

**BW - 28**

**CLOSURE &  
CONTINGENCY  
PLAN**

**Chavez, Carl J, EMNRD**

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**From:** Chavez, Carl J, EMNRD  
**Sent:** Tuesday, May 28, 2019 2:15 PM  
**To:** 'Wayne Price'; Gallegos, Denise, EMNRD  
**Subject:** RE: [EXT] BW-28 Bond  
**Attachments:** OCD FA Approval Amount 5-2-2019.pdf

Wayne, good afternoon.

Please find attached the New Mexico Oil Conservation Division (OCD) approval of the Closure Plan amount of \$90,000.

All "Underground Injection Control- UIC" discharge permits are required to have a WQCC Well Bond or Financial Assurance to satisfy UIC Program requirements.

Please go to the OCD "Forms" Webpage to find a "WQCC" Well Bond Form for submission to the OCD for approval.

Thank you.

Mr. Carl J. Chavez, CHMM (#13099)  
New Mexico Oil Conservation Division  
Energy Minerals and Natural Resources Department  
1220 South St Francis Drive  
Santa Fe, New Mexico 87505  
Ph. (505) 476-3490  
E-mail: CarlJ.Chavez@state.nm.us

“Why not prevent pollution, minimize waste to reduce operating costs, reuse or recycle, and move forward with the rest of the Nation?” (To see how, go to: <http://www.emnrd.state.nm.us/OCD> and see “Publications”)

-----Original Message-----

From: Wayne Price <wayneprice@q.com>  
Sent: Friday, May 24, 2019 5:26 PM  
To: Chavez, Carl J, EMNRD <CarlJ.Chavez@state.nm.us>; Gallegos, Denise, EMNRD <Denise.Gallegos@state.nm.us>  
Cc: Wayne Price <wayneprice@q.com>  
Subject: [EXT] BW-28 Bond

Dear Carl and Denise,

Key has obtained a one well plugging bond for \$90K . Does this work for WQCC permits?

**Chavez, Carl J, EMNRD**

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**From:** Chavez, Carl J, EMNRD  
**Sent:** Thursday, May 2, 2019 8:28 AM  
**To:** 'Wayne Price'  
**Cc:** Gallegos, Denise, EMNRD  
**Subject:** RE: [EXT] Key BW-28 Permit renewal Cont Plan & Est Closure Cost

Wayne:

Re: BW-28 Key Energy Services, L.L.C. State Well #1 (API# 30-025-33547)

Approved.

The new approved WQCC Bond amount is \$90,000.00.

Please contact the OCD Bond Administrator at (505) 476-3453 for any questions on the WQCC Bonding. Once an OCD bond approval letter is issued, the Permittee may request a release of the current oil and gas well bond.

Please contact me if you have questions.

Thank you.

Mr. Carl J. Chavez, CHMM (#13099)  
New Mexico Oil Conservation Division  
Energy Minerals and Natural Resources Department  
1220 South St Francis Drive  
Santa Fe, New Mexico 87505  
Ph. (505) 476-3490  
E-mail: CarlJ.Chavez@state.nm.us

“Why not prevent pollution, minimize waste to reduce operating costs, reuse or recycle, and move forward with the rest of the Nation?” (To see how, go to: <http://www.emnrd.state.nm.us/OCD> and see “Publications”)

-----Original Message-----

From: Wayne Price <wayneprice@q.com>  
Sent: Wednesday, May 1, 2019 5:11 PM  
To: Chavez, Carl J, EMNRD <CarlJ.Chavez@state.nm.us>  
Cc: Wayne Price <wayneprice@q.com>  
Subject: [EXT] Key BW-28 Permit renewal Cont Plan & Est Closure Cost

Dear Carl,

Please find attached, pursuant to your request, a Contingency Plan and Estimated closure Cost. Hopefully this will allow OCD to proceed with the permitting process.  
If you need any additional information just let me know.

Thanks,

**Chavez, Carl J, EMNRD**

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**From:** Wayne Price <wayneprice@q.com>  
**Sent:** Wednesday, May 1, 2019 5:11 PM  
**To:** Chavez, Carl J, EMNRD  
**Cc:** Wayne Price  
**Subject:** [EXT] Key BW-28 Permit renewal Cont Plan & Est Closure Cost  
**Attachments:** BW-028 Contingency plan & Clos cost est.pdf; ATT00001.txt

Dear Carl,

Please find attached, pursuant to your request, a Contingency Plan and Estimated closure Cost. Hopefully this will allow OCD to proceed with the permitting process.  
If you need any additional information just let me know.

Thanks,

April 30, 2019

**Contingency Plan for Key BW-28 (Permit Renewal)**

***Shall be posted at the site.***

**Emergency Response Notification List:**

- Call 911
- Lea County Sherriff Department – 24/7
- Phone: (575) 396-3611
  
- Key Energy Eunice Office 24/7 575-394-2581
  
- Maury Sticker – Environmental Director  
281-732-6215 cell
  
- Price LLC- 505-715-2809 – cell
  
- Hobbs NMOCD-OFFICE: (575) 393-6161  
EMERGENCY NUMBER - MOBILE: (575) 370-3186

**Releases:** All releases as defined in 19.15.2.7 R. will be conducted pursuant to NMOCD rule 19.15.29 NMAC (Releases).

**Discharge Permit Conditions:** All permit conditions that require immediate notification to NMOCD will be followed, unless approved by NMOCD otherwise.

This includes permit conditions, except in emergency situations, where such permit requirements would endanger the environment, the public at large, and on-site personnel.

Once the emergency condition is over, then OCD will be contacted to address such emergencies.

## BW-28 Key Energy Closure Cost Estimate for Brine Well Renewal Permit

2018 Estimated Post Closure Cost

Key Energy Rig	\$0	In-house
Halliburton Cement Job	\$15,000.00	
Post Monitoring 5 years	\$5,000.00	
Equipment, tank removal	\$20,000.00	
Misc dirt Work	\$40,000.00	
Consulting Fees	\$10,000	
Contingency	\$6,000	
Total Estimate	\$90,000	