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GENERAL CORRESPONDENCE

YEAR(S): 1999





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Key Energy Services, Inc. Eastern New Mexico Division 2105 Avenue O P.O. Box 99 Eunice, NM 88231

Phone: 505-394-2581 Fax: 505-394-2584

March 18, 1999

Mr. Gary Wink New Mexico Oil Conservation Division P.O. Box 1980 Hobbs, NM 88240

Here is a your Files Nayne, Copy For your Files

Dear Mr. Wink,

On February 2nd and 3rd, Key Energy Construction conducted a surface clean-up operation at the Continental Water Station. Along with the weeds, rocks, etc., a small amount of surface dirt was included. This debris was hauled to a Key Energy, Inc. owned caliche pit to be buried. As is common in the area of the water station, the surface soil contains soot from an abandoned carbon manufacturing plant. After receiving notice from O.C.D. of a citizen's complaint of dumping and burying this debris, Key Energy obtained a sample of this soil and had an independent lab conduct a liquid (water) soluble test of this soot. The soot was found not to be soluble in water; therefore, not likely to be conducive to leaching. Key Energy also consulted with a reputable environmental consultant and his research could not turn up any known hazard of soot except for the possibility of a long term inhalation may cause damage to the lungs of some humans.

Key Energy, Inc. appreciates the concerns for the environment by citizens, as well as, governmental agencies. Please be assured that Key Energy, Inc. has a very strict environmental policy and promotes this policy to it's employees on a daily basis. After investigation of this complaint, Key Energy suggests that there is no basis or cause for further action to be taken.

Sincerely,

Bob Patterson Environmental Representative