SOUTHWEST ROYALTIES, INC. Southwest Rovalties Building 407 N. Big Spring, Midland, TX. 79701-4326 P.O. Box 11390. Midland, TX. 79702-8390 (915) 686-9927. 1-800-433-7945

SOUTHWEST ROYALTIES

October 24, 2002

Mike Stubblefield, Environmental Engineer Specialist New Mexico Oil Conservation Commission Artesia District (District 2) 1301 Grand Avenue Artesia New Mexico 88210

Re: State B4458 Well No.2 Ut C, Sec 36, T17S, R 29E Eddy County, New Mexico API No. 30-015-03792



Dear Mr. Stubblefield,

I apologize for the misunderstanding about the first letter. Al Perry, Southwest Royalties, Inc.'s Production Foreman for the area, called to notify your office that the spill in question was not related to the operation of the subject well, but in our opinion was related to the pipeline that runs through the leak. I was in the Loco Hills area yesterday and stopped by to look at the leak area. In my opinion it was caused by a pipeline leak unrelated to the subject well. The pipeline running through the leak area was connected to a battery west of Southwest's well.

Research of available records for the State B4458 No. 2 well shows that the well last produced full time in 1964, with only a brief attempt to reactivate the well in 1992 (see enclosed production history). In my opinion the spill in question does not date back to 1964.

Remnants of a tank battery were found adjacent to the subject well and were removed as part of the remediation of the well. No remnants of battery equipment were found near the spill area in question.

Therefore Southwest Royalties, Inc. respectfully requests release of the bond for the subject well and that the C103 be approved.

Sincerely,

;

C. M."Marty" Bloodworth, P.E. Area Supervisor

cc: CMB File Well File Al Perry



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON Governor Betty Rivera Cabinet Secretary Lori Wrotenbery Director Oil Conservation Division

10/18/2002

SOUTHWEST ROYALTIES INC. P.O. BOX 11390 MIDLAND, TEXAS 79702

RE: SECOND LETTER REQUEST 30-015-03792 STATE B 4458 #2

DEAR SOUTHWEST ROYALTIES INC,

N.M.O.C.D. HAS RECEIVED NO RESPONSE FROM THE LETTER SENT TO SOUTHWEST ROYALTIES DATED 7/9/2002.

THIS MENTIONED LETTERED REQUESTED REMEDIATION THAT MAYBE REQUIRED TO CORRECT HISTORIC HYDROCARBON CONTAMINATION THAT EXISTS AT THE STATE B 4458 #2 P&A LOCATION.

PLEASE HAVE A REPRESENTATIVE FROM SOUTHWEST ROYALTIES CONTACT N .M.O.C.D. FOR INSPECTION OF HISTORIC HYDROCARBON CONTAMINATION THAT EXISTS OFF THE STATE B #4458 #2 P&A LOCATION.

THE WELL BONDING FOR THE STATE B #2 WILL NOT BE RELEASED UNTIL IT IS DETERMINED IF THE HISTORIC HYDROCARBON THAT IS MENTIONED ABOVE IS A RESULT OF PRODUCTION OPERATION FROM THE STATE B 4458 #2, AND CORRECTED BY REMEDIATION ACTIONS, OR DETERMINED NOT TO BE A RESULT OF PRODUCTION OPERATION FROM THE STATE B 4458 #2.

PLEASE CONTACT ME WITHIN 30 DAYS FROM THE DATE LISTED ON THIS LETTER THAT WE MAY MAKE A GROUP INSPECTION AT THE STATE B 4458 #2.

I HAVE INCLUDED A COPY OF THE FIRST LETTER SENT TO SOUTHWEST ROYALTIES DATED 7/9/2002.



SINCERELY, Mile Schellfield MIKE STUBBLEFIELD ENVIR. ENG. SPEC. N.M.O.C.D.

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NEW MEXICO ENERGY, MUNERALS and NATURAL RESOURCES DEPARTMENT

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GARY E. JOHNSON Governor Betty Rivera Cabinet Secretary Lori Wrotenbery Director Oil Conservation Division

7/9/2002

SOUTHWEST ROYALTIES INC. ATT: C.M. BLOODWORTH P.O. BOX 11390 MIDLAND, TX 79702

RE: 30-015-03792 UT C-36-17s-29e STATE B-4458 #2 P&A LOCATION RELEASE.



DEAR MR. C.M. BLOODWORTH,

A FIELD INSPECTION MADE AT THE STATE B-4458 #2 FOUND WHAT APPEARS TO BE HISTORIC HYDROCARBON CONTAMINATION DUE EAST OF THE P&A WELL LOCATION.

THIS AREA MAY BE AND OLD TANK BATTERY LOCATION PRODUCED INTO BY THE STATE B-4458 #2.

THE HISTORIC SPILLS ARE IN VIOLATION OF R-116-D CORRECTIVE ACTIONS.

THE BONDING FOR THE STATE B-4458 #2 CANNOT BE RELEASED IF HISTORIC CONTAMINATION RESULTING FROM PRODUCTION ON THE STATE B-4458 #2 IS NOT CORRECTED.

ENCLOSED IN THIS PACKET IS A COPY OF THE GUIDELINES FOR REMEDIATION OF LEAKS, SPILLS, AND RELEASES.

PLEASE SUBMIT TO O.C.D. A CORRECTIVE ACTION PLAN AND /OR REMEDIATION PLAN {USING THE ENCLOSED GUIDELINES TO ASSIST YOU IN THIS MATTER} AND BEGIN THE CORRECTIVE ACTIONS AS REQUIRED, NO LATER THAN 30 DAYS FROM THE DATE LISTED ON THIS LETTER.

IF I CAN BE OF ASSISTANCE PLEASE DO NOT HESTATE TO CALL ME AT 505-748-1283 OR E-MAIL ME AT <u>MSTUBBLEFIELD@STATE.NM.US</u>.

SINCERELY,

mie Stul

MIKE STUBBLEFIELD

N.M.O.C.D. ENVIR. ENG. SPEC.



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON Governor **Betty Rivera Cabinet Secretary**



Lori Wrotenbery Director **Oil Conservation Division**

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22 February 2002

Southwest Royalties Inc. P.O. Box 11390 Midland, Texas 79702



Form C-103 Report of Plugging for your State B-4458 # 2 C-36-17-29 API 30-015-03792 Cannot be approved until an NMOCD representative has made an inspection of the location and found it to be cleared to comply with OCD rules and regulations. Please check each item in the space provided to indicate that the work has been accomplished and the location is ready for final inspection. An inspection on 2-121 found dead men still on location

This Location has an old spill off location. Please Advise me on this-Do I approve the 103 ?? Mr. Stubblefjeld 1. All pits have been fill \square 2. Rat hole and cellar ha 3. A steel marker 4" in concrete to mark the exact lo weil number and location inc well ID number permanently 4. The location has been cleared of all junk and equip The dead men and tie 6. If a one well lease or leveled and cleared of all jur 7. All environmental concerns nave been addressed as per OCD guidennes.

The above are minimum requirements and no plugging bond will be cancelled until all locations for plugged and abandoned wells have been inspected and Form C-103 approved.

When all of the work outlined above has been done, please notify this office by completing, signing and returning this letter to us so that our representative will not have to make more than one trip to the location.

I certify that the above work has been done and the above-mentioned lease is ready for OCD inspection and

approval.	al
Intarto -	
Name Bloo Jus AG, P	2.5 Van Barton Field Rep. II
Arensuper Jison	Co. Rd. ZIG. Deneral. American / Albert Reyles.
Title Title	NAVOID, Rof. 748-3311.

Oil Conservation Division * 1301 W Grand * Artesia, New Mexico 88210 Phone: (505) 748-1283 * Fax (505) 748-9720 * http://www.emnrd.state.nm.us

Alistoric Production and Well Count Detail Report Project: F:\IHS Energy\PowerTools v5.0\stateb4458.MDB

Lease Name: STATE B4458 (002) County, ST: EDDY, NM Location: 36C 17S 29E Operator: SOUTHWEST ROYALTIES INCORPORATED Field Name: GRAYBURG



Date	Oil (bbl)	Gas (mcf)	Water (bbl)	Well Count	Total Oil (bbl)	Total Gas (mcf)	Total Water (bbl)
Starting	75,965	0	3,332		75,965	0	3,332
01/1992	0	0	0	0	75,965	0	3,332
02/1992	Ô	0	0	0	75,965	0	3,332
03/1992	Ő	0	0	0	75,965	0	3,332
04/1992	0	0	0	0	75,965	0	3,332
05/1992	õ	0	0	0	75,965	0	3,332
06/1992	õ	0	0	0	75,965	0	3,332
07/1992	0	0	0	0	75,965	0	3,332
08/1992	0	ů	0	0	75,965	0	3,332
09/1992	ů N	0	0	0	75,965	0	3,332
10/1992	0	0 0	0	0	75,965	0	3,332
11/1992	0	0	0	0	75,965	0	3,332
12/1992	5	0	2	1	75,970	0	3,334
Total:	75,970	0	3,334				