

MONTGOMERY & ANDREWS
PROFESSIONAL ASSOCIATION
ATTORNEYS AND COUNSELORS AT LAW

Paul R. Owen
Direct Dial: (505) 986-2538
powen@montand.com

Post Office Box 2307
Santa Fe, New Mexico 87504-2307
325 Paseo de Peralta
Telephone (505) 982-3873
Fax (505) 982-4289
www.montand.com

April 8, 2003
VIA HAND DELIVERY

David Brooks, Esq.
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

RECEIVED
APR 8 2003
Oil Conservation Division

Re: ***NMOCD Case No. 13004; Application of the New Mexico Oil Conservation Division, Through the Environmental Bureau Chief, for an Order Determining the Responsible Party or Parties and Ordering the Responsible Party or Parties to Conduct Division-Approved Corrective Action With Respect to a Hydrocarbon Release; Lea County, New Mexico.***

Dear Mr. Brooks:

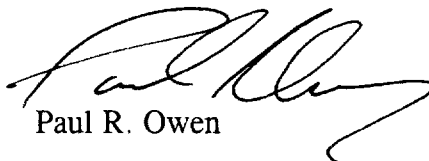
Pursuant to our telephone conversation this afternoon, enclosed please find the Stipulated Conditional Dismissal which all parties have agreed to execute and present to the Division.

Consistent with your request this afternoon, I have added a new sentence to paragraph 5, in which the parties agree to split the cost of re-publication.

At your earliest convenience, please sign the document and submit it for entry by the Division.

We appreciate your cooperation in this matter.

Very truly yours,


Paul R. Owen

cc: Arnold J. Johnson, Esq. (via facsimile)
J. Scott Hall, Esq. (via facsimile)
W. Thomas Kellahin, Esq. (via facsimile)
✓ Mr. Michael Stogner (via hand delivery)

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**APPLICATION OF THE NEW MEXICO
OIL CONSERVATION DIVISION,
THROUGH THE ENVIRONMENTAL
BUREAU CHIEF, FOR AN ORDER
DETERMINING THE RESPONSIBLE
PARTY OR PARTIES AND ORDERING
THE RESPONSIBLE PARTY OR
PARTIES TO CONDUCT DIVISION-
APPROVED CORRECTIVE ACTION
WITH RESPECT TO A HYDROCARBON
RELEASE; LEA COUNTY, NEW
MEXICO.**

CASE NO. 13004

STIPULATED CONDITIONAL DISMISSAL

The responding parties, Samedan Oil Corporation, Occidental Permian Ltd., and Shell Exploration and Production Company, all by and through undersigned counsel, submit this Stipulated Conditional Dismissal. Based on one party's commitment to commencing site investigation, this matter should be dismissed and re-filed if the matter is not voluntarily resolved:

The parties stipulate as follows:

1. Within seven (7) days of the Division's entry of this Stipulated Conditional Dismissal, Samedan Oil Corporation will submit to the Environmental Bureau of the New Mexico Oil Conservation Division ("Bureau") a plan to investigate the extent of contamination ("site investigation plan") associated with the mobile home site identified by the Bureau in the field notes taken by Mr. Bill Olson of the Bureau on January 25, 2000, and attached hereto as Exhibit "A."

2. Within 21 days of the Bureau's approval of the site investigation plan, Samedan will perform such work as is necessary to implement the site investigation plan.

3. Within 28 days of the Bureau's approval of the site investigation plan, Samedan will submit the results of the site investigation plan to the Bureau.

4. If, within 90 days of the Division's receipt of the results of the site investigation plan, one or all of the parties have not initiated such steps to remediate any hydrocarbon contamination revealed by the results of the site investigation plan, then this case may be re-filed.

5. If any of the steps required in paragraphs 1 through 4 herein are not taken within the time specified, or within such additional time as agreed to by the Bureau, this case may be re-filed by the Bureau. In the event that this case is refiled, Samedan, Occidental Permian, and Shell agree to pay (with each party paying an equal share) any costs incurred by the Division associated with re-publication of notice in relation to that re-filing.

6. This Stipulated Conditional Dismissal, and Samedan's agreement to formulate and implement the site investigation plan herein, are not an agreement by Samedan or any other party to take any steps to remediate the alleged contamination associated with the mobile home site identified in Exhibit A.

7. This Stipulated Conditional Dismissal, and any party's taking any steps as outlined herein, are not assumptions of responsibility for any alleged contamination or responsible person status by any party hereto.

8. No party shall use this Stipulated Conditional Dismissal, or any party's taking any steps as outlined herein, as evidence of any other party's responsibility for any alleged contamination or responsible person status.

9. The results of the site investigation plan shall not be binding on any party to determine any party's responsibility for any alleged contamination or responsible person status.

10. This Stipulated Conditional Dismissal is in the best interests of all parties for the following reasons:

a. It allows for the gathering of additional data to supplement the incomplete study commenced by the Environmental Bureau;

b. It may resolve what may otherwise be a lengthy, time consuming and extremely expensive contested hearing;

c. Despite the Environmental Bureau's stated intention that this case not establish a precedent, it may do so unless the case is dismissed without prejudice;

d. It will allow the Division Examiner to maintain jurisdiction and allow the Environmental Bureau to supervise, if necessary, the gathering of additional data, without the perceived bias to any party that may result from continuing the current case; and,

e. It demonstrates to the public that the Division is causing this case to move toward a conclusion.

IT IS THEREFORE ORDERED THAT:

Case No. 13004 is hereby Dismissed WITHOUT PREJUDICE to the Bureau to re-file this case under the conditions set forth herein.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

LORI WROTENBERY
Director

S E A L

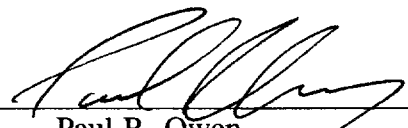
STIPULATED CONDITIONAL DISMISSAL

AGREED AND STIPULATED:

NEW MEXICO OIL CONSERVATION
DIVISION

By _____
David Brooks
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505-4000
(505) 476-3450
ASSISTANT GENERAL COUNSEL,
NEW MEXICO OIL CONSERVATION
DIVISION

MONTGOMERY & ANDREWS, P.A.

By  _____
Paul R. Owen
Post Office Box 2307
Santa Fe, New Mexico 87504-2307
(505) 982-3873
ATTORNEY FOR SAMEDAN OIL
CORPORATION

KELLAHIN & KELLAHIN

By _____
W. Thomas Kellahin, Esq.
Post Office Box 2265
Santa Fe, New Mexico 87504-2265
(505) 982-4285
ATTORNEY FOR OCCIDENTAL
PERIMIAN LTD.

AGREED AND STIPULATED:

NEW MEXICO OIL CONSERVATION
DIVISION

By

David Brooks
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505-4000
(505) 476-3450

ASSISTANT GENERAL COUNSEL,
NEW MEXICO OIL CONSERVATION
DIVISION

MONTGOMERY & ANDREWS, P.A.

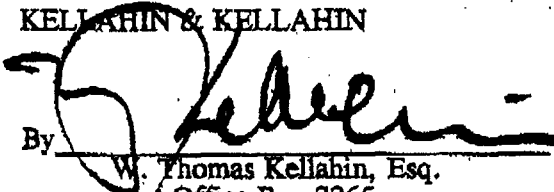
By

Paul R. Owen
Post Office Box 2307
Santa Fe, New Mexico 87504-2307
(505) 982-3873

ATTORNEY FOR SAMEKAN OIL
CORPORATION

KELLAHIN & KELLAHIN

By



W. Thomas Kellahin, Esq.
Post Office Box 2265
Santa Fe, New Mexico 87504-2265
(505) 982-4285

ATTORNEY FOR OCCIDENTAL
PERIMIAN LTD.

MILLER, STRATVERT, P.A.

By

J. Scott Hall 7-8-03

J. Scott Hall, Esq.

Miller, Stratvert P.A.

Post Office Box 1986

Santa Fe, New Mexico 87504-2265

(505) 989-9614

ATTORNEY FOR SHELL
EXPLORATION AND PRODUCTION
COMPANY

Gery Johnson Well (Hish, NM)

arrived at 0940 with Roger Anderson

Wayne Price
Deed Found
Dome Millers } OGD

met with Gery Johnson (Landowner) about asphalt
+ pipe in property, rental to developer
water well in south west corner of property
some tank bottoms spread on surface
lighter photos (1-5) of
hit from oil in fence post hole in old
asphalt pad for tank battery

Alturas wells adjacent to site (Gardner #6)
One well - North Hobbs (GSA) Unit
#28-332

Unit G, Sec 28, T16S, R38E

Sampled master well
Sample - id 0001250950

Samples - 802-1 (BTEX)
- casing annular
- metals

1/25/00

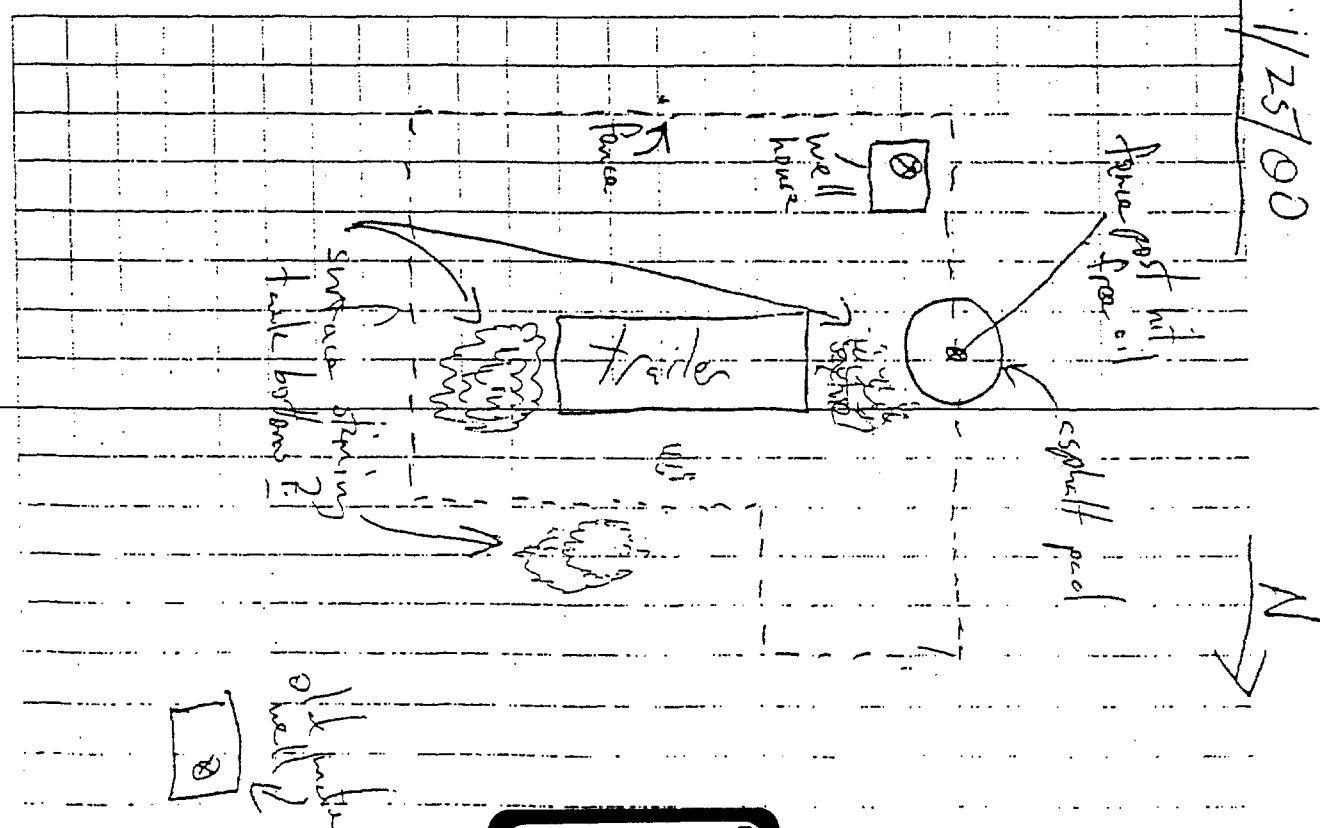


EXHIBIT A
Stip. Condition
Dismissal
OGD Case #1300

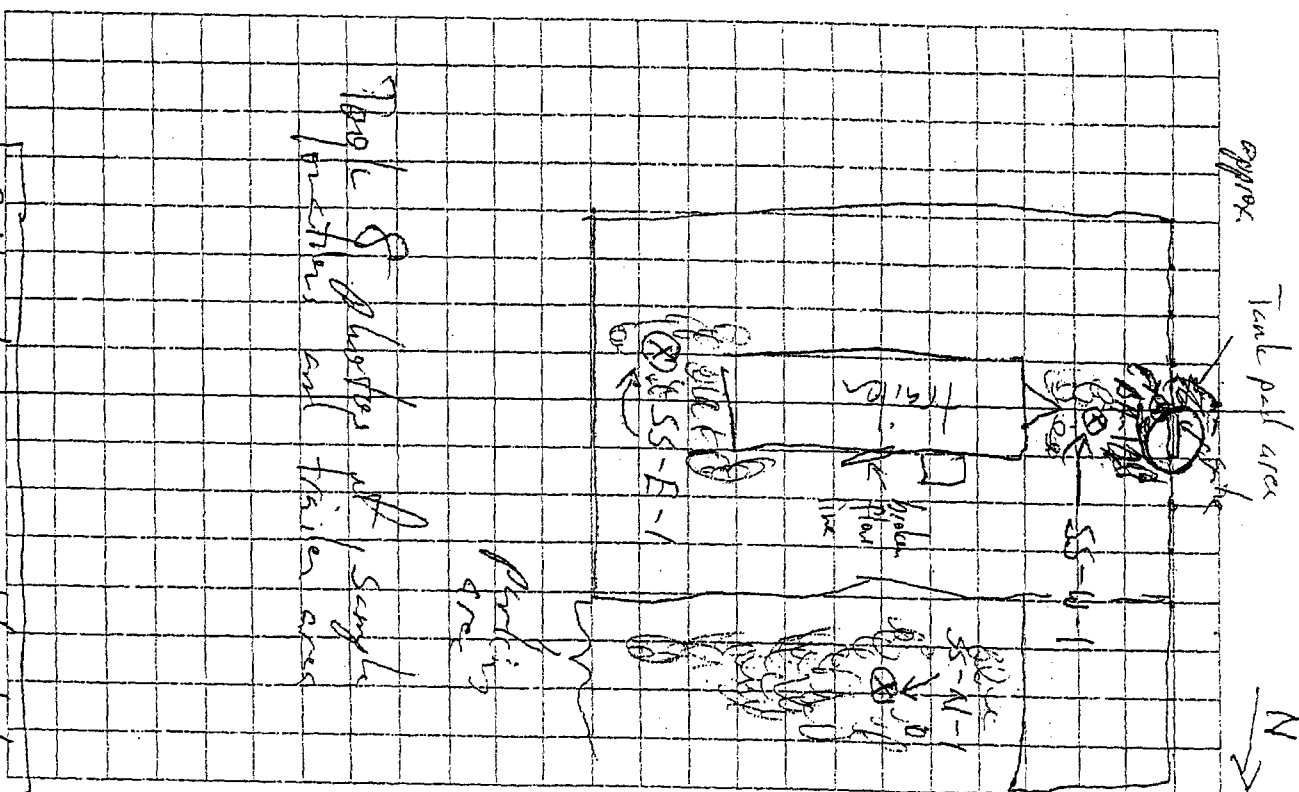
Bill Olson Field Book #5

6/25/02 Gary Johnson Residence

arrived at 1100 hrs with Gary Johnson
met with Mike Nawell, Sanderson, Nawell
District McElhannon, Cox & McElhannon
McElhannon provided city aerial photos of site
100% sample of surface contamination
from old tank battery on property

BH-1 - 6 inch
casing hole in dry exposed to be
heavily contaminated by Mr. Johnson
sample depth 6"
sample black, fatty, sooty, He odor
Sample id - 0206251150
Sample - BTEX
THH
metals

BH-1 - 1 ft
Sample depth 1 ft
Sample black, fatty, sooty, He odor
Sample id - 0206251210
Sample - BTEX
THH
metals



Bill Olson - Field Notes

SS-W-1

West side of trail "

1-2

sample black, asphaltic, HC odor

sample id - 0206251240

sample - BT EX

TPH

metals

SS-N-1

North side of trail in

gravelly area

sample 1-2 "

sample black, asphaltic, HC odor

sample id - 0206251305

SS-E-1

East side of trail "

sample 1-2 "

sample black, asphaltic, HC odor

sample id - 0206251250

samples - BT EX

TPH

metals