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**GENERAL
CORRESPONDENCE**

YEAR(S):

1994



OIL CONSERVATION DIVISION

STATE OF NEW MEXICO

ENERGY, MINERALS and NATURAL RESOURCES DIVISION
OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178

February 21, 1994

Certified Mail Receipt #P-987-892-073

Meridian Oil Inc
Attn Michael Frampton
Sr Staff Environmental Representative
PO Box 4289
Farmington NM 87499-4289

RE: Meridian Oil Inc. (Southland Royalty) Mcgrath #4 SWD, B-34-30N-12W, Remediation Requirements.

Dear Mr. Frampton:

The Mcgrath #4 SWD well suffered a release of 200 barrels of produced water and hydrocarbons on January 26-27, 1994. The release pooled on the south edge of the location in a bermed area associated with the filtration system. The bermed area has been subjected to pooling of spills in the past. During precipitation events the bermed area retains standing water producing a hydrostatic head on any contamination. Due to the location of the bermed area and the potential for repeated spill events, Meridian Oil is required to furnish data to the Oil Conservation Division indicating contamination in the bermed area is not a danger to groundwater. Data such as headspace tests or lab analysis as outlined in the "Spill Remediation Guidelines" for BTEX from six to eight locations at a depth of three feet within the bermed area and one composite TPH analysis all of which are less than the "Spill Remediation Guidelines" would eliminate questions of risk. Other equivalent data is also acceptable. If the tests show no contamination beyond the action limits from the "Spill Remediation Guidelines" no further action is needed. If the tests show contamination beyond the guidelines' action limits Meridian is directed to bring the bermed area on the south edge of the Mcgrath #4 SWD location into compliance with the "Spill Remediation Guidelines". Tests are to be completed by March 11, 1994 and any necessary remedial action initiated by March 28, 1994. The OCD Aztec office is to be notified 24 hours before testing so sampling may be witnessed.

An impermeable barrier for the bermed area on the Mcgrath #4 SWD may be a viable option if spills and ponding continue with any frequency. If you have questions please contact me at 334-6178 or come in and discuss the problem.

Yours truly,

Denny G. Foust
Environmental Geologist

XC: OCD Environmental Bureau
Well File
Environmental File
DGF File