



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary



Mark Fesmire
Division Director
Oil Conservation Division

May 14, 2009

Marks and Garner Production LTD Co.
PO Box 1089

Hobbs NM 88241

ATTN: Quinton Welborn

Dear Mr. Welborn,

The New Mexico Oil Conservation Division District 2 Office (OCD) is in receipt of an Initial Report Form C-141 reporting produced fluid releases at each of the well sites listed below:

- Levers Federal 007 30-015-25091 J-33-16s-29e OCD Reference: 2RP-304
- Levers 003Y 30-015-02787 N-33-16s-29e OCD Reference: 2RP-305
- Red 12 Federal 001 30-015-25058 O-33-16s-29e OCD Reference: 2RP-306
- Cave State 004 30-015-24742 F-04-17s-29e OCD Reference: 2RP-307
- Red 12 State 002 30-015-24966 H-04-17s-29e OCD Reference: 2RP-308
- Red 12 State 003 30-015-24989 J-05-17s-29e OCD Reference: 2RP-309
- Red 12 State 004 30-015-24991 O-05-17s-29e OCD Reference: 2RP-310

The Form C-141s were submitted by Marks and Garner Production LTD Co (Marks and Garner) as a response to Letters of Violation (LOV) that were issued by OCD District 2 Office.

OCD is requesting that a corrective action work plan proposal (work plan) be submitted to the OCD District 2 Office for each of the sites, not later than **June 15, 2009**.

The work plans are to outline steps proposed to clean up, remediate, and/or haul off contaminated materials that may be present at these sites. The work plans are to be formulated based on vertical and horizontal delineation of contaminants, site ranking, and OCD Rules and Guidelines. Work plan approvals may be subject to like approval by Bureau of Land Management (BLM) in some instances.

A publication is available on the OCD website to aid in the remediation process, and site ranking. It may be located as follows:

www.emmrd.state.nm.us/ocd

Click on each of the items as they appear.

- (1) Publications; (2) Environmental Handbook; (3) Miscellaneous Guidelines; (4) Remediation of Leaks, Spills and Releases



Case No. 14393 –
OCD v. Marks & Garner

OCD Exhibit 6

May 15, 2009
Page 2

Please include in the work plans any remedial work that may have already been performed at these sites.

Notify OCD 48 hours prior to obtaining samples where analyses of samples obtained are to be submitted to OCD.

If I can be of assistance, please contact me.

Sincerely,

Mike Bratcher
NMOC District 2
1301 W. Grand Ave
Artesia, NM 88210
575-748-1283 Ext. 108
mike.bratcher@state.nm.us

District
1301 W. Grand Ave., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Bureau Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-141
Revised October 10, 2006
MAY 17 2009

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action

30-015-24991

11/18/09 09:34 52367

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company Marks & Garner Production	14070	Contact Quinton Welborn
Address P.O. Box 1089		Telephone No. 575-393-9338
Facility Name <i>Red 125742 #4</i>		Facility Type Oil Well
Surface Owner State	Mineral Owner Marks & Garner	Lease No. 30-015-24742

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the North/South Line	Feet from the East/West Line	County
C	5	17S	29E	940	5	2310 E
						Eddy

Latitude Longitude

NATURE OF RELEASE

Type of Release	Volume of Release	Volume Recovered
Source of Release	Date and Hour of Occurrence	Date and Hour of Discovery
Was Immediate Notice Given?	☐ Yes ☐ No ☐ Not Required	If YES, To Whom?
By Whom?	Date and Hour	
Was a Watercourse Reached?	☐ Yes ☒ No	If YES, "Volume Impacting the Watercourse."
If a Watercourse was Impacted, Describe Fully.		

Describe Cause of Problem and Remedial Action Taken.

Battery Leak

Describe Area Affected and Cleanup Action Taken.

Repair Leak & Evacuate Hydrocarbon

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOC rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOC marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOC acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

OIL CONSERVATION DIVISION

Signature: <i>Quinton Welborn</i>	Signed By: <i>Quinton Welborn</i>
Printed Name: <i>Quinton Welborn</i>	Approved by: <i>Quinton Welborn</i>
Title: <i>Operator</i>	Approval Date: <i>MAY 14 2009</i>
E-mail Address: <i>Quinton.Welborn@state.nm.gov</i>	Expiration Date:
Date: <i>4-24-09</i>	Conditions of Approval: <i>Remediation per</i>
Phone:	<i>OCD Rules & Guidelines</i>
Attach Additional Sheets If Necessary	Attached ☒

2AP-310

MCB09/3450877
DATE: 4/24/09

Bratcher, Mike, EMNRD

2 RP-310

From: Bratcher, Mike, EMNRD
Sent: Friday, June 12, 2009 10:13 AM
To: 'qwelborn@valornet.com'
Cc: Harvey, Ronald, EMNRD; Bonham, Sherry, EMNRD
Subject: Marks and Garner remediation work plan proposals

Mr. Welborn,

As per our phone conversation this morning, your request for an extension to submit remediation work plans for clean up at the sites listed below is approved to June 19, 2009. It is my understanding that you have employed an environmental contractor and they are in the process of evaluating the sites for formulation of the required work plan proposals.

Livers Fed 007 30-015-25091
Livers 003Y 30-015-02787
Red 12 Fed 001 30-015-25058
Cave St 004 30-015-24742
Red 12 St 002 30-015-24966
Red 12 St 003 30-015-24989
Red 12 St 004 30-015-24991

If you have any questions or comments, please contact me.

Sincerely,

Mike Bratcher
MMOCD District 2
1301 W. Grand Ave.
Artesia, NM 88210
575-748-1283 Ext 108
mike.bratcher@state.nm.us

Bratcher, Mike, EMNRD

From: Dale Littlejohn [dale@thicksconsult.com]
Sent: Thursday, June 18, 2009 2:15 PM
To: Bratcher, Mike, EMNRD
Cc: qwelborn@valornet.com; 'Randy Hicks'
Subject: Mark and Garner Loco Hills Sites OCD ZRP-304-310
Attachments: M & G Loco Hills 6-18-09 Workplan.pdf

Mike,

Please find the attached work plan as we discussed on the phone. I will also send you a hard copy. I plan to be at the site(s) on Monday morning by 9:00 AM. Please call me if I can meet you at one of them or if you need any additional information.

Thanks,

Dale T Littlejohn, PG
R T Hicks Consultants Ltd
(432) 528-3878 (office)
(432) 689-4578 (fax)

This inbound email has been scanned by the MessageLabs Email Security System.

R. T. HICKS CONSULTANTS, LTD.

PO Box 7624 ■ Midland, TX 79708 ■ 432.528-3878 ■ Fax: 432.689-4578

June 18, 2009

Mr. Mike Bratcher
New Mexico Oil and Conservation Division
District II - Artesia Field Office
1301 West Grand Avenue
Artesia, NM 88210
505-748-1283

VIA EMAIL AND USPS

RE: Seven Produced Fluid Releases at sites operated by Marks and Garner Production Ltd. Company in Eddy County, NM as follows:

Site Name (type)	Location (T-R-Sec-Unit)	OCD Reference No.
Levers Fed. No. 7 (well)	T-16-S, R-29-E, Sec 33 (I)	2RP-304
Red 12 Fed. No. 1 (battery)	T-16-S, R-29-E, Sec 33 (N)	2RP-305
Cave State No. 4 (well)	T-16-S, R-29-E, Sec 33 (O)	2RP-306
Red 12 State No. 2 (battery)	T-17-S, R-29-E, Sec 4 (F)	2RP-307
Red 12 State No. 3 (battery)	T-17-S, R-29-E, Sec 4 (H)	2RP-308
Red 12 State No. 4 (battery)	T-17-S, R-29-E, Sec 5 (I)	2RP-309
	T-17-S, R-29-E, Sec 5 (O)	2RP-310

Dear Mr. Bratcher:

R.T. Hicks Consultants is pleased to submit this investigation plan on the behalf of Marks and Garner Production Ltd. This investigation plan includes the initial description and characterization of the each facility relative to the release areas. The purpose of these investigations is to determine which sites may require corrective action under Part 29 of the NMOCID Rules (formally Rule 116).

Field measurements will be made for the preparation of detailed site maps which depict the spill areas and soil samples locations. Samples will be recovered using a hand auger, shovel, or push-probe sampler in order to delineation the vertical and horizontal extent of chloride- and/or hydrocarbon-impacted soil. Field screening of the soil samples will be performed using a photoionic detector (PID) for hydrocarbons and silver nitrate titration for chlorides. Selected samples will be submitted to a laboratory for verification of regulated petroleum hydrocarbons, and chloride.

These activities are scheduled to begin Monday, June 22, 2009 at 9:00 AM (MT) and are expected to require two to three days. Following the completion of the site field investigation and laboratory analysis, recommendations will be presented to the OCD for additional corrective action or file closure.

R.T. Hicks Consultants, Ltd
6/18/2009

Please contact me if you have any questions, comments or would like to coordinate with me to meet at one or more of the sites during the field investigation.

Sincerely,
R.T. Hicks Consultants, Ltd.

Dale T. Littlejohn

Dale T. Littlejohn
Project Manager
(432) 528-3878

Copy: Quinton Welborn, Marks and Garner Production Ltd, Co.

7007 2560 0002 2222 8520

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary



Mark Fesmire
Division Director
Oil Conservation Division

Marks and Garner Production LTD Co.
PO Box 1089
Hobbs, NM 88241
ATTN: Quinton Wellborn

August 19, 2009

Dear Mr. Wellborn,

The New Mexico Oil Conservation Division District 2 Office (OCD) is in receipt of a remediation work plan proposal (plan) for the sites operated by your company as listed below:

Levers Federal 007 30-015-25091 J-33-16s-29e OCD Reference: 2RP-304
Levers 003Y 30-015-02787 N-33-16s-29e OCD Reference: 2RP-305
Red 12 Federal 001 30-015-25058 O-33-16s-29e OCD Reference: 2RP-306
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Red 12 State 004 30-015-24991 O-05-17s-29e OCD Reference: 2RP-310

The plan was formulated and submitted by your agent, R.T. Hicks Consultants, LTD. The plan was received by OCD via email August 12, 2009 and a hard copy received via USPS on August 17, 2009.

The overall scope of the proposed remediation for these sites is not approved. More specific reasons for denial of this plan are as follows:

OCD's criteria for remediation and/or removal of contamination due to the release of oil and gas related produced fluids, are based on current OCD Rules and Guidelines. The Guidelines are from the 1993 OCD publication, Guidelines for Remediation of Leaks, Spills and Releases. This document sets the criteria for determining a site ranking. The Recommended Remediation Action Levels (RRAL) for hydrocarbon based contaminants is specific dependent upon the site ranking. The RRAL may be modified by OCD in some instances based on site specific conditions. However, the site ranking, as described in the publication, is to be provided in any remediation proposal. It has not been provided in this plan.

The plan for some of the sites states that even though contaminant levels exceed the OCD Guidelines, they do not exceed the 2006 NMED Guideline levels. NMED Guidelines typically would have no relevance in determining the methods of remediation and/or RRAL for contaminants for cleanup of these sites.

In most instances, the sites have not been fully delineated for contaminants. For example, the analytical data provided for the Levers No. 3 well shows TPH levels from the surface samples to be 48,990 mg/kg. The next data provided was from a sample obtained at 6' bgs. The TPH levels

Oil Conservation Division
1301 West Grand • Artesia, New Mexico 88210
Phone (575) 748-1283 • Fax (575) 748-9720 • www.emand.state.nm.us/OCD

August 20, 2009

Page 2

in this sample are 8,911 mg/kg. No other data was provided. Under OCD Guidelines, the maximum TPH level allowed at a site (with a site ranking of 0 points) is 5,000 mg/kg. The data provided not only does not show how deep the contaminants have migrated, it does not even show where the contaminants reach the RRAL. Also, no testing was performed for chloride contaminants.

In general, the plan proposes to only excavate a minimal amount of contaminated soils, blend this material with clean soils and use for building berms at tank batteries. Any extra material would be stockpiled for future use. This is not an acceptable method of remediation.

The plan also includes proposed methods to be used when the sites are abandoned. Since the abandonment of these sites may be decades away, this portion of the proposal has no relevance in what will be required for the remediation of contamination that currently exists at these sites.

In most of the site remediation proposals, no analysis has been done for chloride contamination. Testing for this constituent is required in performing site delineation.

In my letter dated May 14, 2009, I requested that a corrective action work plan proposal be submitted to the OCD District 2 Office. The work plans were to be formulated based on vertical and horizontal delineation of contaminants, site ranking, and OCD Rules and Guidelines.

Please send a revised work plan that more adequately meets these criteria not later than September 10, 2009.

If you have any questions or concerns please contact me.

Sincerely,

Mike Bratcher

Mike Bratcher
NMOCD District 2
1301 W. Grand Ave.
Artesia, NM 88210
575-748-1283 Ext. 108
mike.bratcher@state.nm.us

Distribution: email - gwelborn@valornet.com; dale@rthicksconsult.com;
Mikal.allomare@state.nm.us

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