20-93.

H & H Excavating has no documentation which shows authorization to transport or dispose of oilfield waste at the Johnny Reid site. ALL orders given to H & H Excavating were verbal.

Mr. Anderson, let me assure you that at no time did H & H Excavating have any knowledge that we were required by the OCD to obtain permission to transport this waste. We were doing as we were instructed to do. We truly regret that we did not have better knowledge.

If we can be of further assistance, please do not hesitate to call (505) 236-6077.

Sincerely,



Elizabeth Hood
Co-Owner

EH:sf

xc: OCD Artesia Office

RB OPERATING COMPANY

OIL CONSERVATION DIVISION
RECEIVED

601 MARIENFELD, SUITE 102
MIDLAND, TEXAS 79701
OFFICE: 915-682-0095
FAX: 915-682-3017

July 29, 1993

93 AUG 5 AM 9 49

New Mexico Oil Conservation Division
Roger C. Anderson
P.O. Box 2088
State Land Office Building
Santa Fe, New Mexico 87504

RE: Certified Letter No. P-667-242-360 Concerning Unpermitted Disposal Site in Eddy County, N.M.

Dear Sir,

This letter contains the information you requested in your letter concerning the oilfield waste RB Operating disposed into a pit owned by Johnny Reed located in the SW/4,NW/4 of Section 23, Township 23 South, Range 28, NMPM, Eddy County, New Mexico.

In general there were four (4) wells located on the Reed ranch that we took the dry drill cuttings from and deposited into Mr. Reed's pit. These wells were drilled with closed pit systems (no reserve pits) to preserve sensitive farmland and pasture that we were drilling on.

All the wells were drilled and completed from March- July 1990 and only dry cuttings (no fluid) were deposited in the pit during that time frame. The material was hauled in all 4 cases by M&M Rental Tools located at 5600 W. Carlsbad Highway, Hobbs, New Mexico, 88240.

We (RB Operating Co.) did not believe it was necessary to notify the OCD at the time because the cuttings that were deposited in Mr. Reeds pit were dry and did not contain any hazardous chemicals in reportable amounts. The cuttings were placed there at Mr. Reed's request.

Below is a listing of wells with legal descriptions, volume and type of waste, and the dates of removal.

SOUTH CULEBRA BLUFF "23" Well No. 4

Unit Letter E	Waste:	Dry Drill Cuttings
894' FWL, 1890' FNL	Volume:	120 cubic yards
Sec. 23, Twp. 23S, Rge. 28E	Date Removed:	3-25-90
Eddy County, New Mexico		

SOUTH CULEBRA BLUFF "23" Well No. 5

Unit Letter D	Waste:	Dry Drill Cuttings
Sec. 23, Twp. 23S, Rge. 28E	Volume:	120 cubic yards
540' FNL, 611' FWL	Date Removed:	4-8-90
Eddy County, New Mexico		

SOUTH CULEBRA BLUFF "23" Well No. 6

Unit Letter C	Waste:	Dry Drill Cuttings
Sec. 23, Twp. 23S, Rge. 28E	Volume:	120 cubic yards
678' FNL, 2170' FWL	Date Removed:	5-22-90
Eddy County, New Mexico		

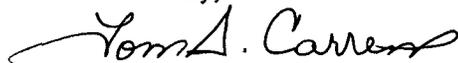
SOUTH CULEBRA BLUFF "23" Well No. 12

Unit Letter H
Sec. 23, Twp. 23S., Rge. 28E
2140' FNL, 400' FEL
Eddy County, New Mexico

Waste: Dry Drill Cuttings
Volume: 120 cubic yards
Date Removed: 7-7-90

I believe this letter answers all the questions that you had and if I can be of further assistance please let me know. Our phone number is (915) 682-0095.

Sincerely,



Tom S. Carrens
Drilling/ Production Supervisor



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

July 26, 1993

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

CERTIFIED MAIL
RETURN RECEIPT NO. P-667-242-360

RECEIVED

JUL 28 1993

Odessa, Texas

President
RB Operating Company
601 N. Marienfield, Suite 102
Midland, Texas 79701

**RE: UNPERMITTED DISPOSAL SITE
EDDY COUNTY, NEW MEXICO**

Dear Sir:

The New Mexico Oil Conservation Division (OCD) has been informed that RB Operating has disposed of oilfield wastes at an unpermitted oilfield waste disposal facility operated by Mr. Johnny Reid and located in the SW/4, NW/4 of Section 23, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico.

Pursuant to 70-2-12.B.(21) NMSA 1978, authority is vested in the OCD to make rules and regulations "to regulate the disposition of non-domestic wastes resulting from the exploration, development, production or storage of crude oil or natural gas to protect public health and the environment". According to OCD Rules and Regulations the transportation and disposition of all oilfield wastes associated with any well site must be authorized by the OCD. The OCD has no record of RB Operating requesting or receiving approval to transport or dispose of oilfield wastes at this location.

Therefore, RB Operating is hereby required to provide the OCD with the following information related to the above referenced facility:

1. The lease name, well number and legal location of wells from which oilfield wastes were removed for disposal at the Johnny Reid site.
2. The volume and type of waste removed from each well site.
3. The dates on which these wastes were removed from each well site for disposal.

RB Operating Co.
July 26, 1993
Page 2

4. The name and address of the company or individual that transported the wastes from each site.
5. Any documentation which shows authorization to transport or dispose of oilfield wastes at the Johnny Reid site.

Please provide the above required information to OCD by August 6, 1993.

If you have any questions, please contact me at (505) 827-5812.

Sincerely,



Roger C. Anderson
Environmental Bureau Chief

xc: OCD Artesia Office



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

July 26, 1993

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

CERTIFIED MAIL
RETURN RECEIPT NO. P-667-242-363

President
Saulcon Construction
P.O. Box 657
Carlsbad, NM 88220

**RE: UNPERMITTED DISPOSAL SITE
EDDY COUNTY, NEW MEXICO**

Dear Sir:

The New Mexico Oil Conservation Division (OCD) has been informed that Saulcon Construction has transported oilfield wastes for operators to Mr. Johnny Reid's unpermitted oilfield waste disposal facility located in the SW/4, NW/4 of Section 23, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico.

Pursuant to 70-2-12.B.(22) NMSA 1978, authority is vested in the OCD to make rules and regulations "to regulate the disposition of non-domestic wastes resulting from the oil field service industry, the transportation of crude oil or natural gas, the treatment of natural gas or the refinement of crude oil to protect public health and the environment". According to OCD Rules and Regulations the transportation and disposition of all oilfield wastes associated with any well site must be authorized by the OCD. The OCD has no record of Saulcon Construction transporting oilfield wastes to this location.

Therefore, Saulcon Construction is hereby required to provide the OCD with the following information related to the above referenced facility:

1. The operator, lease name, well number and legal location of all wells from which oilfield wastes were transported for disposal at the Johnny Reid site.
2. The name and address of the company or individual that requested the transportation of the wastes.
3. The volume and type of waste removed from each well site.

Saulcon Construction
July 26, 1993
Page 2

4. The dates on which wastes were transported from each well site for disposal.
5. Any documentation which shows authorization to transport or dispose of oilfield wastes at the Johnny Reid site.

Please provide the above required information to OCD by August 6, 1993.

If you have any questions, please contact me at (505) 827-5812.

Sincerely,



Roger C. Anderson
Environmental Bureau Chief

RCA/wco

xc: OCD Artesia Office



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

July 26, 1993

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

CERTIFIED MAIL
RETURN RECEIPT NO. P-667-242-362

President
H & H Excavating
P.O. Box 3024
Carlsbad, NM 88220

**RE: UNPERMITTED DISPOSAL SITE
EDDY COUNTY, NEW MEXICO**

Dear Sir:

The New Mexico Oil Conservation Division (OCD) has been informed that H & H Excavating has transported oilfield wastes for operators to Mr. Johnny Reid's unpermitted oilfield waste disposal facility located in the SW/4, NW/4 of Section 23, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico.

Pursuant to 70-2-12.B.(22) NMSA 1978, authority is vested in the OCD to make rules and regulations "to regulate the disposition of non-domestic wastes resulting from the oil field service industry, the transportation of crude oil or natural gas, the treatment of natural gas or the refinement of crude oil to protect public health and the environment". According to OCD Rules and Regulations the transportation and disposition of all oilfield wastes associated with any well site must be authorized by the OCD. The OCD has no record of H & H Excavating transporting oilfield wastes to this location.

Therefore, H & H Excavating is hereby required to provide the OCD with the following information related to the above referenced facility:

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H & H Excavating
July 26, 1993
Page 2

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Please provide the above required information to OCD by August 6, 1993.

If you have any questions, please contact me at (505) 827-5812.

Sincerely,



Roger C. Anderson
Environmental Bureau Chief

RCA/wco

xc: OCD Artesia Office



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

July 26, 1993

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

CERTIFIED MAIL
RETURN RECEIPT NO. P-667-242-361

President
Bird Creek Resources
1412 S. Boston, 550
P.O. Box 21470
Tulsa, Oklahoma 74119

**RE: UNPERMITTED DISPOSAL SITE
EDDY COUNTY, NEW MEXICO**

Dear Sir:

The New Mexico Oil Conservation Division (OCD) has been informed that Bird Creek Resources has disposed of oilfield wastes at an unpermitted oilfield waste disposal facility operated by Mr. Johnny Reid and located in the SW/4, NW/4 of Section 23, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico.

Pursuant to 70-2-12.B.(21) NMSA 1978, authority is vested in the OCD to make rules and regulations "to regulate the disposition of non-domestic wastes resulting from the exploration, development, production or storage of crude oil or natural gas to protect public health and the environment". According to OCD Rules and Regulations the transportation and disposition of all oilfield wastes associated with any well site must be authorized by the OCD. The OCD has no record of Bird Creek Resources requesting or receiving approval to transport or dispose of oilfield wastes at this location.

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Bird Creek Resources
July 26, 1993
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If you have any questions, please contact me at (505) 827-5812.

Sincerely,



Roger C. Anderson
Environmental Bureau Chief

RCA/wco

xc: OCD Artesia Office



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

July 26, 1993

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

CERTIFIED MAIL
RETURN RECEIPT NO. P-667-242-360

President
RB Operating Company
601 N. Marienfield, Suite 102
Midland, Texas 79701

**RE: UNPERMITTED DISPOSAL SITE
EDDY COUNTY, NEW MEXICO**

Dear Sir:

The New Mexico Oil Conservation Division (OCD) has been informed that RB Operating has disposed of oilfield wastes at an unpermitted oilfield waste disposal facility operated by Mr. Johnny Reid and located in the SW/4, NW/4 of Section 23, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico.

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RB Operating Co.
July 26, 1993
Page 2

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If you have any questions, please contact me at (505) 827-5812.

Sincerely,



Roger C. Anderson
Environmental Bureau Chief

xc: OCD Artesia Office

OIL CONSERVATION DIVISION
RECEIVED

'93 JUL 16 AM 8 34

July 14, 1993

Mr. Roger C. Anderson
Environmental Bureau Chief
State Land Office Building
P.O. Box 2088
Santa Fe, NM 87504

RE: Unpermitted Disposal Site
Reply to Certified Letter #667-242-158

Dear Mr. Anderson:

Early in 1990 RB Operating Company notified me that they were going to drill 4 oil wells in N/2 S23-23-28. All of these wells were in irrigated farmland that I own and operate. RB Operating agreed to use steel tanks to contain the mud and water if I would provide a place to move the waste to. I have a plot of land that is very rocky and there is an rock quarry that was used in the 1950 for road construction in the area here. RB Operating drilling officials inspected the pit and it was decided that it was adequate to use to place the material in. RB Operating used the pit to place 4 wells into. As drilling spread onto farms around mine, Bird Creek Resources drilled several wells on farms North and West. However, the tailings from these wells were put in plastic lined pits in the ground and then moved as the material dried.

H & H Excavating moved the material for Bird Creek Resources and Saulcon Construction moved the materials for RB Operating.

The Water table stands at apporximately 60 feet. None of the wells in these area are used for human consumption. Tests by NMSU made in the 1980's indicated that this water is unfit for irrigation. However, we do use it to supplement irrigation water from the Pecos River. The Pecos River flows to the South about 1.5 miles to the East of the pit in question. The nearest public water supply is the City of Loving wells approximately 10 miles west of here.

RB Operating has conducted water tests and that information is available from their Environmental Department at Midland Texas. They are using some of the wells listed as test sites.

1. 8" irrigation well ownly by Johnny Reid 300 feet west
2. 2 Domestic wells (inoperative at present) owned by Edwin Collins, 126 Donaldson Farm Road, Loving, NM
Used only for grass yard and livestock.

3. 8" irrigation well owned by Dorothy Queen, East Ash Road, Loving NM, 800 feet West.
4. 2 Domestic wells owned by Johnny Reid, approximately 1,000 feet N.E. of pit, used only for grass, trees and livestock.
5. 1 Domestic well owned by Claude Estes, 221 E. London Road, Loving NM, used for garden, grass and trees, 1900 feet North.

List of Companies Involved

1. RB Operating Company
601 N. Marienfield, Suite 102
Midland, Texas 79701
2. Bird Creek Resources
1412 S. Boston, 550
P.O. Box 21470
Tulsa, OK 74119
3. H & H Excavating
P.O. Box 3024
Carlsbad, NM 88220
4. Saulcon Construction
P.O. box 657
Carlsbad, NM 88220

I might add that at no time prior to receiving your call, was I ever aware that I was in violation of any regulations. All of the companies involved assured me that the waste could be put in my pit without any problems. I assumed that OCD knew from the beginning that the material was being moved and knew where it was going. In May 1993, Mr. Dean Strickland of H & H Excavating told me he had OCD (Artesia) approval to move a pit to my pit if it came from private land and was going on to private land.

Respectfully,

Johnny L. Reid

Johnny Reid
745-2956



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

June 28, 1993

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

ANITA LOCKWOOD
CABINET SECRETARY

CERTIFIED MAIL
RETURN RECEIPT NO. 667-242-158

Mr. Johnny Reid
245 E. London Rd.
Loving, New Mexico 88256

Re: Unpermitted Disposal Site

Dear Mr. Reid:

On June 23, 1993 the Director of the Oil Conservation Division (OCD) was notified of an unpermitted oilfield waste disposal facility located in the SW/4 NW/4, Section 23, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico. On that same day the OCD Artesia District office ordered you, as operator of the facility, to cease accepting wastes.

Pursuant to 70-2-12.B.(21) NMSA 1978, authority is vested in the OCD to make rules and regulations "to regulate the disposition of non-domestic wastes resulting from the exploration, development, production or storage of crude oil or natural gas to protect public health and the environment:". OCD Rule 711 (enclosed) requires oilfield surface waste disposal facilities to be permitted prior to operation. Your facility is unpermitted and has been accepting drilling wastes in violation of OCD Rules.

In order to evaluate the impacts of your operation, you are required to provide the following information to the OCD:

1. A list identifying all wastes received at the facility.
2. A list identifying all generators, with addresses, that disposed of any wastes at the facility.
3. A list identifying all transporters that hauled any wastes to the facility.
4. Water quality information at the facility. This will include the depth to ground water, the ground water quality, the distance to and public and/or private water wells and the distance to the nearest surface water body.

Mr. Johnny Reid
June 28, 1993
Page -2-

If you feel the site is appropriate for oilfield waste disposal , you must apply for a permit to construct and operate the facility. If it is determined by the OCD that the site is not appropriate for the disposal of oilfield wastes, the OCD may require removal of the wastes and remediation of the site.

Please provide the above required information to the OCD by July 9, 1993.

If you have any questions, please contact me at (505) 827-5812.

Sincerely:



Roger C. Anderson
Environmental Bureau Chief

xc: OCD Artesia Office



State of New Mexico
ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT
 Santa Fe, New Mexico 87505

STATE OF
 NEW MEXICO
 OIL
 CONSERVATION
 DIVISION

MEMORANDUM OF MEETING OR CONVERSATION

<input checked="" type="checkbox"/> Telephone	<input type="checkbox"/> Personal	Time 1530 hrs.	Date 6/23/93
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<u>Originating Party</u>	<u>Other Parties</u>
Ray Smith - OCD Artesia	Bill Olson - Envir. Bureau

Subject
 Illegal Disposal Facility

Discussion
 Artesia Office received report of illegal facility approx 1-2 miles east of Loving in unit E sec 23 T23S R28E operated by a rancher named Johnny Reid Home phone - 745-2956 cell phone - 369-2649
 He called him and told him to cease accepting wastes
 He went to inspect site.
 Mr. Reid is disposing of drilling muds in a couple of acre acres caliche pit. He estimated approx 75-100 loads in pit. He took pictures of site

Conclusions or Agreements
 He will send pictures and inspection report to us ASAP
 We will send Mr. Reid compliance letter

<u>Distribution</u> RCA	Signed
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BRUCE KING
GOVERNOR

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
ARTESIA DISTRICT OFFICE

P.O. DRAWER DD
ARTESIA, NEW MEXICO 88211
(505) 748-1283

OIL CONSERVATION DIVISION
RECEIVED
93 JUL 1 1993
107 44

MEMORANDUM

TO: Roger Anderson
FROM: Ray Smith
SUBJECT: Calachie Pit Unit E Sec. 23 T23S R28E
DATE: June 30, 1993

On June 23, 1993 I drove to Loving, NM to check out report of drill pit cuttings being hauled into and dumped in an old calachie pit. I found from 75 to approximately 100 loads of drill pit cuttings.

This pit is located on land belonging to Mr. Johnny Reid of 245 E. Lunden Road, Loving, NM. His phone number is 745-2956.

I include with this report a map and photos.

RS/js
Enclosure





Pecos River

RBO operating 000
S. Pulepsa
Bluff # 23-4
lease

Donaldson Farm
Road

House



Oak

Loving

S 31

US 285



Carlsbad

N