

1R - 264

**GENERAL
CORRESPONDENCE**

YEAR(S):

1997-2004

1R264

Olson, William

From: Olson, William
Sent: Monday, April 19, 2004 9:58 AM
To: 'Mike Griffin'; Olson, William
Cc: Larry Sugano; Darrell Glueck
Subject: RE: Tipperary 2nd Qtr. Bagley Field Sampling Relief

Dear Mr. Griffin:

This correspondence is sent to you in response to Tipperary Corporation's (TC) below April 2, 2004 request to modify the water quality monitoring program for ground water remediation sites in the Bagley Field west of Tatum, New Mexico. Due to the stability of contamination at the sites over time, the New Mexico Oil Conservation Division (NMOCD) agrees to modify the ground water monitoring program for the Bagley Field sites as set out below:

1. Ground water from **all** site monitoring wells at each site shall be sampled on an annual basis.
2. All ground water samples shall be obtained and analyzed for concentrations of benzene, toluene, ethylbenzene and xylene (BTEX) and major cations and anions using EPA approved methods and quality assurance/quality control procedures.
3. TC shall notify the NMOCD at least 1 week prior to the sampling events such that the NMOCD has the opportunity to witness the events and split samples.

Please be advised that NMOCD approval does not relieve TC of responsibility if the program fails to adequately monitor contamination at the sites, or if contamination outside the scope of the monitoring program is found to exist. In addition, NMOCD approval does not relieve TC of responsibility for compliance with any other federal, state, or local laws and regulations.

If you have any questions, please contact me.

Sincerely,

William C. Olson
Hydrologist
New Mexico Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505
(505) 476-3491

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

From: Mike Griffin [mailto:whearth@msn.com]
Sent: Friday, April 02, 2004 11:27 AM
To: Bill Olson
Cc: Larry Sugano; Darrell Glueck

4/19/2004

Subject: Tipperary 2nd Qtr. Bagley Field Sampling Relief

Good Morning, Bill:

On March 23rd, Tipperary sent you the results of last years results from monitoring fifty-one individual wells within the Bagley Field. What started six years ago as a series of single delineation wells at each pit site has grown in scope and size to a very significant quarterly expense. Part of this expense is the collection of data from wells that have either always had BTEX concentrations within the acceptance parameters of NMWQCC standards or wells whose concentrations have diminished over time to meet the standards for at least four consecutive quarters.

We've ten such wells we would like you to consider for omission within the 2nd quarter Tipperary sampling round described as follows:

Iva COM

MW-1 Twenty-three consecutive quarters of acceptable concentrations.

MW-2 Twenty-one consecutive quarters of acceptable concentrations.

Bell

MW-2 Ten consecutive quarters of acceptable results.

MW-4 Twelve consecutive quarters of acceptable concentrations.

Mable

MW-2 Nine consecutive quarters of acceptable results.

MW-3 Seven consecutive quarters of acceptable concentrations.

NBF

MW-4 Five consecutive quarters of acceptable results.

MW-5 Seven consecutive quarters of acceptable concentrations.

Sohio 1

MW-6 Five consecutive quarters of acceptable results.

MW-7 Five consecutive quarters of acceptable results.

All but the Iva wells have shown higher concentrations in the past. We request that we may be allowed to test them only once per year for BTEX only. If the analytical result for this annual sampling event comes back above the WQCC standards, the well will be immediately reverted to a quarterly sampling schedule.

At time of requested final closure, we propose that all wells within a pit group be tested for BTEX volatile & semi-volatile compounds, PAH's, cat and anions, hardness, etc. If ANY well from within the pit group exhibits concentrations in excess of NMWQCC standards, that well will be tested quarterly for the specific C of C in question. After four quarters of acceptable concentrations, each well within the group will again be subject to the full suite of tests. Closure would be granted ONLY when all wells show four quarters of acceptable concentrations for ALL C of C's.

Bill, I think this a reasonable and certainly more cost effective method of conducting our sampling program. We anticipate being out in Tatum within the next couple of weeks and

look forward to your earliest response.

Warmest regards,
Mike Griffin
Whole Earth Environmental, Inc.
Phone: 281.394.2050
FAX: 281.394.2051

This email has been scanned by the MessageLabs Email Security System.
For more information please visit <http://www.messagelabs.com/email>

Olson, William

From: Mike Griffin [whearth@iamerica.net]
Sent: Tuesday, May 06, 2003 9:27 PM
To: Bill Olson
Cc: Larry Sugano
Subject: Tatum Pit Closure Project Your Letter of 4-21-03



Site Locations.jpg



Plat Map - Bell State
A.xls



Plat Map - NBF.xls



Plat Map - Sohio
1.xls



Plat Map - Sohio
A.xls

Good Morning, Bill:

I'm in receipt of your above letter and have a few questions or comments. It would probably be easiest for all concerned to go down your list in order.

1. You requested that future filings have a contoured ground water potentiometric map. We've included the map within this submittal.

2. You requested that we analyze each well - each quarter for TDS and major cat and anions. These analyses were performed at the time each well was drilled and we've a good baseline of their concentrations. With the sole exception of the Collier site, the non-organics were found to be within limits. In order to receive closure for each site, we will be required to pass the full NMWQCC spectrum of contaminants of concern including these minerals. At the present time, our main concern in each Tatum site location is benzene, (indeed all of the other BTEX constituents are within limits in all wells).

I would ask that you consider allowing us to continue our existing program for BTEX only until time of final closure. (Though I'll willingly concede the prudence of testing Collier at least annually and even quarterly if the concentrations show any significant increase over the original baselines).

3. You requested that we measure the phase-separated hydrocarbons where present. We can do so on all but the recovery wells.

4. You requested that we conduct further delineation on Bell, Sohio A, Sohio 1 and NBF. We propose to comply as follows:

a. Attached, please find copies of the plat map for each well site in question marked up to include our proposed new well locations. The existing well locations are all shown along with the locations of the major equipment. Existing wells with acceptable concentrations are shown in blue, and the wells with benzene concentrations exceeding NMWQCC standards are in red.

b. The wells will be constructed as are all others within the field. Drilled 2" dia. with a minimum of 10' of screen into the table and 5" of screen above the table. The surface will be flush mounted with a bolted steel cap. No cuttings will be allowed into the hole.

c. We propose to sample each well - each quarter in accordance with the existing sampling plan. The initial testing will include BTEX, major cat and anions, and TDS. Assuming that the minerals are within acceptable limits, subsequent tests will be for BTEX only.

d. We propose to begin drilling on or about May 15th. And will submit a report within two weeks of the receipt of the laboratory analytical results.

Thank you in advance for what I know will be prompt response.

WHOLE EARTH ENVIROMENTAL, INC.

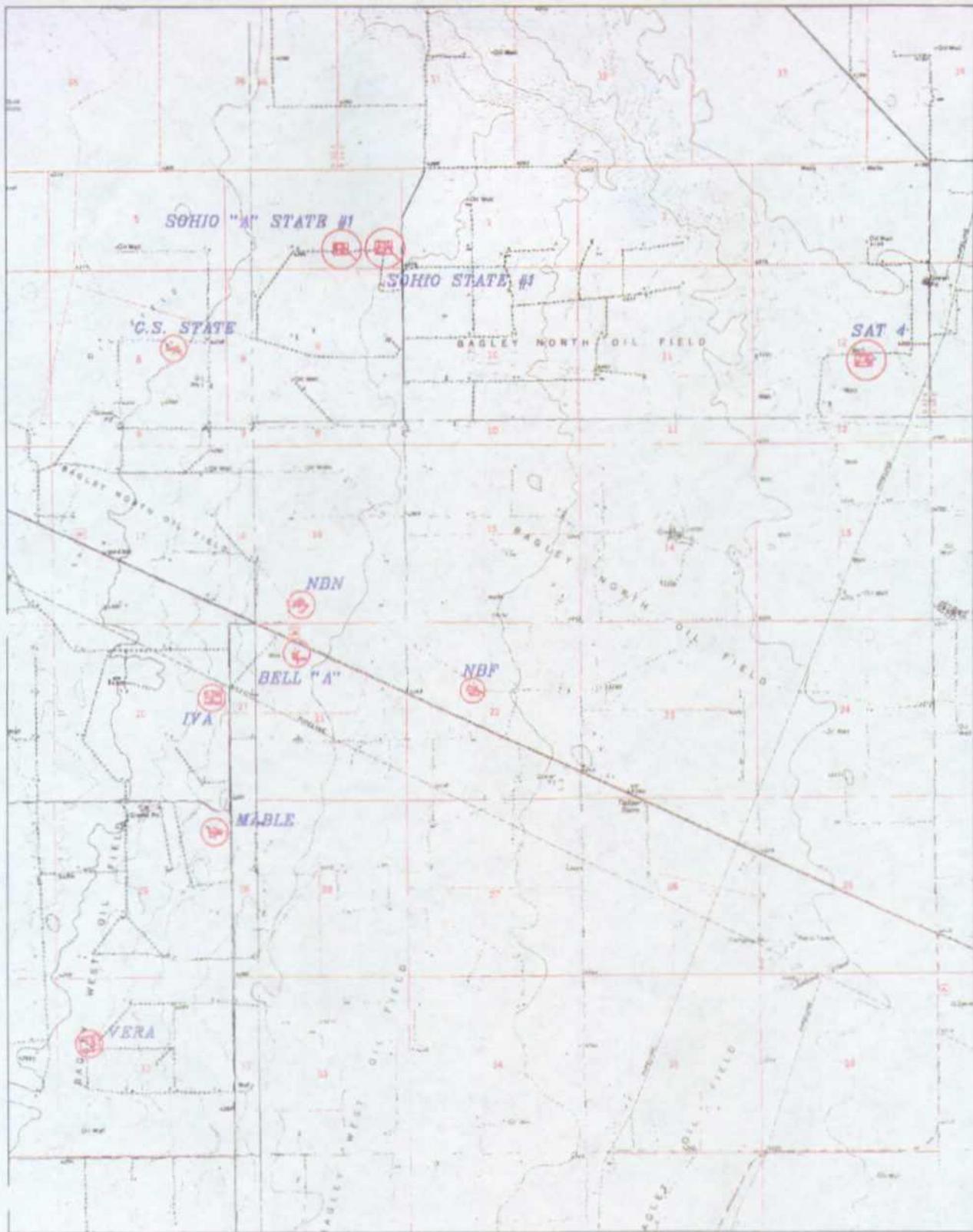


EXHIBIT 9

BASIN SURVEYS P.O. BOX 1786 - HOBBS, NEW MEXICO

W.O. Number: 9352
Date: 10-21-99

Drawn By: K. GOAD
Disk: KJG #122 - WE9352.DWG



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

April 21, 2003

Mr. Larry G. Sugano
Tipperary Corporation
633 Seventeenth St., Suite 1550
Denver, Colorado 80202

**RE: TATUM PIT CLOSURE PROJECT
LEA COUNTY, NEW MEXICO**

Dear Mr. Sugano:

The New Mexico Oil Conservation Division (OCD) has reviewed Tipperary Corporation's (TC) February 12, 2003 "PROGRESS REPORT FOR YEAR 2002, TATUM PIT CLOSURE PROJECT, LEA COUNTY, NEW MEXICO". This document contains the results of TC's 2002 ground water quality monitoring and additional investigations of the extent of ground water contamination at the Bell State "A" (Case #1R260), Gulf State #1 (Case #1R262), Iva Com #1 (Case #1R263), ██████████ (Case #1R264), Sohio State #1 (Case # 1R267), Sohio State "A" (Case #1R268), State NBF #1 (Case #1R269) and Collier #1 (Case # AP-32) sites west of Tatum, New Mexico.

The OCD has the following comments and requirements concerning the above referenced documents:

1. The reports do not include a contoured ground water potentiometric map of each site, for each sampling event, showing the direction and magnitude of the hydraulic gradient. The OCD has required this information for all monitoring reports as a condition of approval of previous work plans. Please provide such a map for each site from the last monitoring event in calendar year 2002. In future reports, for each sampling event, TC shall include a contoured ground water potentiometric map of each site showing the direction and magnitude of the hydraulic gradient.
2. A review of site data shows that, at most of the sites, chloride and total dissolved solids (TDS) have been observed in ground water downgradient of the pits in concentrations in excess of New Mexico Water Quality Control Commission (WQCC) standards. Therefore, the OCD requires that all future ground water samples from each monitor well, during each sampling event, also be analyzed for concentrations of TDS and major cations and anions using EPA approved methods and quality assurance/quality control procedures.

Larry G. Sugano
April 21, 2003
Page 2

3. The reports note that phase-separated hydrocarbons (PSH) are present in some monitor wells, however, the OCD cannot evaluate the effectiveness of the recovery systems since the amount of PSH in each monitor or recovery well is not reported. In future reports please include tables showing the thickness of PSH, measured to the nearest 0.01 of a foot, in each monitor and recovery well during all past and present monitoring events.

4. A review of the analytical data shows that the lateral and/or downgradient extent of ground water contamination in excess of WQCC standards has still not been completely defined at the Bell State "A", Sohio State #1, Sohio State "A", and State NBF #1 sites. The OCD requires that TC submit work plans to complete the investigation of the extent of ground water contamination at these sites. The work plans shall include:
 - a. A map of each site showing proposed monitor well locations to accomplish the above task.
 - b. Proposed monitor well construction details.
 - c. A proposed ground water sampling plan.
 - d. A schedule for implementation of the plan and submission of an investigation report.

Please submit the information and work plans required in above items 1 and 4 to the OCD Santa Fe Office by June 21, 2003 with a copy provided to the OCD Hobbs District Office.

The investigation actions at the Collier #1 site are being conducted under an abatement plan pursuant to OCD Rule 19. The Stage 1 investigation proposal for the site is currently within a public comment period. The OCD reserves comment on the Collier #1 site until the public comment period for the Stage 1 investigation proposal has been completed.

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

Sincerely,



William C. Olson
Hydrologist
Environmental Bureau

xc: Chris Williams, OCD Hobbs District Office
Mike Griffin, Whole Earth Environmental, Inc.



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Betty Rivera
Acting Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

February 13, 2002

CERTIFIED MAIL
RETURN RECEIPT NO. 7001-1940-0004-3929-7143

Mr. Larry G. Sugano
Tipperary Corporation
633 Seventeenth St., Suite 1550
Denver, Colorado 80202

**RE: TATUM PIT CLOSURE PROJECT
LEA COUNTY, NEW MEXICO**

Dear Mr. Sugano:

On November 2, 2001, the New Mexico Oil Conservation Division (OCD) sent Tipperary Corporation (TC) correspondence stating that an OCD review of TC's April 19, 2001 correspondence, December 7, 2000 "PROGRESS REPORT FOR YEAR 2000, TATUM PIT CLOSURE PROJECT, LEA COUNTY, NEW MEXICO" and November 29, 1999 "JULY 1999 PROGRESS REPORT, OCTOBER 1999 PROGRESS REPORT, TATUM PIT CLOSURE PROJECT, LEA COUNTY, NEW MEXICO" shows that the downgradient extent of ground water contamination at the sites listed below had not been determined:

- Bell State "A" (Case #1R260)
- Gulf State #1 (Case #1R262)
- Iva Com #1 (Case #1R263)
- Mabel Com #1 (Case #1R264)
- Satellite #4 (Case #1R266)
- Sohio State #1 (Case # 1R267)
- Sohio State "A" (Case #1R268)
- State NBF #1 (Case #1R269)

The OCD's correspondence required that a work plan to complete the investigation of the extent of ground water contamination be submitted by December 7, 2001. On November 19, 2001, TC's consultant, Whole Earth Environmental, provided additional information and requested that TC not be required to install additional monitor wells at 3 of the sites. The OCD approved TC's request for 2 of the sites, the Iva Com #1 and Satellite #4 sites, on January 22, 2001. However, to date, the OCD has not received the required work plan.

Larry G. Sugano
February 13, 2002
Page 2

In order to correct this deficiency, the OCD requires that TC submit the work plan to complete the investigation of the extent of contamination at these sites to the OCD Santa Fe Office by March 1, 2002 with copy provided to the OCD Hobbs District Office. The work plan shall include:

1. A contoured ground water potentiometric map of each site showing proposed monitor well locations and the location of the former pit, excavated areas, existing monitor wells and other relevant site information.
2. Proposed monitor well construction details.
3. A proposed ground water sampling plan.
4. A schedule for implementation of the plan and submission of an investigation report.

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

Sincerely,



William C. Olson
Hydrologist
Environmental Bureau

xc: Chris Williams, OCD Hobbs District Office
Mike Griffin, Whole Earth Environmental, Inc.



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

June 29, 1998

CERTIFIED MAIL
RETURN RECEIPT NO. Z-235-437-303

Mr. Larry Sugano
Tipperary Corporation
633 Seventeenth St., Suite 1550
Denver, Colorado 80202

**RE: TATUM PIT CLOSURES
LEA COUNTY, NEW MEXICO**

Dear Mr. Sugano:

The New Mexico Oil Conservation Division (OCD) has reviewed Tipperary Corporation's (TC) April 2, 1998 "PROGRESS REPORT, TATUM PIT CLOSURE PROJECT, LEA COUNTY, NEW MEXICO" and December 11, 1997 "TATUM PIT CLOSURE PROJECT, CLOSURE REPORT". These documents contain the results of TC's investigation of ground water contamination related to the closure of 10 unlined pits west of Tatum, New Mexico.

A review of the above referenced documents shows that at the majority of the sites the extent of ground water contamination has not been completely defined. Therefore, the OCD requires that TC submit a work plan to completely define the extent of ground water contamination which is in excess of New Mexico Water Quality Control Commission (WQCC) ground water standards. The work plan will be submitted to the OCD Santa Fe Office by August 28, 1998 with a copy provided to the OCD Hobbs District Office.

If you have any questions, please call me at (505) 827-7154.

Sincerely,

A handwritten signature in black ink, appearing to read "William C. Olson".

William C. Olson
Hydrologist
Environmental Bureau

xc: Wayne Price, OCD Hobbs District Office
Mike Matush, NM State Land Office
Mike Griffin, Whole Earth Environmental, Inc.



STATE OF
 NEW MEXICO
 OIL
 CONSERVATION
 DIVISION

MEMORANDUM OF MEETING OR CONVERSATION

<input checked="" type="checkbox"/> Telephone	<input type="checkbox"/> Personal	Time 1530	Date 9/22/97
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<u>Originating Party</u>	<u>Other Parties</u>
Bill Olson - Environmental Bureau	Bob Fehlmann - Tipperary Corp. (303) 293-9379

Subject
 Tipperary Pit Closures - Tatum, NM

Discussion
 Gave verbal approval of 9/22/97 fax from Mike Graftin with following conditions:
 1.) Monitor well construction, water quality sampling and waste disposal will be conducted according to OCD June 4, 1997 approval conditions
 2.) Wayne Price of OCD Hobbs will be contacted about the drilling and sampling schedule
 Also expressed concern about source well located 60' from pit instead of directly adjacent to pit as required in OCD's 6/4/97 approval

Conclusions or Agreements
 I will fax copy of verbal approval to Tipperary at (303) 291-0398

Distribution

- file
- Bob Fehlmann - Tipperary (fax copy)
- Wayne Price - OCD Hobbs

Signed



**Whole Earth
Environmental**

19806 S. Gabriel
Houston, TX 77084
Phone: (281) 492-7077
Fax: (281) 646-8996

FAX COVER PAGE

To: Bill Olsen

From: Mike Griffin

Company: NM OCD

Company: Whole Earth Environmental, Inc.

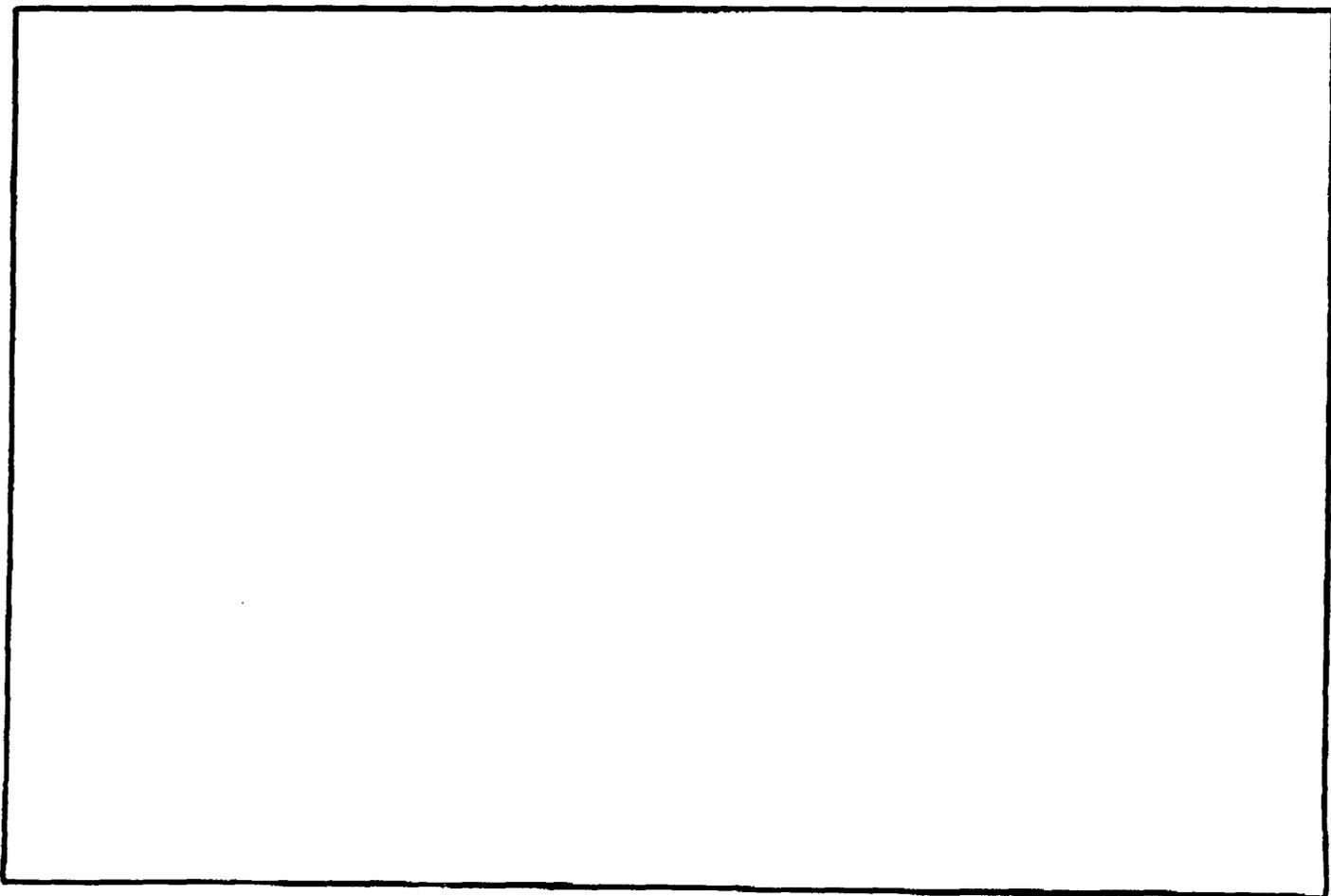
Fax No.: (505) 827-8177

Pages including cover sheet: 3

Subject: Extension Request

Message:

Date: 9/22/97





To: Bill Olsen

From: Mike Griffin

Date: September 9, 1997

Subject: Extension Request

Sent by FAX to: (505) 827-8177

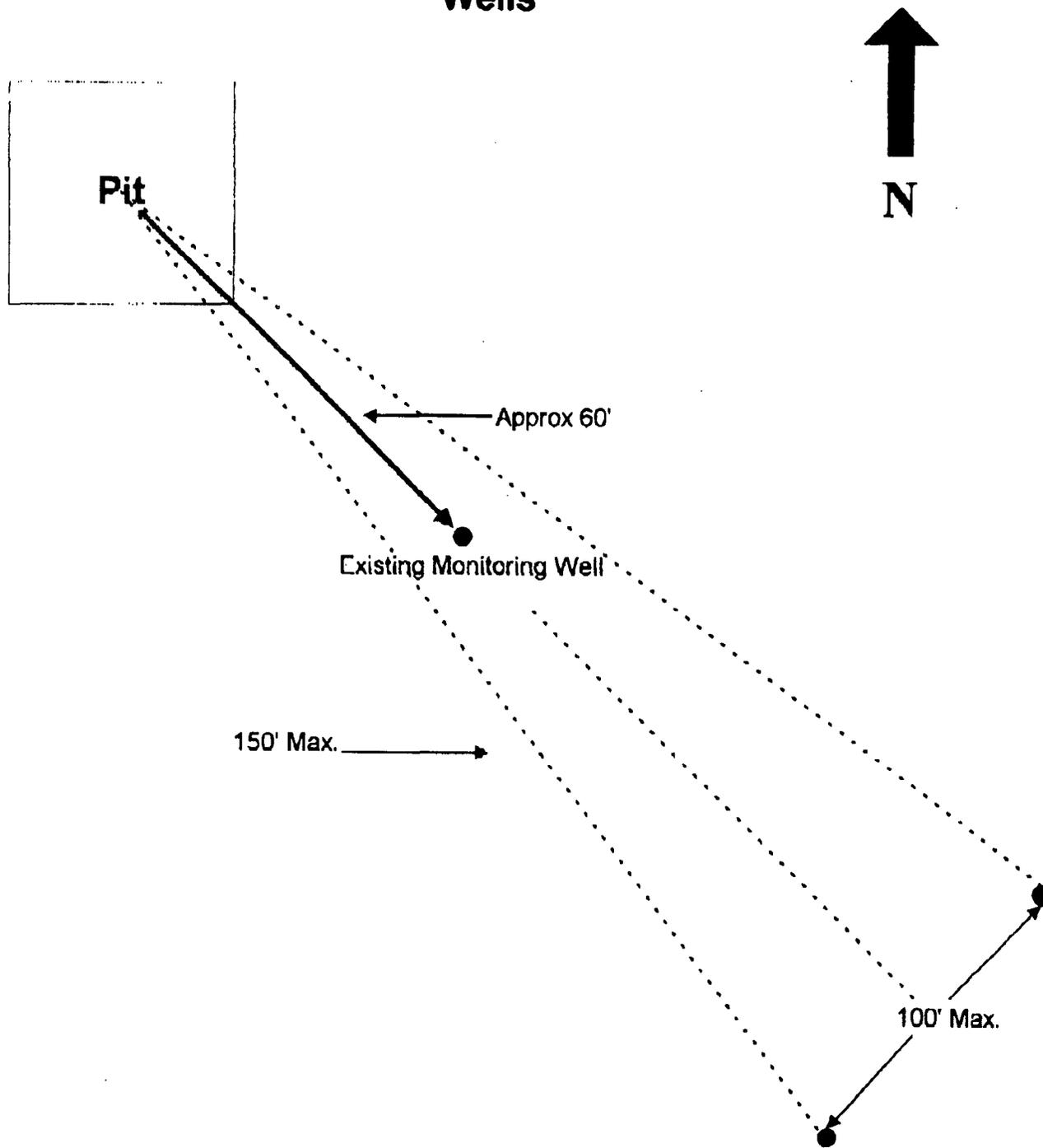
Bill, as you know we experienced an unforeseen delay in completing the Tipperary Tatum Pit Closure Project due to the discovery of detectable BTEX concentrations on five pit locations and the presence of free product in the G.S. State monitoring well. (Reference two letters Bob Fehlmann of Tipperary to you dated Sept. 11).

The new monitoring and recovery wells will be drilled beginning the morning of the 25th and will be sampled as soon as possible thereafter. We request an additional extension for project completion to the end of October.

By copy of this memorandum, I'm notifying Mr. Wayne Price of your Hobbe office as to the new schedule and will further advise him telephonically in advance of the final sampling events so as to allow him to witness.

Please advise if this causes any problems for you.

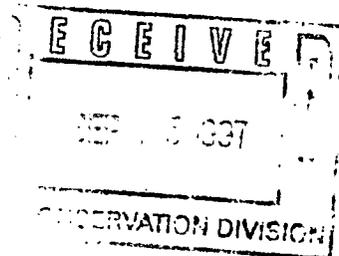
Typical Location of Monitoring Wells





Tipperary
CORPORATION

633 Seventeenth Street
Suite 1550
Denver, Colorado 80202



September 11, 1997

Mr. William C. Olson
Hydrogeologist – Environmental Bureau
New Mexico Energy And Natural Resources Dept.
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87504

Subject: Tatum, New Mexico Area “Pit Closure Project”.

Dear Mr. Olson:

Enclosed is a copy of the laboratory analyses of the first water samples taken from the new monitoring wells at our Tatum, New Mexico “Pit Closure Project”. The data indicates BTEX concentrations below allowable maximums for pit closures, but higher than maximums allowed for the more stringent WQCC standards that here apply to the Ogalla Aquifer. Pits with monitor well water samples exceeding the WQCC BTEX maximums include the: Bell State “A” #1, Sohio State “A”, Sohio State #1, Satellite #4, and the State NBF#1.

We have already removed the BTEX source (pit sludge) at these locations, and believe that through time, the processes of natural attenuation will remediate the minor amounts detected. Therefore, as a continuation of our pit closure project, in an effort to establish the extent of the plume we intend to set one new monitor well 150 feet down the ground-water gradient from each of the pits listed above. Tipperary believes these new monitor wells will define the lateral extent of the BTEX at these sites. We intend to sample these wells quarterly.

Please indicate your approval of the above modification to Tipperary’s pit closure plan so that we may proceed with the work. Let me know if you have questions or need more information.

Sincerely,

Robert H. Fehlmann
Environmental Coordinator

WPWIN \ TIP \ LETTERS \ NMPClose.L09

ENVIRONMENTAL LAB OF , INC.

"Don't Treat Your Soil Like Dirt!"

WHOLE EARTH ENVIRONMENTAL
ATTN: MR. MIKE GRIFFIN
18608 SAN GABRIEL
HOUSTON, TEXAS 77064
FAX: 1-281-846-8996

Receiving Date: 08/08/97
Sample Type: WATER
Project: TIPPERARY
Project Location: NONE GIVEN

Analysis Date: 08/09/97
Sampling Date: 08/05/97, 08/06/97
Sample Condition: Intact/ice

ELTS	FIELD CODE	BENZENE mg/l	TOLUENE mg/l	ETHYLBENZENE mg/l	m,p-XYLENE mg/l	o-XYLENE mg/l
12475	VA COM MW#1	<.001	<.001	<.001	0.002	0.007
12476	VA COM MW#2	<.001	<.001	<.001	<.001	<.001
12477	VA COM SW	3.128	2.551	0.209	1.182	0.094
12478	GS #12	1.834	0.055	0.061	3.065	0.064
12481	BELL #6	0.667	0.013	0.024	0.060	0.006
12482	NSN #7	<.001	<.001	<.001	<.001	<.001
12483	SOHIO 1 #10	2.558	1.148	0.243	1.257	0.081
12484	SOHIO A #11	0.096	0.004	0.002	0.008	0.012
12485	SAT 4 #9	0.092	0.010	0.015	0.082	0.002
12486	NBF #8	0.302	0.208	0.099	0.753	0.161
12487	VERA #6	0.008	0.003	0.005	0.021	0.029
12488	MABLE MW #3	0.010	0.008	0.001	0.139	0.012
12489	MABLE MW #4	0.015	0.002	0.002	0.010	0.002
% IA		111	111	112	111	113
% EA		113	112	114	112	111
BLANK		<.001	<.001	<.001	<.001	<.001

METHODS: SW 846-8020,5030

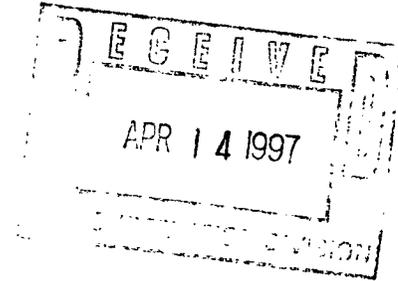

Michael R. Fowler

9-10-97
Date



Tipperary
CORPORATION

633 Seventeenth Street
Suite 1550
Denver, Colorado 80202



April 9, 1997

Mr. William C. Olson
Hydrogeologist - Environmental Bureau
New Mexico Energy and Natural Resources Dept.,
Oil Conservation Division
2040 Pacheco
Santa Fe, New Mexico

RE: PIT CLOSURES TATUM, NEW MEXICO

Dear Mr. Olson:

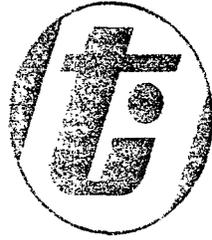
Enclosed is a copy of Tipperary's work results to date, and a new proposed closure plan, for the production emergency upset pits at Tatum, New Mexico. I believe that this report includes all the information that you requested in your March 27, 1997 letter concerning Tipperary's progress with this project.

I have forwarded a copy of this report to Jerry Sexton, in the OCD's Hobbs, NM office. Let me know if you have any questions.

Sincerely,

Larry G. Sugano
Vice President - Engineering

cc: Jerry Sexton, OCD Hobbs Office



Tipperary
CORPORATION

Tatum Pit Closure Project

*Report filed
in N. Baskin Field Pit file*

RECEIVED

APR 14 1997

Environmental Bur.
Oil Conservation Division



Whole Earth Environmental
19606 San Gabriel
Houston, Tx. 77084