

September 11, 1998

Information Concerning NMOCD Order R-10659

The two Ptasynski wells are plugged.

The five remaining wells were involved in a bankruptcy action.

The major surface clean up expenses involve the State #1, 2 and 3 wells battery. Two 300 barrel tanks which have been leaking. There is a 20 foot vertical separator to be removed. Any tank bottoms must be removed, soil clean up and removal or land farmed on site. There is a major pit clean up at this battery where oil has consistently been on the produced water earthen pit, some minor clean up will be necessary at an adjacent stock watering pit.

A second area of surface clean up will be at Santa Fe Energy Well #1, P-8-19N-06W, There is a production tank at this site associated with a 20 foot vertical separator, the separator has been leaking. Some hydrocarbon contamination is associated with the drilling pit which was used to dispose of produced water at this location.

Surface clean up will be a minimum of \$15,000 and could be three times this amount depending on the method of disposal for contaminated material. I recommend two bids one with on site remediation and one with transportation and treatment at a commercial land farm.

Woosley Santa Fe Energy #2, A-17-19N-06W

Woosley Santa Fe Energy #1, P-8-19N-06W

Woosley State #3 A-16-19N-06W

Woosley State #2 C-16-19N-06W

Woosley State #1 D-16-19N-06W