

May 12, 1999

To: Rand Carroll

From: Roger Anderson

Re: GPII Energy, Inc.

The OCD issued GPII a Notice of Violation on October 30, 1998 for failure to report spill per NMOCD Rule 116. Since this incident involved a discharge to a playa lake the investigation and remediation is being handled by the OCD Environmental Bureau. As of this date GP II has requested two extensions. The last request was made initially by GPII's consultant via a telephone call indicating GPII could not afford the additional expense of investigating and any remediation at this time. This extension has formally been requested in writing by GPII indicating lack of resources at this time.

After checking with the District Hobbs office it appears they are having the same problem with GPII at other sites. GP II is non-responsive to the district at this time.

Attachments- NOV letter, extension letters

**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**OIL CONSERVATION DIVISION
DISTRICT I Hobbs
PO BOX 1980
Hobbs, NM 88240-1980
(505) 393-6181Jennifer A. Salisbury
CABINET SECRETARYCertified Mail: P 209 878 115
Returned Receipt Requested:

October 30, 1998

Chris D. Mitchell
GP II Energy, Inc.
P.O. Box 50682
Midland, Tx 79710Subject: **NOTICE OF VIOLATION- Failure to report spill pursuant to NMOCD
Rule 116.**Re: C-141 dated 10-21-98 (copy attached)
Langlie Jal Unit Well #75
UL D-Sec 9-Ts25s-R37e

Dear Mr. Mitchell;

The New Mexico Oil Conservation Division (NMOCD) is in receipt of the above referenced C-141 which indicated GPII had a spill on October 17, 1998 in which a watercourse was reached. Initial verbal reporting of this incident to NMOCD personnel on 10-17-98 did not reveal this fact. On 10-19-98 OCD District I personnel inspected the site and it was noted that produced water from the flow line did indeed reach a small playa lake. The field inspector instructed GP II to sample the playa lake at point of entry and report the findings. NMOCD has not received this information. It has also been noted there was a significant rainfall event that Monday night, October 19, 1998, which might invalidate the results if taken after this time.

OCD District I office has contacted the OCD Environmental Bureau concerning this issue and they have indicated as of October 29, 1998 GPII has yet to make the proper notification pursuant to NMOCD Rule 116.

Therefore GPII is hereby directed to provide the OCD District I office within 10 days of receipt of this letter a detailed report and explanation as to why this spill was not reported factually initially and why there was no immediate notification to the NMOCD Environmental Bureau (505-827-7152). Please note GPII is also required to provide written notification to the OCD Environmental Bureau with 15 days of the release per Rule 116 when water is impacted.

Please note after NMOCD receives GPII's written response, NMOCD will then notify GPII of any subsequent requirements or a special hearing will be held to determine if GPII shall be assessed civil or criminal penalties as allowed by the New Mexico Oil and Gas Act.

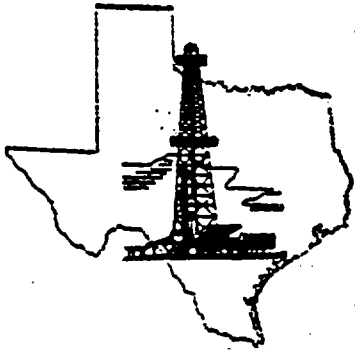
Sincerely,

Chris Williams-District I Supervisor

CW/wp file:CT/wpdocs/gpii-1

cc: Roger Anderson-Bureau Chief
Hobbs Spill & Environmental file

attachments-1



GP II ENERGY, INC.

Oil & Gas Exploration & Production

P.O. BOX 50682 • MIDLAND, TEXAS 79710 • PHONE 915-684-4748 • FAX 915-570-4748

April 22, 1999

Mr. Wayne Price
New Mexico Oil Conservation Division
Environmental Bureau
2040 South Pacheco Street
Santa Fe, New Mexico 87505

RECEIVED

APR 2 1999

Environmental Bureau
Oil Conservation Division

Subject: Langlie Jal Unit Playa Site Assessment; Request 90 day extension

Dear Mr. Price,

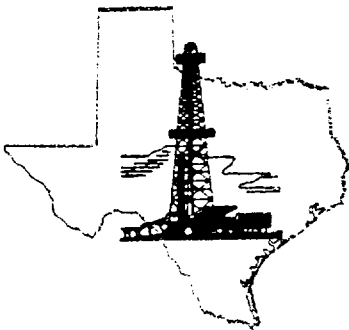
I am writing to request that the April 22, 1999 Site Investigation Report submittal deadline be extended for an additional 90 days, i.e., to July 21, 1999. Preliminary research of existing ground water information and area ground water resources has failed to provide adequate information to establish a credible depth to ground water. GP II Energy plans to drill a monitor well to characterize site geology and extent of contamination. The additional 90 days would provide sufficient time to secure resources, drill the well, and submit the report.

Thank you for your cooperation in this matter and if you need further information, please advise at your earliest convenience.

Sincerely,

George P. Mitchell, II
President

cc: Chris Williams NMOCD Hobbs



GP II ENERGY, INC.

Oil & Gas Exploration & Production

P.O. BOX 50682 • MIDLAND, TEXAS 79710 • PHONE 915-684-4748 • FAX 915-570-4748

March 16, 1999

Wayne Price
Environmental Bureau
State of New Mexico
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, NM 87505

Dear Mr. Price:

I am writing to request an extension of 30 days beyond the March 22, 1999 deadline to submit our proposed remediation plan for the clean up of the Playa Lake in Lea County, NM. We need the additional time in order to obtain ground water information.

Thank you for your cooperation in this matter and if you need further information, please advise at your earliest convenience.

Sincerely yours,

George P. Mitchell, II
President

GPM:em

cc: Chris Williams

EXTENSION GRANTED
WAYNE PRICE
3/27/99
called & left message!