

February 15, 2000

RECEIVED
FEB 18 2000

OIL CONSERVATION DIVISION

Oil Conservation Division, Environmental Bureau
ATTN: Mrs. Martyne J. Kieling
2040 S. Pacheco St.
Santa Fe, NM 87505

RE: Grace, Salty Bill Disposal

Dear Mrs. Kieling:

As per our discussion, Mrs. Grace has decided to close the facility. I need some time to prepare a closure plan for the facility. I have been in contact with David Catanach about the disposal well and he did not know of any violations with it. I do understand, and so do the Grace people, that the cleanup will encompass the NOV that are pending. I will have a plan in a few days, please allow me some time to get costs and figures together for abandonment.

If you have any questions or need additional information, please call. Thank you for your consideration.

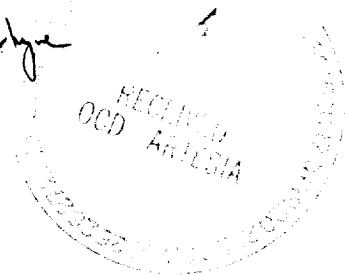
Sincerely,

Eddie W. Seay

Eddie W. Seay, Agent
601 W. Illinois
Hobbs, NM 88242
(505)392-2236

Mike S, 3-8-00
Sorry This took so long
getting to you.

Marlyne



LAW OFFICES

LOSEE, CARSON, HAAS & CARROLL, P. A.

ERNEST L. CARROLL
JOEL M. CARSON
JAMES E. HAAS
R. TRACY SPROULS, LL.M. (TAX)
OF COUNSEL
A. J. LOSEE

311 WEST QUAY AVENUE
P. O. BOX 1720
ARTESIA, NEW MEXICO 88211-1720
PHONE (505) 746-3505
FAX (505) 746-6316

ROSWELL OFFICE
400 N. PENN., SUITE 870
ROSWELL, NM 88201
PHONE (505) 623-5154

PLEASE DIRECT ALL CORRESPONDENCE
TO OUR ARTESIA OFFICE

December 27, 1999

DEC 29 1999

Mr. Roger C. Anderson
Environmental Bureau Chief
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87506

Re: NOV, Corinne B. Grace

Dear Mr. Anderson:

Corinne Grace has employed Eddie Seay as a consultant in connection with the above described NOV. Mr. Seay, Ms. Grace's superintendent, and I have gone to the site, reviewed the NOV, and had a preliminary discussion regarding alternatives. Mr. Seay has been instructed to prepare a plan, as well as cost estimates, discussing the feasibility of making the necessary changes and the costs of remediation to meet the requirements of the OCD. In the alternative, Mr. Seay has been instructed to determine the feasibility of closing the site and remediating any contamination caused by Grace.

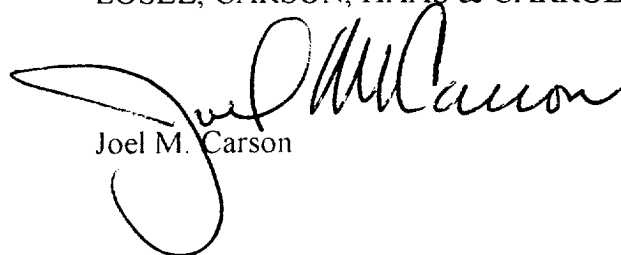
Tests have shown the presence of contaminants not associated with the disposal of produced water. Mr. Seay has been asked to quantify any contamination which could have been caused by third parties.

Last, I have asked Mr. Seay to contact Martyne Kieling to let him know that he is now on board and will be working on this project.

We would request an extension of 45 days to accomplish the above tasks and present an acceptable site assessment.

Yours truly,

LOSEE, CARSON, HAAS & CARROLL, P.A.



Joel M. Carson

JMC:bjk

xc: Ms. Corinne Grace
Mr. Gary Davis
Mr. Eddie Seay