

BW - 8

**GENERAL  
CORRESPONDENCE**

**YEAR(S):**

1998 - 1982



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505  
(505) 827-7131

April 28, 1998

**CERTIFIED MAIL**  
**RETURN RECEIPT NO. P-288-259-061**

Mr. Jack Clark  
Salty Dog, Inc.  
P.O. Box 1438  
Hobbs, NM 88240

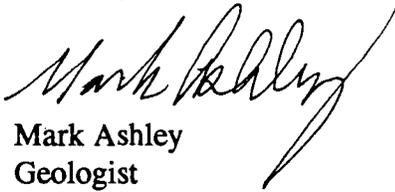
**RE: Quarterly Reports**  
**Salty Dog, Inc. Water Station (BW-008)**  
**Lea County, New Mexico**

Dear Mr. Clark:

As a condition of discharge plan approval, all brine facilities are required to submit quarterly reports listing, by month, the volumes of fluids injected and produced, The New Mexico Oil Conservation Division had not received any quarterly reports for the above mention brine facility. Please update all delinquent quarterly reports by June 29, 1998.

If Salty Dog has any questions, please contact me at (505) 827-7155.

Sincerely,



Mark Ashley  
Geologist

xc: OCD Hobbs Office

P 288 259 061

US Postal Service  
**Receipt for Certified Mail**  
No Insurance Coverage Provided.  
Do not use for International Mail (See reverse)

Sent to	
Street & Number	
Post Office, State, & ZIP Code	
Postage	\$
Certified Fee	
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Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

PS Form 3800 April 1995

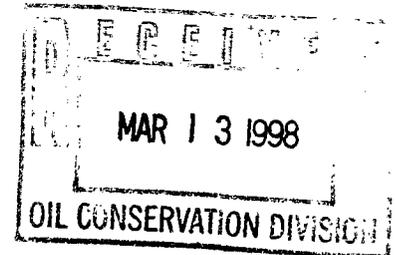


NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505  
(505) 827-7131

February 17, 1998

**CERTIFIED MAIL**  
**RETURN RECEIPT NO. P-288-259-020**



Mr. Jack Clark  
Salty Dog, Inc.  
P.O. Box 1438  
Hobbs, NM 88240

**Re: Discharge Plan Fees BW-008**  
**Salty Dog, Inc. Water Station**  
**Lea County, New Mexico**

Dear Mr. Clark:

On April 20, 1995, Salty Dog, Inc. received, via certified mail, a letter from the New Mexico Oil Conservation Division (OCD) stating that the discharge plan BW-008 for Salty Dog Water Station was approved. In that letter it also stated that, in accordance with Water Quality Control Commission Regulation (WQCC) 3114, a \$50 filing fee and a \$690 flat fee were required upon receipt of the approval letter. The \$50 filing fee and two installment payments (\$138 each) of the flat fee have been received by the OCD. As of this date, there is a remaining amount of \$414. The last installment received by the OCD was May 20, 1996. Please submit the remaining \$414 flat fee in full by March 17, 1998.

Please make all checks payable to: **NMED-Water Quality Management** and addressed to the OCD Santa Fe Office.

If you have any questions, please contact me at (505)-827-7152 or Mark Ashley at (505) 827-7155.

Sincerely,

  
Roger Anderson  
Environmental Bureau Chief

RCA/mwa

cc: OCD Hobbs Office

ACKNOWLEDGEMENT OF RECEIPT  
OF CHECK/CASH

I hereby acknowledge receipt of check No. [redacted] dated 3/11/98,

or cash received on \_\_\_\_\_ in the amount of \$ 414.00

from Salty Dog

for Salty Dog Water Sta BW-008

Submitted by: \_\_\_\_\_ Date: \_\_\_\_\_

Submitted to ASD by: R. Clarks Date: 3/27/98

Received in ASD by: \_\_\_\_\_ Date: \_\_\_\_\_

Filing Fee \_\_\_\_\_ New Facility \_\_\_\_\_ Renewal \_\_\_\_\_

Modification \_\_\_\_\_ Other \_\_\_\_\_

Organization Code 521.07 Applicable FY 98

To be deposited in the Water Quality Management Fund.

Full Payment  or Annual Increment

**SALTY DOG INC.**  
P. O. BOX 2265 505-392-5300  
HOBBS, NM 88241

3-11 19 98

95-7227/3070-2058

PAY TO THE ORDER OF WMED Water Quality Management \$ 414.00

Four Hundred Fourteen Dollars 00/100 DOLLARS

**Bank of America**  
P.O. Box 25000  
Albuquerque, NM 87125  
Branches Located Throughout New Mexico  
888-1300 in Albuquerque, 1-800-869-7737 in New Mexico

Douglas Clark

FOR [redacted]



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505  
(505) 827-7131

February 17, 1998

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P.O. Box 1438  
Hobbs, NM 88240

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Sincerely,

Roger Anderson  
Environmental Bureau Chief

RCA/mwa

cc: OCD Hobbs Office

PS Form 3800, April 1995

P 288 259 020

US Postal Service <b>Receipt for Certified Mail</b> No Insurance Coverage Provided. Do not use for International Mail (See reverse)	
Sent to	
Street & Number	
Post Office, State, & ZIP Code	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

ACKNOWLEDGEMENT OF RECEIPT  
OF CHECK/CASH

I hereby acknowledge receipt of check No. [redacted] dated 1209  
or cash received on \_\_\_\_\_ in the amount of \$ 138.00

from Salty Dog  
for \_\_\_\_\_  
(Facility Name) BW-008  
(DP No.)

Submitted by: \_\_\_\_\_ Date: \_\_\_\_\_

Submitted to ASD by: R. Clenden Date: 5/20/96

Received in ASD by: M. McGill Date: 5-20-96

Filing Fee \_\_\_\_\_ New Facility \_\_\_\_\_ Renewal \_\_\_\_\_  
Modification \_\_\_\_\_ Other \_\_\_\_\_  
(separately)

Organization Code 521.07 Applicable FY 96

To be deposited in the Water Quality Management Fund.

Full Payment \_\_\_\_\_ or Annual Increment X 2 of 5

SALTY DOG INC.  
PO BOX 1438 505-393-4521  
HOBBS NM 88241-1438

[redacted]  
95-108/1122  
1

May 19 96

PAY TO THE ORDER OF Energy, Minerals, & Nat. Res. Dept \$ 138.00  
One Hundred Thirty Eight 00/100 DOLLARS

Western Commerce Bank  
Certified, NIM


\$ \_\_\_\_\_  
\$ \_\_\_\_\_

FOR \_\_\_\_\_  
R. Clenden MP

Mark

ACKNOWLEDGEMENT OF RECEIPT OF CHECK/CASH

I hereby acknowledge receipt of check No. [redacted] dated 4/24/95 or cash received on 5/10/95 in the amount of \$ 188.00

from Salty Dog Inc for Salty Dog Brine (Facility Name) BW 008 (DP No.)

Submitted by: \_\_\_\_\_ Date: \_\_\_\_\_

Submitted to ASD by: Roger Anderson Date: 5/12/95

Received in ASD by: \_\_\_\_\_ Date: \_\_\_\_\_

Filing Fee [X] New Facility \_\_\_\_\_ Renewal [X] Modification \_\_\_\_\_ Other \_\_\_\_\_ (specify)

Organization Code 521.07 Applicable FY 95

To be deposited in the Water Quality Management Fund.

Full Payment \_\_\_\_\_ or Annual Increment [X] one of 5

SALTY DOG INC. P. O. BOX 1477 505-887-7682 CARLSBAD, NM 88221-1477

4-24 1995

[redacted] 95-108/1122 1

PAY TO THE ORDER OF: NMED Water Quality Management \$ 188.00/100 One hundred Eighty Eight & 00/100 DOLLARS

Western Commerce Bank Carlsbad, NM [grid]

\$ \_\_\_\_\_ \$ \_\_\_\_\_

FOR Filing Fee & Payment Salty Dog discharge [redacted] B-W-008

[Signature]

STATE OF NEW MEXICO  
NMOCD District I

WILDERNESS DIVISION  
RECEIVED

'95 APR 19 PM 8 52

INTER-OFFICE MEMO

To file: Texaco Inc.

Date: April 17, 1995

Time: 9:40 am

Telephone call:  Meeting:  Other:

Person called or attending:

Larry Lehman-Texaco USA Environmental Rep.

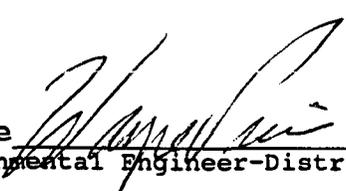
REFERENCE: Sonny's Trucking Co.

Subject: Inquiry on possible violation

Comments:

Larry Lehman called and ask me if I knew anything about the rumor of Sonny's Trucking Co. dumping water on roads. He was concerned that it might be Texaco's water.

I informed him that I had information of water being dumped on the ground at the Salty Dog Brine Station. I gave him the time and date and indicated that the Santa Fe environmental group and the district personnel were notified. I told Mr. Lehman this was public information and he is welcome to come in and look at their file.

Wayne Price   
NMOCD Environmental Engineer-District I

cc: Jerry Sexton-District I Supervisor  
Gary Wink-Field Rep. II  
Roger Anderson-Environmental Bureau Chief  
Larry Lehman-Texaco USA

STATE OF  
NEW MEXICO  
OIL  
CONSERVATION  
DIVISION



MEMORANDUM OF MEETING OR CONVERSATION

Telephone

Personal

Time  
~ 9:40 AM

Date  
4/17/95

Originating Party

Other Parties

LARRY LEHMAN - TEXAS

Subject

G.L. ERWIN - GROUND WATER INVESTIGATION WORK PLAN  
RE: LETTER DATED 3/28/95 OLSON (MEXCO) TO FRAZIER (TEXAS)

Discussion

PROGRESS REPORT

Conclusions or Agreements

ALL ORIGINAL REPORTS GO TO SANTA FE / CC DISTRICT

Distribution

cc: BILL OLSON  
LARRY LEHMAN  
FRANK CUSTAN

Signed



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
POST OFFICE BOX 1980  
HOBBS, NEW MEXICO 88241-1980  
(505) 393-6161

OIL CONSERVATION DIVISION  
RECEIVED

'95 APR 19 PM 8 52

MEMORANDUM:

TO: Jerry Sexton  
FROM: Gary W. Wink *HW*  
DATE: April 17, 1995  
SUBJECT: Sonny's Oilfield Service

On Monday, April 10, 1995, Wayne Price, Environmental Engineer in Hobbs, District I, informed me that he had observed a Sonny's Oilfield transport driver discharging washout fluids onto the ground. The driver, Mike Jones, indicated to Wayne that his dispatcher has instructed him to wash out at Salty Dog Brine Station instead of going back to town.

I then went to talk to Jack Clark at Sonny's office, located in Hobbs.

I reminded Mr. Clark that I had advised them in the past not to discharge fluids on the ground or into their fresh water pit. I also told Mr. Clark, if this occurred again, that my suggestion would be to shut in the Salty Dog Brine Station for 30 days.

Mr. Clark said that he was unaware of the incident, and he would call a safety meeting and inform all of his employees not to dispose of water on the ground or into an unapproved disposal site.

I then informed Mark Ashley of Mr. Clark's and my meeting. A short time later, Mark called me back and asked me if I had told Sonny's that I was going to shut in the Salty Dog Facility at this time. I informed Mark that I hadn't told them they were shut in at this time, but I would suggest the next time this happened that their facility be shut in for 30 days. Mark asked me if I minded speaking to Roger Anderson about this matter. Roger then got on the speaker phone to ask me questions on what I told Mr. Clark. I told Roger that I had told Mr. Clark, if this incident happened again, I would suggest for the Sonny's facility be shut in. Roger said he would write Mr. Clark a letter asking him to submit a pit closure plan within 7 days from receipt of his letter and start closing the pit within 20 days.

cc: Wayne Price  
Roger Anderson  
Mark Ashley

# EDDIE SEAY CONSULTING

601 W. ILLINOIS  
HOBBS, NEW MEXICO 88240  
(505) 392-2236  
FAX (505) 392-6949

ENVIRONMENTAL,  
GEOLOGICAL & REGULATORY  
SPECIALISTS

CONSERVATION DIVISION  
RECEIVED CONSULTING SERVICES



April 14, 1995

Oil Conservation Division  
Environmental Bureau  
2040 S. Pacheco  
Santa Fe, NM 87505

ATTN: Mark Ashley

SUBJECT: BW-008  
Salty Dog Brine Station

Mr. Ashley:

Find within answers to supplemental questions concerning Salty Dog Brine BW-008 Discharge Plan. Mr. Clark, owner/operator, has agreed to all listed within. The sampling, monitoring, and testing of system will be started and maintained immediately. The construction of the loading facility, if approved, will begin this summer and be completed within this calendar year. The closure plan for the overflow pit will be sent in for approval immediately and closure thereof.

I appreciate your time and patience in this matter and apologize for any inconvenience "Salty Dog" may have caused. If further information is needed or if you have any questions, please call.

Sincerely,

*Eddie W Seay*

Eddie W. Seay, Agent

Discharge Plan BW-008  
Salty Dog Inc. Water Station  
Lea County, New Mexico

Response for additional information, letter dated 12-13-94.

- ✓ 1. Yes, the supply line from brine well to brine pit is 3" poly. pipe 3/8" thick, buried at a depth of approximately 18". The pipe has a 50 year design life and an 800# burst pressure. These are the specifications when layed above ground, when buried, life of pipe increases because it is not exposed to the weather and elements. Appendix A is a copy of the factory specifications. We propose to drive line out and physically inspect bi-monthly, and pressure test line by blanking off end and pressuring up entire length and recording pressure. This will be done every five years as required, starting with 1995. All results will be forwarded to the OCD as required.
- ✓ 2. The leak detector system for the brine pond will be monitored bi-monthly, noting date, who inspected and comments. Records will be kept at Sonny's Trucking off on West County Road. If fluid is found in inspection hole, a sample will be taken and analyzed, the OCD will be notified and brine pit emptied and repairs and/or remediated as required. The surrounding water wells will be tested quarterly, testing for chloride, and a complete analysis every five years. All analysis will be submitted to OCD quarterly.
- ✓ 3. The maximum pressure for injection should not exceed 275#, with an average pressure of 150#, given the weight of the fluid and depth of hole.
- ✓ 4. The first pressure test will be done and sent to OCD within 30 days and an annual test on the brine well will be submitted to the OCD according to OCD guidelines.
- ✓ 5. A meter will be installed at brine extraction well. The fresh water injected will be metered and recorded monthly. A meter on brine sales line will be installed and reading recorded monthly. All readings will be reported quarterly to OCD. Analysis of the injected fluid and brine will be reported quarterly.

- ✓ 6. If a leak were to occur, the fluid from the pit would show up at the inspection hole on the leak detection system. A vacuum pump would be put in hole and all fluid that drained into system would be put in tanks, the brine pit drained immediately and repairs made. If a leak were to occur, a double liner would be installed. Any leakage should be contained by the berms around the pond.
- ✓ 7. Water contour maps are within. Two water wells down gradient of the brine pond.
- ✓ 8. A method of determining conduits would be to run a hydro log. A hydro log shows movement of fluid behind pipe. This could be done when all piping is out of hole, during a workover or when tubing has to be pulled.
- ✓ 9. The old system of loading trucks will be discontinued. A new loading facility will be built with a sump to contain spillage and runover. A tapered concrete ramp with sump will be installed at south end of brine pit near old pump shed. Pumps will be used to load trucks. Diagram attached. Exact footage and measurements will be submitted upon approval.
- ✓ 10. The total source of the material in the overflow pit is unknown, but surface runoff, trucks illegally dumping and truck runover are probable causes. A closure plan will be submitted to do away with pit.
- ✓ 11. A trench could be cut around dike so that if leakage did occur, the trench would carry fluid to SE corner and drain into sump at loading area. There will be a pump in the sump, which will transfer fluid to an emergency holding tank.

#### CERTIFICATION

I hereby certify under penalty of law that I have personally examined and am familiar with the information submitted in this document. I do agree and adhere to all listed within.

NAME: Jack Clark

TITLE: Owner/Operator

SIGNATURE:



DATE:

4/17/95

Driscopipe Pressure Rating (psi) vs. Temperature (°F)

Temp. °F	Hydrostatic Design Basis (psi)	Pipe SDR									
		32.5	26	21	19	17	15.5	13.5	11	9.3	7.0
50	1820	58	73	90	100	113	125	145	180	215	303
60	1730	55	69	86	96	108	119	138	170	207	288
<b>73.4</b>	<b>1600</b>	<b>51</b>	<b>64</b>	<b>80</b>	<b>90</b>	<b>100</b>	<b>110</b>	<b>128</b>	<b>160</b>	<b>190</b>	<b>267</b>
80	1520	48	60	76	85	95	105	122	150	182	253
90	1390	44	56	70	77	87	96	111	140	167	232
100	1260	40	50	63	70	79	87	101	125	150	210
110	1130	36	45	57	63	71	78	90	113	135	188
120	1000	32	40	50	56	63	69	80	100	120	167
130	900	28	36	45	50	56	62	72	90	108	150
140	800	25	32	40	45	50	55	64	80	96	133

Chart 17

Instantaneous Modulus of Elasticity vs. Temperature

140°F	50,000 psi
100°F	100,000 psi
73.4°F	130,000 psi
50°F	165,000 psi
32°F	200,000 psi
0°F	260,000 psi
-20°F	300,000 psi

Pipe Pressure Rating

Driscopipe 1000 (at 73.4°F)

	SDR 32.5	SDR 26	SDR 21	SDR 19	SDR 17	SDR 15.5	SDR 13.5	SDR 11	SDR 9	SDR 7
Long Term Strength (psi)	1600	1600	1600	1600	<del>1600</del>	1600	1600	1600	1600	1600
Safety Factor	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Hydrostatic Design Stress	800	800	800	800	800	800	800	800	800	800
Design Life (min. years)	50	50	50	50	50	50	50	50	50	50
Pressure Rating (psi)	51	64	80	90	100	110	128	160	200	267

Chart 13

Pipe Pressure Rating

Driscopipe 8600 (at 73.4°F)

	SDR 32.5	SDR 25.3	SDR 15.5	SDR 11	SDR 9.3	SDR 8.3
Long Term Strength (psi)	1600	1600	1600	1600	1600	1600
Safety Factor	2.0	2.0	2.0	2.0	2.0	2.0
Hydrostatic Design Stress	800	800	800	800	800	800
Design Life (min. years)	50	50	50	50	50	50
Pressure Rating (psi)	51	65	110	160	190	220

(A)

## EXPLANATION

$\frac{150}{252}^{\circ}$

Water well

*Upper figure is depth to water; lower figure is depth of well. Open circles are wells finished in Tertiary or Quaternary rocks; solid circles are wells finished in Triassic rocks*

F = Flowing

R = Reported

P = Water level measured while pumping

D = Dry

? = Uncertainty as to aquifer

> = More than

< = Less than

(See tables 6 and 7 for detailed well data.)

3925

Water-table contour in Tertiary or Quaternary rocks

*Dashed where inferred or uncertain. Contour interval 25 feet. Datum mean sea level*

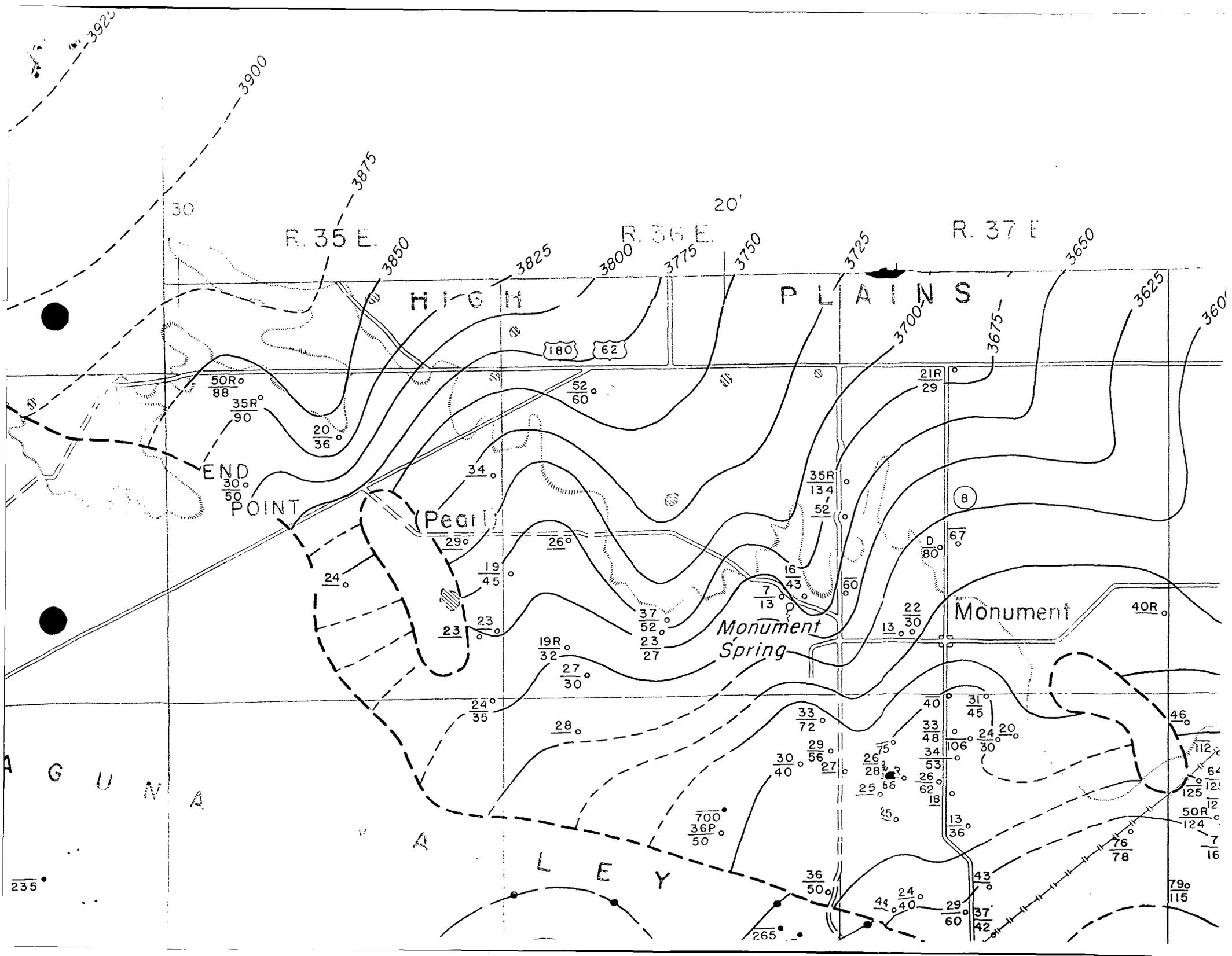
3500

Water-table or piezometric contour on water body in Triassic aquifers

*Dashed where inferred or uncertain. Contour interval 100 feet. Datum mean sea level*

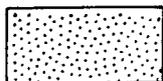
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Approximate position of boundary between Triassic rocks and saturated Tertiary and Quaternary rocks



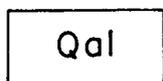
# EXPLANATION

Pleistocene and Recent



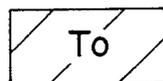
Sand

*Thin cover of drift sand in most places; locally dunes 20-40 feet high*



Alluvium

*Sand and gravel along dry washes; silt and sand in lake beds; includes some wind-deposited sand around depressions*

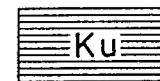


Ogallala formation

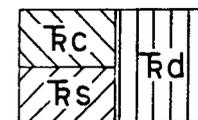
*Chiefly sand, poorly to well-cemented with calcium carbonate; contains some clay, silt, and gravel; capped in most places by caliche*

QUATERNARY

TERTIARY



Cretaceous rocks, undifferentiated  
*Slumped blocks of buff, tan, or white fossiliferous limestone*



Dockum group

**Tc**-Chinle formation, red and green claystone, minor siltstone, and fine-grained sandstone;  
**Ts**-Santa Rosa sandstone, red to white poorly sorted, coarse-grained, crossbedded sandstone; **Td**-rocks of the Dockum group, undifferentiated

Upper Triassic

CRETACEOUS

TRIASSIC

3500

Contours on the red-bed surface

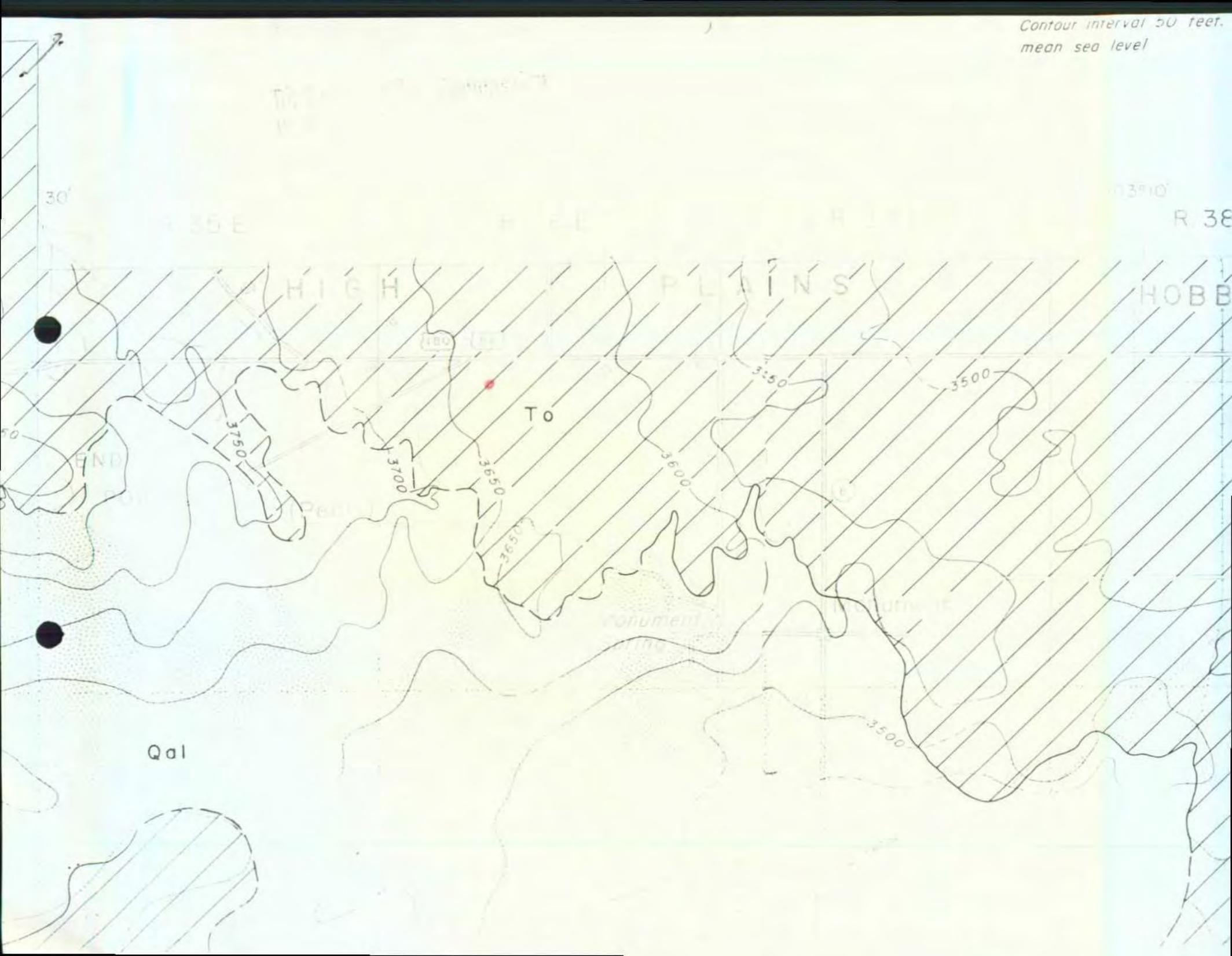
*Dashed where approximate or inferred.*

*Contour interval 50 feet. Datum*

*mean sea level*

Oil # 7  
F. O. ...  
...

Contour interval 50 feet.  
mean sea level





PHONE (915) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603

PHONE (505) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

PHONE (505) 326-4669 • 118 S. COMMERCIAL AVE. • FARMINGTON, NM 87401

CHEMICAL ANALYSIS OF WATER

Company : Eddie Seay  
City, St.: 601 W. Illinois, Hobbs, NM  
Proj.Name: Salty Dog Brine Station  
Location : BW-008

Lab #: H2008  
Date Received: 4/11/95  
Date Analyzed: 4/11/95

Sample 1 : Brine Sample - Product  
Sample 2 : Water Supply Well for Brine  
Sample 3 : Snyder Ranch Office Well  
Sample 4 : Snyder Ranch House Well

Units: mg/L

<u>PARAMETER</u>	<u>RESULT 1</u>	<u>RESULT 2</u>	<u>RESULT 3</u>	<u>RESULT 4</u>
pH	7.47	7.88	8.04	7.77
Hardness (CaCO <sub>3</sub> )	5,360	376	248	192
Calcium (CaCO <sub>3</sub> )	4,300	308	212	164
Magnesium (CaCO <sub>3</sub> )	1,060	68	36	28
Sulfate (SO <sub>4</sub> <sup>-</sup> )	3,272	55.2	44.3	38.0
Chloride (Cl <sup>-</sup> )	188,400	920	56	16
Total Dissolved Solids	349,000	2,285	373	316
Total Alkalinity	28	180	172	176
Bicarbonate	28	180	172	176
Carbonate	nil	nil	nil	nil
Conductivity (umhos/Cm)	480,250	2,980	515	435

● Note: Sample was taken from tank not from well, a new analysis taken directly from well is being analysed.

Michael R. Fowler

4/12/95  
Date



**CARDINAL**  
LABORATORIES

PHONE (915) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603

PHONE (505) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

PHONE (505) 326-4669 • 118 S. COMMERCIAL AVE. • FARMINGTON, NM 87401

**CHEMICAL ANALYSIS OF WATER**

Company : Eddie Seay  
City, St.: Hobbs, NM  
Prof. Name: Salty Dog Brine Station - Sonny's  
Location : West Hobbs

Lab #: H2013  
Date Received: 4/17/95  
Date Analyzed: 4/17/95

Sample 1 : Flow Well

Units: mg/l

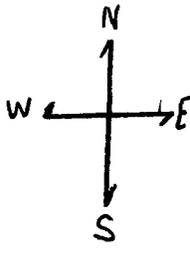
<u>PARAMETER</u>	<u>RESULT 1</u>
Chloride	48
Conductivity	484

New Analysis taken directly from well.

  
Michael R. Fowler

  
Date

Carlsbad Hwy



Brine pit

inspection hole for leak detection

load lines

Pumps

controls

fresh water well and tanks

Overflow pit

Berms & fence

Berms & fence

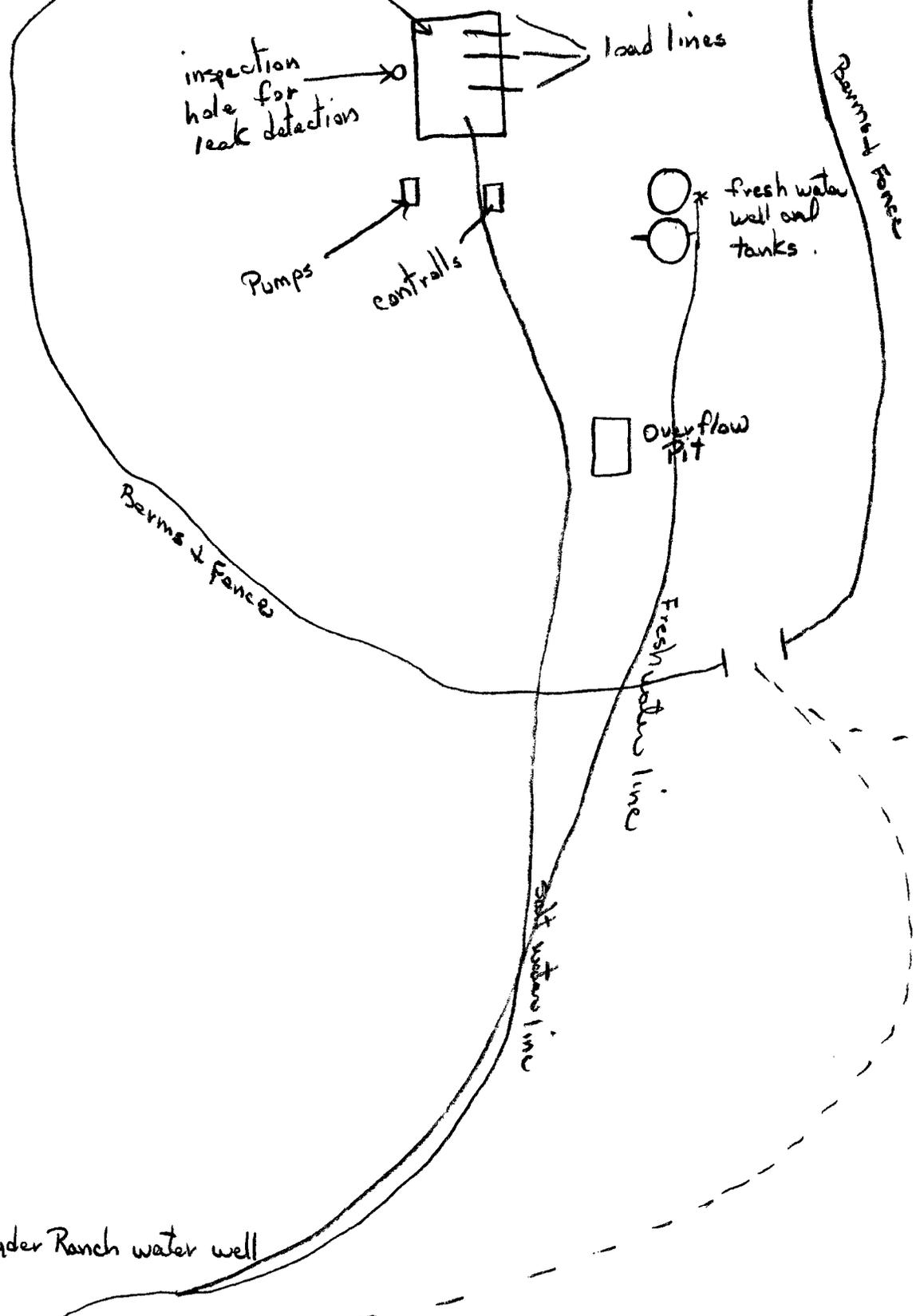
Fresh water line

salt water line

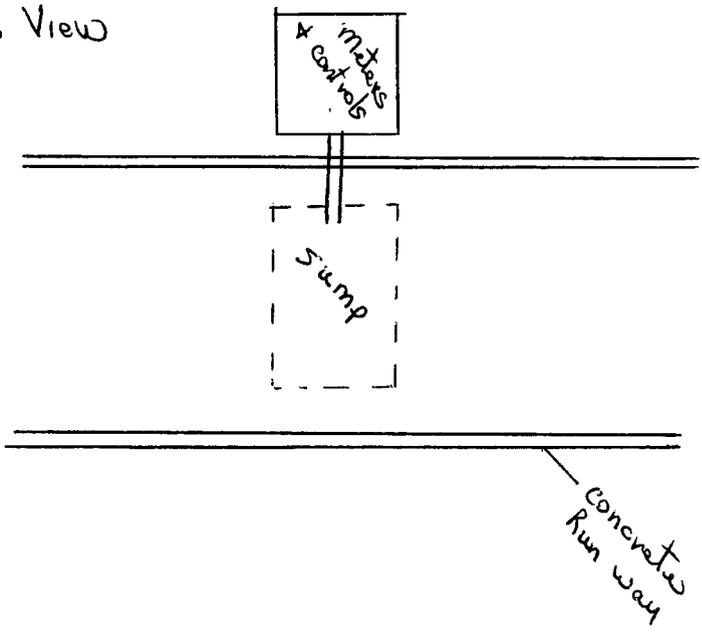
\* Snyder Ranch office & water well

\* Snyder Ranch water well

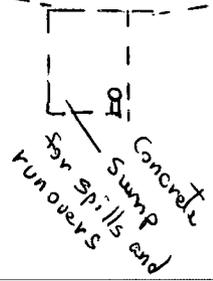
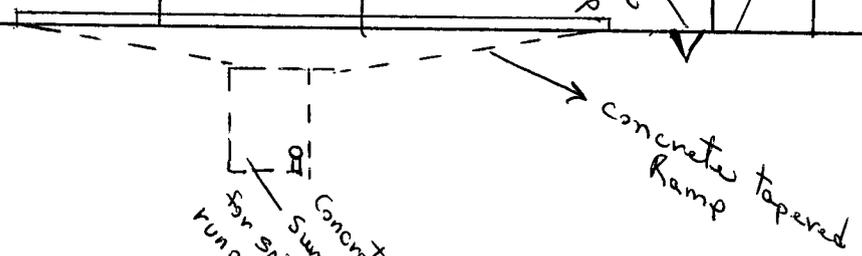
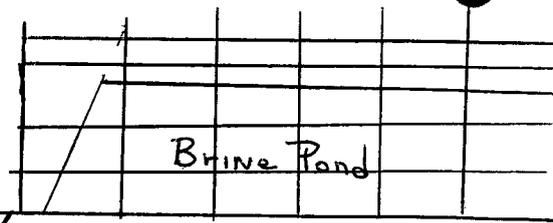
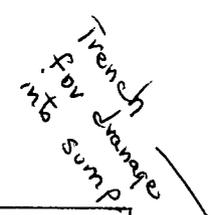
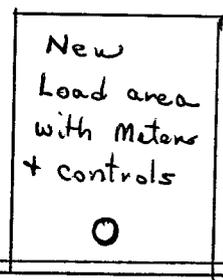
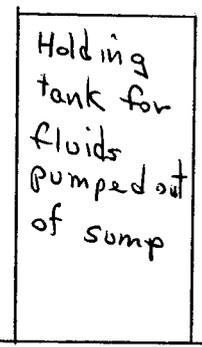
Salty Dog Brine well



Top View



Salty Dog  
Proposed loading area





Leak Detection monitor hole



Area where new loading would be



Brine Pond



Brine Pond.

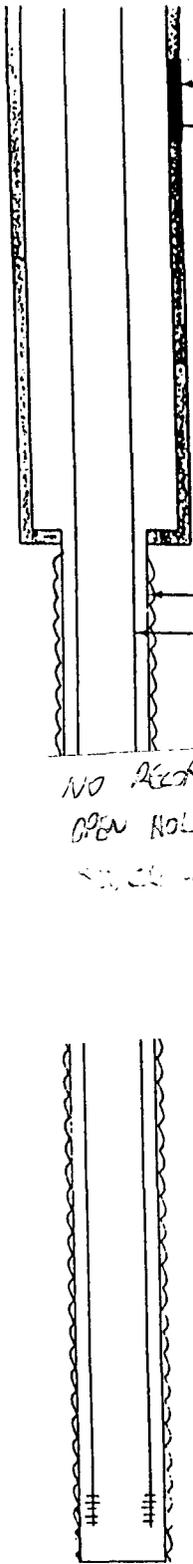
INSPECTIONS & MONITORING  
SALTY DOG BRINE STATION

OCD REQUIRED:	DATE	COMMENTS	INSPECTED BY
LEAK DETECTION HOLE Bi-monthly inspection			
INSPECTION OF BRINE LINE Bi-monthly inspection			
METER READINGS fresh water  brine water  MONTHLY RECORDINGS	REPORT TO OCD QUARTERLY		
WATER ANALYSIS brine water Snyder Ranch well Snyder Office well water supply well for brine  TEST QUARTERLY FOR CHLORIDES	REPORT TO OCD QUARTERLY		

RECORD, REPORT & MAINTAIN RECORDS  
REPORT TO OCD QUARTERLY

WELL BORE SKETCH

OPERATOR/LEASE/WELL Brunson & McKnight Inc.-Brine Supply Well #1 DATE 11-9-82  
NRE JOB NUMBER NB01-001-001  
FIELD/POOL /  
PLUG BACK DEPTH 2958' KB 3816 est. ELEVATION 3806'



Hole Size 12 1/4"

SURFACES CASING:

Size 8 5/8" Weight 24# & 32# Grade J-55  
Set at 1877' with 850 Sacks Cement  
Circulate 200 Sacks to Surface  
Remarks:

Hole Size 6 1/4"

PRODUCTION CASING: \*

Size \_\_\_\_\_ Weight \_\_\_\_\_ Grade \_\_\_\_\_  
Set at \_\_\_\_\_ with \_\_\_\_\_ Sacks Cement  
Cement Top: Calculated \_\_\_\_\_ Temperature Survey \_\_\_\_\_  
\* Remarks: No production casing was run in this well.  
Completed open hole from 1877' to 2958' as a brine source well.

NO RECORD OF  
OPEN HOLE TESTS  
SINCE 1877' TO 2958'

TUBING:

Size 2 7/8 Weight 6.5# Grade J-55  
Number of Joints 93 Set at 2887'  
Packer Set at None  
Bottom Arrangement: Open ended and 15' of perforations in tubing.

RODS:

Size N/A Number \_\_\_\_\_  
Gas Anchor Set at \_\_\_\_\_  
Pump Set at \_\_\_\_\_  
Arrangement: \_\_\_\_\_

T.D. 2958'

Handwritten signature or note at the bottom of the page.



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
POST OFFICE BOX 1980  
HOBBS, NEW MEXICO 88241-1980  
(505) 393-6161

OIL CONSERVATION DIVISION  
RECEIVED

95 APR 19 PM 8 52

MEMORANDUM:

TO: Jerry Sexton  
FROM: Gary W. Wink *gww*  
DATE: April 17, 1995  
SUBJECT: Sonny's Oilfield Service

On Monday, April 10, 1995, Wayne Price, Environmental Engineer in Hobbs, District I, informed me that he had observed a Sonny's Oilfield transport driver discharging washout fluids onto the ground. The driver, Mike Jones, indicated to Wayne that his dispatcher has instructed him to wash out at Salty Dog Brine Station instead of going back to town.

I then went to talk to Jack Clark at Sonny's office, located in Hobbs.

I reminded Mr. Clark that I had advised them in the past not to discharge fluids on the ground or into their fresh water pit. I also told Mr. Clark, if this occurred again, that my suggestion would be to shut in the Salty Dog Brine Station for 30 days.

Mr. Clark said that he was unaware of the incident, and he would call a safety meeting and inform all of his employees not to dispose of water on the ground or into an unapproved disposal site.

I then informed Mark Ashley of Mr Clark's and my meeting. A short time later, Mark called me back and asked me if I had told Sonny's that I was going to shut in the Salty Dog Facility at this time. I informed Mark that I hadn't told them they were shut in at this time, but I would suggest the next time this happened that their facility be shut in for 30 days. Mark asked me if I minded speaking to Roger Anderson about this matter. Roger then got on the speaker phone to ask me questions on what I told Mr. Clark. I told Roger that I had told Mr. Clark, if this incident happened again, I would suggest for the Sonny's facility be shut in. Roger said he would write Mr. Clark a letter asking him to submit a pit closure plan within 7 days from receipt of his letter and start closing the pit within 20 days.

cc: Wayne Price  
Roger Anderson  
Mark Ashley



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
2040 S. PACHECO  
SANTA FE, NEW MEXICO 87505  
(505) 827-7131

April 18, 1995

**Certified Mail**  
**Return Receipt No. Z-765-962-836**

Mr. Jack Clark  
Salty Dog, Inc.  
P.O. Box 1438  
Hobbs, NM 88240

**RE: Discharge Plan BW-008  
Salty Dog, Inc. Water Station  
Emergency Overflow Pit Closure  
Lea County, New Mexico**

Dear Mr. Clark:

The New Mexico Oil Conservation Division (OCD) has completed a review of the Salty Dog, Inc. April 13, 1995 pit closure letter for the emergency overflow pit. Based on the information provided, your pit closure is approved with the following conditions:

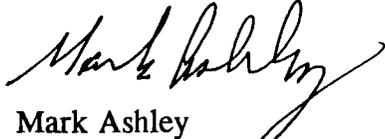
1. The remediation project will conform to the OCD "Unlined Surface Impoundment Closure Guidelines."
2. A closure report of final clean-up will be submitted to the OCD Santa Fe and Hobbs District offices by May 15, 1995.
3. The OCD will be notified at least 72 hours in advance of all closure activities such that the OCD may have the opportunity to witness and/or split samples.

Please be advised that OCD approval does not relieve Salty Dog, Inc. of liability if closure activities determine that contamination exists which is beyond the scope of the closure plan, or if the closure activities fail to adequately remediate contamination at the site. In addition, OCD approval does not relieve Salty Dog, Inc. of liability for compliance with other federal, state or local laws and/or regulations.

Mr. Jack Clark  
April 18, 1995  
Page 2

If you have any questions regarding this matter, please feel free to contact me at (505) 827-7155.

Sincerely,



Mark Ashley  
Environmental Geologist

xc: Eddie Seay, Peak Consulting Services, Hobbs, NM  
Jerry Sexton, OCD Hobbs Office  
Wayne Price, OCD Hobbs Office

Z 765 962 836



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Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
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PS Form 3800, March 1993



As of Sat. April 8, 1995



As of Sat. April 8, 1995

601 W. ILLINOIS  
HOBBS, NEW MEXICO 88240  
(505) 392-2236  
FAX (505) 392-6949

# EDDIE SEAY CONSULTING

ENVIRONMENTAL,  
GEOLOGICAL & REGULATORY  
SPECIALISTS

ENVIRONMENTAL CONSERVATION DIVISION  
RECEIVED  
APR 17 PM 8 50

**PEAK**  
CONSULTING SERVICES



March 13, 1995

New Mexico Oil Conservation Division  
Environmental Bureau  
2040 S. Pacheco  
Santa Fe, NM 87505

RE: Salty Dog Pit Closure  
ATTN: Mark Ashley

Dear Mr. Ashley:

As requested by Mr. Jack Clark of Salty Dog Inc., I am submitting this plan for closure of his emergency overflow pit at his brine station, located in Sect. 5, Tws. 19 S., R. 36 E., Lea Co., NM. Enclosed are photos of present condition of pit. Listed is proposed procedure for closure:

1. Remove all free liquid and dispose at an approved OCD SWD.
2. Remove all solid material, sand, weeds, etc. and take to an approved OCD facility for disposal.
3. Pull liner back so access to soil under liner can be tested for TPH and chlorides. If analysis is acceptable to OCD and no contamination is present, proceed with step 4. If contamination is found, a plan for remediation and cleanup will be worked out and approved with OCD.
4. Cut & fold liner into center of pit area, cover liner and pit with soil, mounding top of pit so as to prevent runoff or runoff of area.
5. Remove any obstacles which may cause drainage to this area.
6. Send final report of closure to OCD with photos.

If this plan is approved, closure will begin immediately to meet OCD deadline. I thank you for your time and consideration in this matter. If you have any questions or need further information, please call.

Sincerely,

  
Eddie W. Seay, Agent

RECEIVED

APR 18 1995

Environmental Bureau  
Oil Conservation Division



STATE OF NEW MEXICO  
 ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
 2040 S. PACHECO  
 SANTA FE, NEW MEXICO 87505  
 (505) 827-7131

Z 765 962 833

April 11, 1995

**CERTIFIED MAIL**  
**RETURN RECEIPT NO. Z-765-962-833**

Mr. Jack Clark  
 Salty Dog, Inc.  
 P.O. Box 1438  
 Hobbs, NM 88240

Re: **Discharge Plan BW-008**  
**Salty Dog, Inc. Water Station**  
**Emergency Overflow Pit Closure**  
**Lea County, New Mexico**

Dear Mr. Clark:

On April 7, 1995, Wayne Price of the OCD observed Sonny's Trucking Co. discharging washout fluids into the emergency overflow pit at the above referenced site. The fluids consisted mainly of water with residual hydrocarbons and produced water. Once again the current use of the pit is not consistent with its approved use under discharge plan BW-008. In a certified letter dated January 23, 1995, Salty Dog, Inc. received notice from the New Mexico Oil Conservation Division (OCD) that a work plan for closure of the pit be submitted to the OCD by March 13, 1995. As of this date, nothing has been received by the OCD.

The OCD requires receipt of a plan for the closure of the pit by April 18, 1995, and requires complete closure by May 1, 1995. Prior approval by the OCD of the closure plan is required before any closure activities can begin.

If you have any questions regarding this matter, please feel free to contact Mark Ashley at (505) 827-7155.

Sincerely,

Roger Anderson  
 Environmental Bureau Chief

xc: Eddie Seay, Peak Consulting Services, Hobbs, NM



**Receipt for  
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 Do not use for International Mail  
 (See Reverse)

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Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

PS Form 3800, March 1993

## **Mark Ashley**

---

**From:** Wayne Price  
**To:** Roger Anderson  
**Cc:** Mark Ashley; Wayne Price; Jerry Sexton; Gary Wink  
**Subject:** Salty Dog Brine St. BW-008  
**Date:** Monday, April 10, 1995 8:38AM  
**Priority:** High

Dear Roger,

Please note on Friday, April 7, 1995, I observed Sonny's Trucking Co. discharging washout fluids onto the ground. The Driver of the vehicle was Mike Jones, truck #225, trailer #221, Liscence # NM FR33265. The location was at the Salty Dog Brine Station. The fluids were mostly water with residual hydrocarbons and produced water contained in it. It was running on the ground and down a ditch into the fresh water emergency pit. The pit was more than half full with hydrocarbons on it.

Sonny,s has been advised in the past not to discharge fluids on the ground or into this pit.

The driver indicated to me that his dispatcher had instructed him to wash out instead of going all the way back into town.

I called Sonny's and informed Scotty Greenlee of the problem.



MEMORANDUM OF MEETING OR CONVERSATION

Telephone  Personal

Time  
2:55 PM

Date  
3-6-95

Originating Party

Other Parties

Jack Clark  
393-452

MARK ASHLEY

Subject  
BY-008

Discussion

He wanted an extension to comply. Eddie Leary will be doing the work. I told him I would talk to Roger Anderson tomorrow (3-7-95) about his request.

Conclusions or Agreements

Signature

Signed

Mark Ashley



January 13, 1995

**CERTIFIED MAIL**  
**RETURN RECEIPT NO. Z-765-962-795**

Mr. Pieter Bergstein  
Salty Dog, Inc.  
P.O. Box 1438  
Hobbs, NM 88240

**RE: Discharge Plan BW-008 Renewal  
Salty Dog Inc. Water Station  
Lea County, New Mexico**

Dear Mr. Bergstein:

The New Mexico Oil Conservation Division (OCD) has completed preliminary review of your discharge plan renewal application (BW-008) for the Salty Dog Inc. Water Station located in Section 5, Township 19 South, Range 36 East, NMPM, Lea County, New Mexico. The following comments, questions, and requests for additional information are based on review of the renewal application and attachments submitted to the OCD on May 13, 1994, and the OCD's December 13, 1994 inspection of the facility. Additional comments and requests may be forthcoming.

Reponse to all comments shall be submitted to the OCD by March 13, 1995. Please note that unless otherwise stated, response to all comments shall be received and reviewed by the OCD prior to approval of the renewal application.

1. Does the facility contain any underground piping? If so, please provide the age and specifications (i.e., wall thickness, fabrication materials, etc). The OCD requires all underground brine water piping to be tested for mechanical integrity every five years. Please submit a proposed schedule and method of testing. (OCD Guidelines VI.E., WQCC 5-204 and 5-207.A)
2. As part of routine inspection procedures for all leak detection systems and surrounding water wells, please provide the frequency of inspections, how records are to be maintained, and what information will be included in the records. What will be the schedule for sampling the surrounding water wells, and what constituents will the samples be analyzed for? (OCD Guidelines VI.F.1 and .2, WQCC 5-207 and 5-208)

**VILLAGRA BUILDING - 408 Galisteo**

Forestry and Resources Conservation Division  
P.O. Box 1948 87504-1948  
827-5830

Park and Recreation Division  
P.O. Box 1147 87504-1147  
827-7465

**2040 South Pacheco**

Office of the Secretary  
827-5950

Administrative Services  
827-5925

Energy Conservation & Management  
827-5900

Mining and Minerals  
827-5970

Oil Conservation  
827-7131

Mr. Pieter Bergstein

January 13, 1995

Page 2

3. Please provide the maximum and average injection pressures. (OCD Guidelines VII.C.2, WQCC 5-210)
4. There is no record of the annual open hole pressure test. The OCD requires an open hole pressure test to 500 PSI for 4 hours on an annual basis. The results of the required tests shall be submitted and approved prior to renewal of the discharge plan renewal. In addition, please provide a commitment to perform these tests on an annual basis and provide the results to the OCD. (OCD Guidelines VII.C.3)
5. Please provide a proposal for comparison of volumes of fresh water injected to volume of brine water produced to detect potential underground losses, and an analysis of the injection fluid and brine. Submittal of a quarterly report listing, by month, the volume of fluids injected and produced will be required as a condition of approval. As of this time, no quarterly reports listing injection pressures, and production rates and volumes have been received. (OCD Guidelines VII.C.4 and .5)
6. Although the storage pit contains an elaborate leak detection system, there seems to be no way to contain leaks from the primary liner since there is no secondary liner in place. Please provide a method by which a leak in the primary liner can be contained. (OCD Guidelines VIII)
7. Please provide a subsurface water gradient map (potentiometric map) for the aquifer potentially affected so that a determination can be made by the OCD as to whether the water wells used for ground water monitoring will adequately detect any potential leaks at the facility. (OCD Guidelines VIII and IX.B.3)
8. The renewal application did not contain any information on determining if any conduits for fluid movement exist within the well bore. Please provide a method for determining if conduits exist (ie: cement bond log). (WQCC 5-204.B.2)
9. During the December 13, 1994 inspection there was no observed containment system for brine water at the loading racks. Numerous spills were observed at the loading racks. Please provide a proposal for installing such a system.
10. All fluids and hydrocarbon materials that were observed during the December 13, 1994 inspection need to be removed from the overflow pit. What is the source of these hydrocarbon materials that were first reported in an inspection on March 28, 1985? Since the current use of the overflow pit is not consistent with its approved use, the OCD requires that you to submit a work plan for closure of the pit. Please provide a commitment for submission of a closure plan.
11. The current contingency plan for containing brine water in the event of a dike leak does not prevent the ground water from being protected or prevent movement into surface waters of the State. Please provide an alternate method for containing brine water from dike leaks.

Mr. Pieter Bergstein  
January 13, 1995  
Page 3

Submittal of the requested information in a timely manner will expedite the final review of the application and approval of the discharge plan renewal.

If you have any questions, please feel free to contact me at (505) 827-7155.

Sincerely,



Mark Ashley  
Environmental Geologist

xc: OCD Hobbs Office

Z 765 962 795



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PS Form 3800, March 1993

**SALTY DOG, INC.**  
P. O. Box 1438  
Hobbs, NM 88240

OIL CONSERVATION DIVISION  
RECEIVED  
'94 MAY 13 AM 8 50

May 12, 1994

State of New Mexico  
Energy, Minerals & Natural Resources Dept.  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, NM 87501

Gentlemen:

Application for Discharge Plan Approval - In Situ Extraction Well - Salty  
Dog, Inc.

Salty Dog, Inc. respectfully requests approval for continued operation of  
our in situ salt extraction well, the Salty Dog Brine Well No. 1. Should  
you have any questions or require additional information, please contact  
me at your earliest convenience.

Sincerely,



Pieter Bergstein  
President

PB/dc

Enclosures

State of New Mexico  
 Energy, Minerals and Natural Resources Department  
 OIL CONSERVATION DIVISION  
 P.O. Box 2088  
 Santa Fe, NM 87501

*DISCHARGE PLAN APPLICATION FOR BRINE EXTRACTION FACILITIES*

*(Refer to OCD Guidelines for assistance in completing the application.)*

NEW       RENEWAL

- I. FACILITY NAME: Salty Dog, Inc.
- II. OPERATOR: Salty Dog, Inc.  
 ADDRESS: P. O. Box 1438, Hobbs, NM 88240  
 CONTACT PERSON: Pieter Bergstein PHONE: 505-393-4521
- III. LOCATION: 1 / 4 1 / 4 Section 5 Township 19S Range 36E  
*Submit large scale topographic map showing exact location.*
- IV. Attach the name and address of the landowner of the facility site.
- V. Attach a description of the types and quantities of fluids at the facility.
- VI. Attach a description of all fluid transfer and storage and fluid and solid disposal facilities.
- VII. Attach a description of underground facilities (i.e. brine extraction well).
- VIII. Attach a contingency plan for reporting and clean-up of spills or releases.
- IX. Attach geological/hydrological evidence demonstrating that brine extraction operations will not adversely impact fresh water.
- X. Attach such other information as is necessary to demonstrate compliance with any other OCD rules, regulations and/or orders.
- XI. CERTIFICATION

*I hereby certify under penalty of law that I have personally examined and am familiar with the information submitted in this document and all attachments and that, based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate and complete. I am aware that there are significant penalties for submitting false information including the possibility of fine and imprisonment.*

Name: Pieter Bergstein Title: President

Signature:  Date: 5-11-94

DISTRIBUTION: Original and one copy to Santa Fe with one copy to appropriate Division District Office.

# **SALTY DOG, INC.**

**P. O. Box 1438  
Hobbs, NM 88240**

IV. Salty Dog, Inc.  
P. O. Box 1438  
Hobbs, NM 88240

V. Production is saturated brine water accomplished by pumping fresh water into salt cavity. On demand the well produces approximately seventy to ninety gallons per minute of ten pounds per gallon brine water depending solely on displacement rate by fresh water. Lined pit storage capacity of 168,300 gallons.

VI. Discharge of produced brine is approximately 2,500' north of brine source well into a lined surface pit. Existing fresh water wells within a one mile radius will be monitored at regular intervals to assure operator that no contamination is taking place. There are no bodies of water existing within one mile of discharge and/or storage of brine.

Surface impoundment - See attachment C for lined pit permit information.

VII. See attached drawings, attachments D, E, F, and G.

VIII. Flooding potential of site is very remote. The lined surface pit has a built-in leak detection system installed in the bottom of the pit. It consists of four inch P.V.C. piping with holes drilled in the pipe. The pipe was installed in trenches 12" deep, then covered with pea gravel. Then the entire bottom of the pit was covered with sand. (See drawing attachment B) Plastic liner was installed over the sand base. (See attachment C - Lined Evaporation Pit Permit No. LP-H-105) The P.V.C. pipe system was manifolded. It exits on the west side of surface pit with four foot riser at the end.

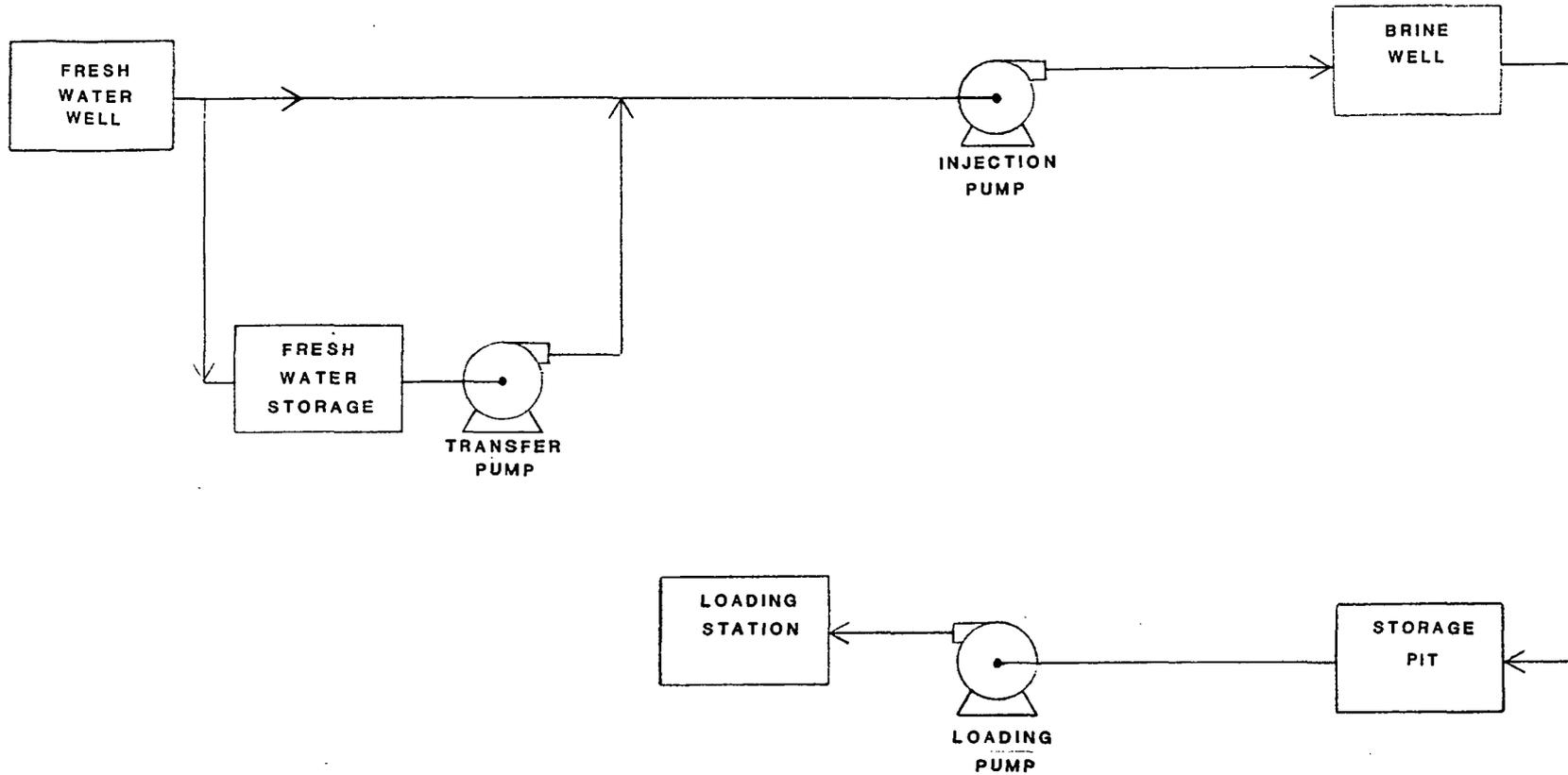
Should the plastic liner develop a leak, it can be detected by daily visual inspection of the riser. In the event a dike should leak, all drainage would be captured in a natural catch basin. It is located approximately 1200' south-southwest of the brine station. (See topographic map - figure 3)

# **SALTY DOG, INC.**

**P. O. Box 1438  
Hobbs, NM 88240**

- IX. There are no bodies of water existing within one mile of discharge or storage of brine. See attachment F for location of fresh water wells and uses. Depth of ground water in the area is 75'.

Other soil analysis and aquifer information is not readily available.



NOTES

SCALE: NONE

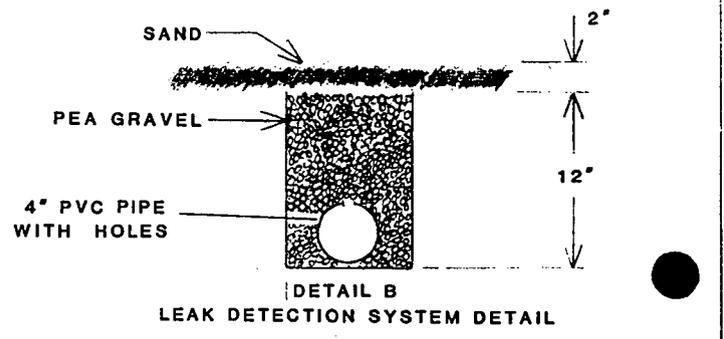
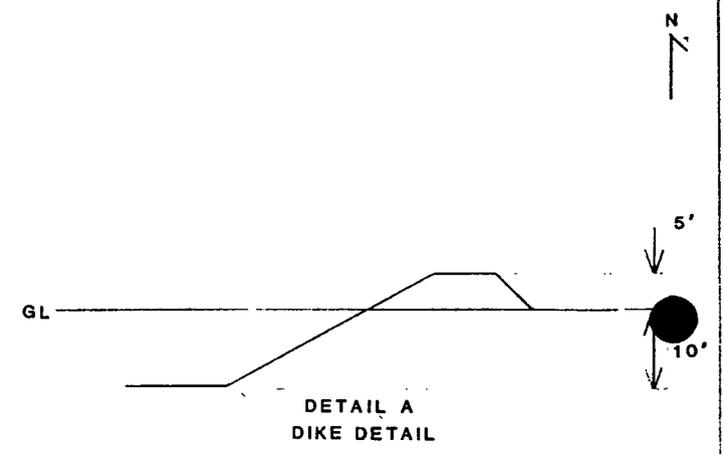
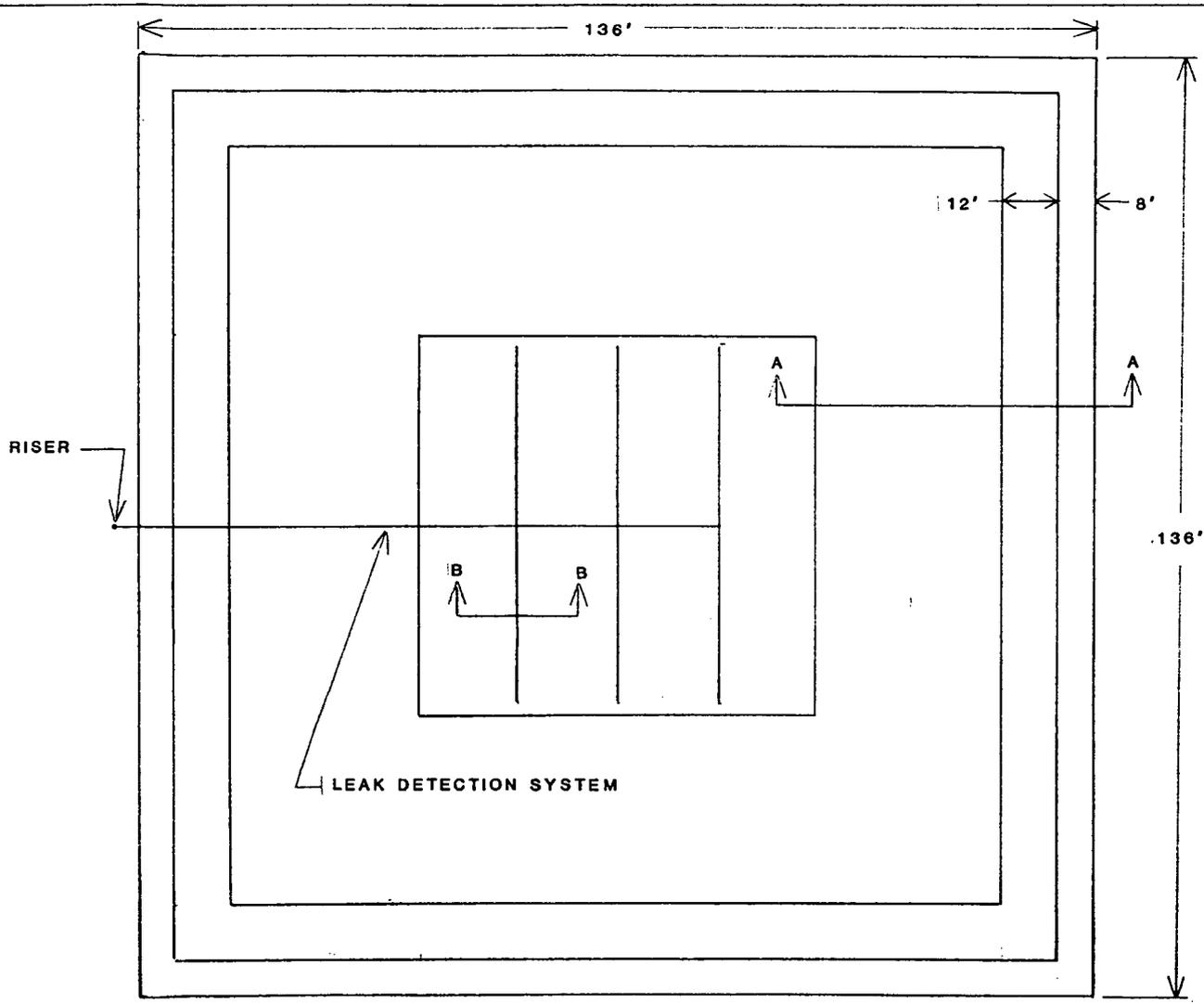
NATURAL RESOURCES ENGINEERING INC

BRINE SYSTEM SCHEMATIC

NB01-001-001

DRAWING NO  
1

SHEET 1 OF 1



NOTES

NATURAL RESOURCES ENGINEERING INC

NB01-001-001

BRINE STORAGE PIT

DRAWING NO

2

SHEET 1 OF 1

APPLICATION FOR PERMIT  
TO UTILIZE A LINED EVAPORATION PIT

PERMIT NO. LP-H-105

Attachment C

New Mexico Oil Conservation Commission

Name of Operator SANTY DAD

Address PO Box 774 HOTELS 88240

Name of lease upon which evaporation pit will be located  
BRINE STORAGE

Location of evaporation pit: Unit Letter B Section 5 Township 19S Range 36 E

Lease(s) which will be producing into pit NA

Pool(s) which will be producing into pit NA

Analysis of disposal water: Chlorides 104LB BRINE ppm. Total dissolved solids \_\_\_\_\_ ppm.  
(If more than one pool will be producing into pit, give water analysis for each pool.)

Quantity of water to be disposed of into this pit N/A barrels per day.

Water production from these same wells six months ago N/A bpd. Three months ago \_\_\_\_\_ bpd  
(If more than one pool will be producing into pit, give water production data for each)

Method of hydrocarbon entrapment to be employed: Settling tank \_\_\_\_\_ Header pit N/A

If settling tank is to be used, give size and number of barrels N/A

If header pit is to be used, give dimensions and depth N/A

Header pit lining material N/A Thickness \_\_\_\_\_

Dimensions of ~~Evaporation~~ Brine Pit ("A" and "B" on diagram) 140 X 140

Number of square feet contained in above APPROX 22500

Depth (Top of levee to floor of pit--"D" on diagram) 8'

Material to be used as liner N420 LINE GOODUAE Thickness 30 mil

Does manufacturer recommend protection of material from direct sunlight? Yes \_\_\_\_\_ No X

If yes, what means will be provided to so protect the material? \_\_\_\_\_

Is material resistant to hydrocarbons? Yes YES No \_\_\_\_\_

Is material resistant to acids and alkalis? Yes YES No \_\_\_\_\_

Is material resistant to salts? Yes YES No \_\_\_\_\_

Is material resistant to fungus? Yes YES No \_\_\_\_\_

Is material rot-resistant? Yes YES No \_\_\_\_\_

Will joints in material be fabricated in the field? Yes YES No \_\_\_\_\_

If yes, describe method to be used in lining material \_\_\_\_\_

Attach manufacturer's brochure describing the qualities of the lining material.

Describe the leakage detection system to be used GRID OF 4" pipe  
below liner - (WITH HOLES) PACKED & ENCASED IN 4" (5/8 GRAVEL)  
GRADED TO DRAIN IN 15" PVC SUMP WITH 4" PIPES

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and further, that the subject evaporation pit and appurtenances, when installed, will be kept in good repair, and that all due diligence will be exercised in keeping the surface of the water free of oil and other debris.

Name JERRY SEXTON Title SANTY DAD INC PRES. Date 4-12-82

Approved by JERRY SEXTON Title \_\_\_\_\_ Date APR 13 1982



STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

April 13, 1982

BRUCE KING  
GOVERNOR  
LARRY KEHOE  
SECRETARY

P.O. BOX 1980  
HOBBS, NEW MEXICO 88240  
(505) 393-6161

Salty Dog  
P. O. Box 774  
Hobbs, New Mexico 88240

Gentlemen:

Attached is an approved copy of your Application to Utilize a Lined Evaporation Pit.

Please notify this office when the laterals are in place in order that we may make an inspection of the installation.

Yours very truly,

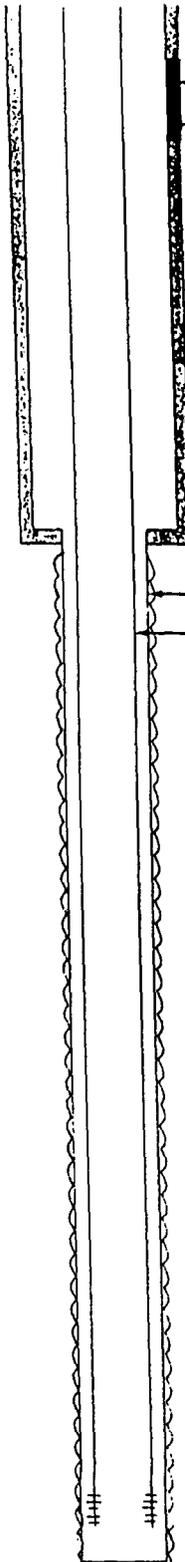
OIL CONSERVATION DIVISION

  
Jerry Sexton  
Supervisor, District 1

mc

**WELL BORE SKETCH**

OPERATOR/LEASE/WELL Brunson & McKnight Inc.-Brine Supply Well #1 DATE 11-9-82  
 NRE JOB NUMBER NB01-001-001  
 FIELD/POOL \_\_\_\_\_ / \_\_\_\_\_  
 PLUG BACK DEPTH 2958' KB 3816 est. ELEVATION 3806'



Hole Size 12 1/4"

**SURFACES CASING:**

Size 8 5/8" Weight 24# & 32# Grade J-55  
 Set at 1877' with 850 Sacks Cement  
 Circulate 200 Sacks to Surface  
 Remarks: \_\_\_\_\_  
 \_\_\_\_\_

Hole Size 6 1/4"

**PRODUCTION CASING: \***

Size \_\_\_\_\_ Weight \_\_\_\_\_ Grade \_\_\_\_\_  
 Set at \_\_\_\_\_ with \_\_\_\_\_ Sacks Cement  
 Cement Top: Calculated \_\_\_\_\_ Temperature Survey \_\_\_\_\_  
 \* Remarks: No production casing was run in this well.  
Completed open hole from 1877' to 2958' as a brine  
source well.  
 \_\_\_\_\_  
 \_\_\_\_\_

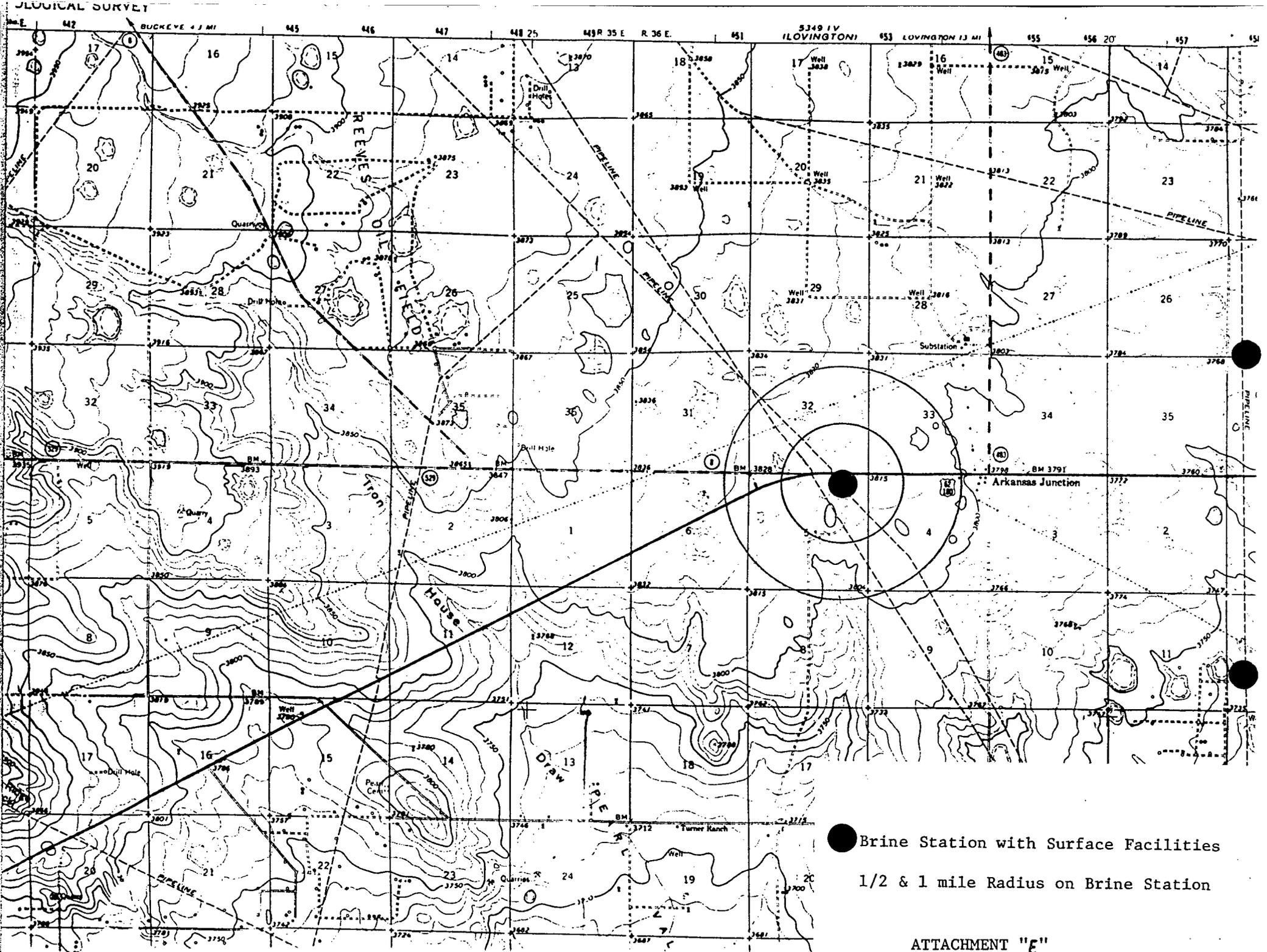
**TUBING:**

Size 2 7/8 Weight 6.5# Grade J-55  
 Number of Joints 93 Set at 2887'  
 Packer Set at None  
 Bottom Arrangement: Open ended and 15' of perforations in  
tubing.  
 \_\_\_\_\_  
 \_\_\_\_\_

**RODS:**

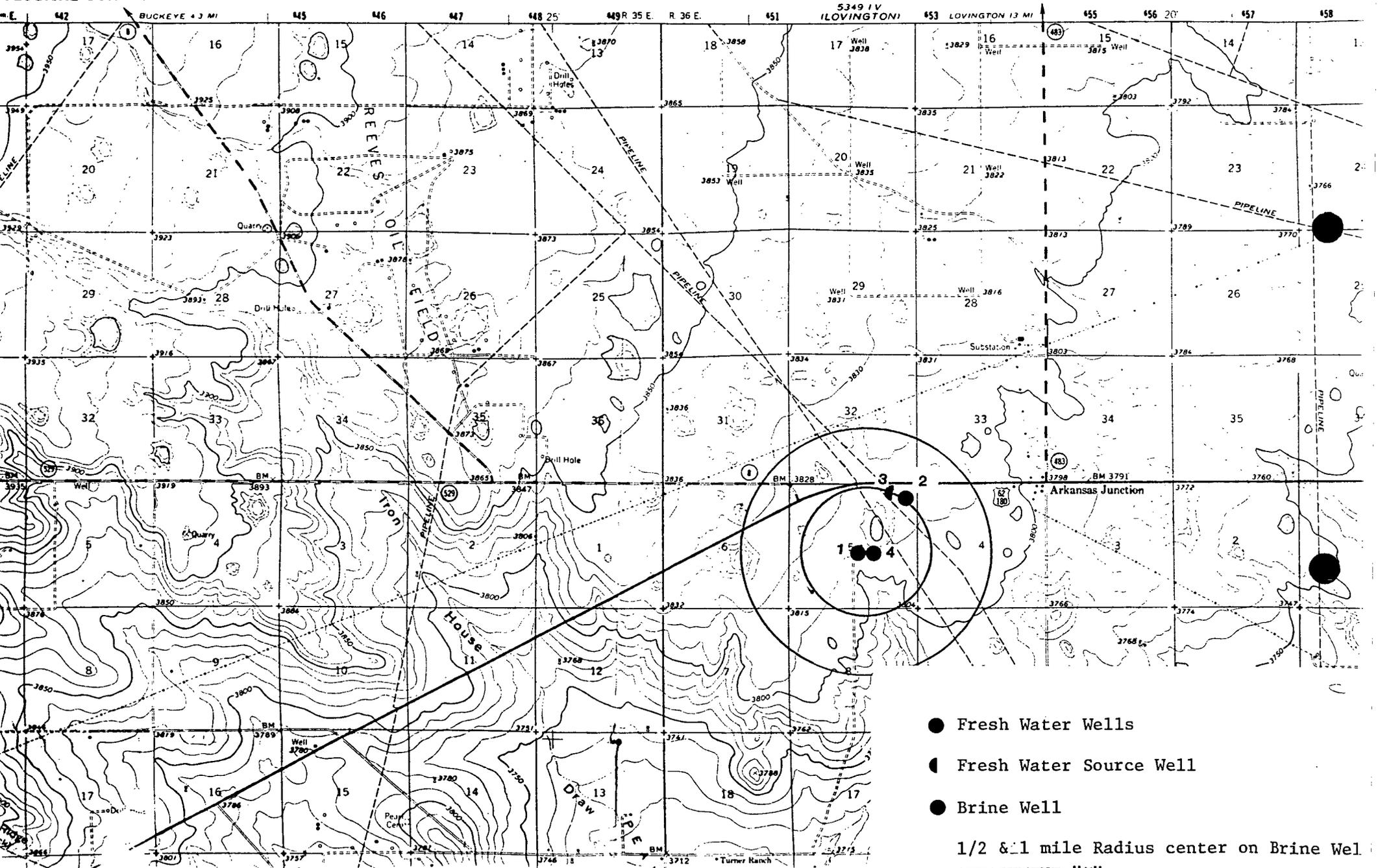
Size N/A Number \_\_\_\_\_  
 Gas Anchor Set at \_\_\_\_\_  
 Pump Set at \_\_\_\_\_  
 Arrangement: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

T.D. 2958'



ATTACHMENT "E"

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY





Attachment G

8 Greenway Plaza, Suite 400  
Houston, Texas 77046

UNDERWRITERS INDEMNITY COMPANY

PREMIUM NOTICE — CONTINUOUS FORM BOND

Principal and Address Salty Dog, Inc. P.O. Box 2724 Lubbock, TX 79408	Bond No. B03386	Premium Period 2/14/94 to 1/14/95	Billing Date 12/10/93
	Amount of Bond \$ 5,000	Premium Charge \$ 250	Program Code
	Description of Bond NM One-Well Plugging Bond		
General Agent and Address Bryan Insurance Agency 1220 Hwy. 16 South Graham, TX 76450	Obligee and Address State of New Mexico		

The bond described above is continuous in form. The indicated premium for the next premium period will be charged to your account unless we are furnished with proper evidence of termination of our liability prior to the beginning of the premium term.

This premium notice does not create a new obligation. The company's liability under said bond is not cumulative and its aggregate liability under said bond on account of all defaults committed during the term of said bond shall not in any event exceed the amount of said bond.

P  
R  
O  
D  
U  
C  
E  
R

Bryan Insurance Agency  
1220 Hwy. 16 South  
Graham, TX 76450



OIL CONSERVATION DIVISION

RECEIVED

STATE OF NEW MEXICO

NMOCD District I

1994 AUG 23 AM 8 50

INTER-OFFICE MEMO

To file: Salty Dog Brine Station-DP # BW-08

Date: August 23, 1994

Time: 9:00 am

Telephone call: \_\_\_\_\_ Meeting: \_\_\_\_\_ Other: XX on site

Person called or attending:

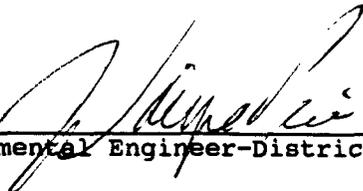
REFERENCE: Salty Dog Brine Station  
Carlsbad HWY 10 mi w of Hobbs

Subject: Permit Violation

Comments:

Visited Brine station, Sonny's Trucking Co. was in the process of removing liquids from overflow pit. Sonny's runs the brine station and has been asked by Gary Wink to empty fluids.

Other recent visits have indicated no progress.

Wayne Price   
NMOCD Environmental Engineer-District I

CC: FILE  
JS  
CE

NEW MEXICO OIL CONSERVATION COMMISSION  
FIELD TRIP REPORT

INSPECTION	CLASSIFICATION	FACILITY	QUARTER	HOURS
			HOURS	

Name WAYNE PRICE Date AUG 8-10-94 Miles 15 District I  
 Time of Departure 7 AM Time of Return 4 PM Car No. G 0472

In the space below indicate the purpose of the trip and the duties performed, listing wells or leases visited and any action taken.

Signature [Signature]

H U O I -

REF: SALTY DOG BRINE ST. OP # BW-008  
OVERFLOW PIT.

PIT HAS LIQUID IN IT ≈ 1/3 FULL

<u>Mileage</u>	<u>Per Diem</u>	<u>Hours</u>
UIC <u>15</u>	UIC _____	UIC _____
RFA _____	RFA _____	RFA _____
Other _____	Other _____	Other _____

TYPE INSPECTION PERFORMED

- H = Housekeeping
- P = Plugging
- C = Plugging Cleanup
- T = Well Test
- R = Repair/Workover
- F = Waterflow
- M = Mishap or Spill
- W = Water Contamination
- O = Other

INSPECTION CLASSIFICATION

- U = Underground Injection Control - Any inspection of or related to injection project, facility, or well or resulting from injection into any well. (SWD, 2ndry injection and production wells, water flows or pressure tests, surface injection equipment, plugging, etc.)
- R = Inspections relating to Reclamation Fund Activity
- O = Other - Inspections not related to injection or The Reclamation Fund
- E = Indicates some form of enforcement action taken in the field (show immediately below the letter U, R or O)

NATURE OF SPECIFIC WELL OR FACILITY INSPECTED

- D = Drilling
- P = Production
- I = Injection
- C = Combined prod. inj. operations
- S = SWD
- U = Underground Storage
- G = General Operation
- F = Facility or location
- M = Meeting
- O = Other

CHRIS 55 7/18/94

NEW MEXICO OIL CONSERVATION COMMISSION  
FIELD TRIP REPORT

INSPECTION	CLASSIFICATION	FACILITY	HOURS	QUARTER	HOURS
------------	----------------	----------	-------	---------	-------

Name WAYNE PRICE Date 7/18/94 Miles 25 District I  
 Time of Departure 7 AM 1:30 PM Time of Return 4 PM 2:39 PM Car No. G. 0472

In the space below indicate the purpose of the trip and the duties performed, listing wells or leases visited and any action taken.

Signature Wayne Price

H M O I O

SALTY DOG BRINE SE - CARLSBAD HWY  
 INSPECTED BRINE SE - BW-008  
 FOUND EMERGENCY OVERFLOW PIT FULL - HAS 30%  
 OIL OF PIT COVERED WITH OIL SHEEN & FULL  
 OF TUMBLEWEEDS!  
 OIL + SALT ON GROUND NEAR OVERFLOW PIT!  
 TESTED WATER > 90% SALINITY  
 TANKS - OK  
 BRINE POND - OK  
 PUMPS - OK  
 7/19/94 - Jerry gave to Gary Nink - Gary to call  
 & have them empty pit!

<u>Mileage</u>	<u>Per Diem</u>	<u>Hours</u>
UIC _____	UIC _____	UIC _____
RFA _____	RFA _____	RFA _____
Other _____	Other _____	Other _____

TYPE INSPECTION PERFORMED	INSPECTION CLASSIFICATION	NATURE OF SPECIFIC WELL OR FACILITY INSPECTED
<ul style="list-style-type: none"> <li>H = Housekeeping</li> <li>P = Plugging</li> <li>C = Plugging Cleanup</li> <li>T = Well Test</li> <li>R = Repair/Workover</li> <li>F = Waterflow</li> <li>M = Mishap or Spill</li> <li>W = Water Contamination</li> <li>O = Other</li> </ul>	<ul style="list-style-type: none"> <li>U = Underground Injection Control - Any inspection of or related to injection project, facility, or well or resulting from injection into any well. (SWD, 2ndry injection and production wells, water flows or pressure tests, surface injection equipment, plugging, etc.)</li> <li>R = Inspections relating to Reclamation Fund Activity</li> <li>O = Other - Inspections not related to injection or The Reclamation Fund</li> </ul>	<ul style="list-style-type: none"> <li>D = Drilling</li> <li>P = Production</li> <li>I = Injection</li> <li>C = Combined prod. inj. operations</li> <li>S = SWD</li> <li>U = Underground Storage</li> <li>G = General Operation</li> <li>F = Facility or location</li> <li>M = Meeting</li> <li>O = Other</li> </ul>
<p>E = Indicates some form of enforcement action taken in the field (show immediately below the letter U, R or O)</p>		



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION  
HOBBS DISTRICT OFFICE

BRUCE KING  
GOVERNOR

POST OFFICE BOX 1980  
HOBBS, NEW MEXICO 88241-1980  
(505) 393-6161

**NMOCD Inter-Correspondence**

To: Roger Anderson-Environmental Bureau Chief

From: Wayne Price-Environmental Engineer District I *WP*

Date: July 21, 1994

Reference: Salty Dog Brine Station BW-008

Subject: Inspection of facility

**Comments:**

This facility has an overflow pit which catches rain water runoff for the facility. It was observed to be full of brine water salinity was > 40%, with an oil film and a fair amount of debris in the pit. This pit is lined however there does not appear to be a leak detection.

Gary Wink has requested to Sonny's the operator of the system, to decant this pit. They have started, with 1/3 of the fluid and oil removed.

There is visual contamination on the ground of previously spilled brine. There is some (minor amount) of hydrocarbon near the overflow pit.



After reviewing the discharge plan I have the following recommendations:

1. Containment for the loading areas should be installed complete with some type of drip catch system.
2. The overflow pit should be remain empty, except during emergency conditions.
3. All visual contamination should be removed.
4. The original discharge plan indicated that a catastrophic failure of the existing brine pond or tanks would flow down a small draw and collect in the bottom. This appears to be a small playa and therefore should be protected.
5. The tanks should have overflow lines that would be piped to the emergency catch pit. This would prevent contamination from being placed on the ground.
6. All underground piping should be tested.

cc: Jerry Sexton-District I Supervisor  
Chris Eustice-NMOCD Santa Fe



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

RECEIVED

OIL CONSERVATION DIVISION

HOBBS DISTRICT OFFICE

'94 JUL 25 AM 8 50

BRUCE KING  
GOVERNOR

POST OFFICE BOX 1980  
HOBBS, NEW MEXICO 88241-1980  
(505) 393-6161

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There is visual contamination on the ground of previously spilled brine. There is some (minor amount) of hydrocarbon near the overflow pit.



BW - 8

**GENERAL  
CORRESPONDENCE**

**YEAR(S):**

1998 - 1982



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505  
(505) 827-7131

April 28, 1998

**CERTIFIED MAIL**  
**RETURN RECEIPT NO. P-288-259-061**

Mr. Jack Clark  
Salty Dog, Inc.  
P.O. Box 1438  
Hobbs, NM 88240

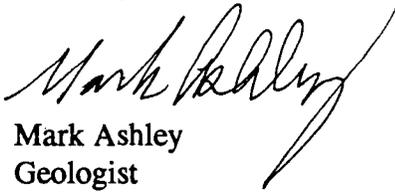
**RE: Quarterly Reports**  
**Salty Dog, Inc. Water Station (BW-008)**  
**Lea County, New Mexico**

Dear Mr. Clark:

As a condition of discharge plan approval, all brine facilities are required to submit quarterly reports listing, by month, the volumes of fluids injected and produced, The New Mexico Oil Conservation Division had not received any quarterly reports for the above mention brine facility. Please update all delinquent quarterly reports by June 29, 1998.

If Salty Dog has any questions, please contact me at (505) 827-7155.

Sincerely,



Mark Ashley  
Geologist

xc: OCD Hobbs Office

P 288 259 061

US Postal Service  
**Receipt for Certified Mail**  
No Insurance Coverage Provided.  
Do not use for International Mail (See reverse)

Sent to	
Street & Number	
Post Office, State, & ZIP Code	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

PS Form 3800 April 1995

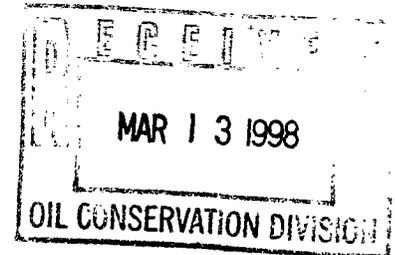


NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505  
(505) 827-7131

February 17, 1998

**CERTIFIED MAIL**  
**RETURN RECEIPT NO. P-288-259-020**



Mr. Jack Clark  
Salty Dog, Inc.  
P.O. Box 1438  
Hobbs, NM 88240

**Re: Discharge Plan Fees BW-008**  
**Salty Dog, Inc. Water Station**  
**Lea County, New Mexico**

Dear Mr. Clark:

On April 20, 1995, Salty Dog, Inc. received, via certified mail, a letter from the New Mexico Oil Conservation Division (OCD) stating that the discharge plan BW-008 for Salty Dog Water Station was approved. In that letter it also stated that, in accordance with Water Quality Control Commission Regulation (WQCC) 3114, a \$50 filing fee and a \$690 flat fee were required upon receipt of the approval letter. The \$50 filing fee and two installment payments (\$138 each) of the flat fee have been received by the OCD. As of this date, there is a remaining amount of \$414. The last installment received by the OCD was May 20, 1996. Please submit the remaining \$414 flat fee in full by March 17, 1998.

Please make all checks payable to: **NMED-Water Quality Management** and addressed to the OCD Santa Fe Office.

If you have any questions, please contact me at (505)-827-7152 or Mark Ashley at (505) 827-7155.

Sincerely,

  
Roger Anderson  
Environmental Bureau Chief

RCA/mwa

cc: OCD Hobbs Office

ACKNOWLEDGEMENT OF RECEIPT  
OF CHECK/CASH

I hereby acknowledge receipt of check No. [redacted] dated 3/11/98,

or cash received on \_\_\_\_\_ in the amount of \$ 414.00

from Salty Dog

for Salty Dog Water Sta BW-008

Submitted by: \_\_\_\_\_ Date: \_\_\_\_\_

Submitted to ASD by: R. Clarks Date: 3/27/98

Received in ASD by: \_\_\_\_\_ Date: \_\_\_\_\_

Filing Fee \_\_\_\_\_ New Facility \_\_\_\_\_ Renewal \_\_\_\_\_

Modification \_\_\_\_\_ Other \_\_\_\_\_

Organization Code 521.07 Applicable FY 98

To be deposited in the Water Quality Management Fund.

Full Payment  or Annual Increment

**SALTY DOG INC.**  
P. O. BOX 2265 505-392-5300  
HOBBS, NM 88241

3-11 19 98

95-7227/3070-2058

PAY TO THE ORDER OF WMED Water Quality Management \$ 414.00

Four Hundred Fourteen Dollars 00/100 DOLLARS

**Bank of America**  
P.O. Box 25000  
Albuquerque, NM 87125  
Branches Located Throughout New Mexico  
888-1300 in Albuquerque, 1-800-869-7737 in New Mexico

Douglas Clark

FOR \_\_\_\_\_



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505  
(505) 827-7131

February 17, 1998

**CERTIFIED MAIL**  
**RETURN RECEIPT NO. P-288-259-020**

Mr. Jack Clark  
Salty Dog, Inc.  
P.O. Box 1438  
Hobbs, NM 88240

**Re: Discharge Plan Fees BW-008**  
**Salty Dog, Inc. Water Station**  
**Lea County, New Mexico**

Dear Mr. Clark:

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Please make all checks payable to: **NMED-Water Quality Management** and addressed to the OCD Santa Fe Office.

If you have any questions, please contact me at (505)-827-7152 or Mark Ashley at (505) 827-7155.

Sincerely,

Roger Anderson  
Environmental Bureau Chief

RCA/mwa

cc: OCD Hobbs Office

PS Form 3800, April 1995

P 288 259 020

US Postal Service <b>Receipt for Certified Mail</b> No Insurance Coverage Provided. Do not use for International Mail (See reverse)	
Sent to	
Street & Number	
Post Office, State, & ZIP Code	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

ACKNOWLEDGEMENT OF RECEIPT  
OF CHECK/CASH

I hereby acknowledge receipt of check No. [redacted] dated 1209  
or cash received on \_\_\_\_\_ in the amount of \$ 138.00

from Salty Dog  
for \_\_\_\_\_  
(Facility Name) BW-008  
(DP No.)

Submitted by: \_\_\_\_\_ Date: \_\_\_\_\_

Submitted to ASD by: R. Clenden Date: 5/20/96

Received in ASD by: M. McGill Date: 5-20-96

Filing Fee \_\_\_\_\_ New Facility \_\_\_\_\_ Renewal \_\_\_\_\_  
Modification \_\_\_\_\_ Other \_\_\_\_\_  
(separately)

Organization Code 521.07 Applicable FY 96

To be deposited in the Water Quality Management Fund.

Full Payment \_\_\_\_\_ or Annual Increment X 2 of 5

SALTY DOG INC.  
PO BOX 1438 505-393-4521  
HOBBS NM 88241-1438

[redacted]

May 19 96

95-108/1122  
1

PAY TO THE ORDER OF Energy, Minerals, & Nat. Res. Dept \$ 138.00  
One Hundred Thirty Eight 00/100 DOLLARS

Western Commerce Bank  
Certified, NIM


\$ \_\_\_\_\_  
\$ \_\_\_\_\_

Darrel Clout MP

FOR \_\_\_\_\_

Mark

ACKNOWLEDGEMENT OF RECEIPT OF CHECK/CASH

I hereby acknowledge receipt of check No. [redacted] dated 4/24/95 or cash received on 5/10/95 in the amount of \$ 188.00

from Salty Dog Inc for Salty Dog Brine (Facility Name) BW 008 (DP No.)

Submitted by: \_\_\_\_\_ Date: \_\_\_\_\_

Submitted to ASD by: Roger Anderson Date: 5/12/95

Received in ASD by: \_\_\_\_\_ Date: \_\_\_\_\_

Filing Fee [X] New Facility \_\_\_\_\_ Renewal [X] Modification \_\_\_\_\_ Other \_\_\_\_\_ (specify)

Organization Code 521.07 Applicable FY 95

To be deposited in the Water Quality Management Fund.

Full Payment \_\_\_\_\_ or Annual Increment [X] one of 5

SALTY DOG INC. P. O. BOX 1477 505-887-7682 CARLSBAD, NM 88221-1477

4-24 19 95

[redacted] 95-108/1122 1

PAY TO THE ORDER OF NMED Water Quality Management \$ 188.00/100 One hundred Eighty Eight & 00/100 DOLLARS

Western Commerce Bank Carlsbad, NM [grid]

\$ B-W-008

[Signature]

FOR Filing Fee & Payment Salty Dog discharge [redacted]

STATE OF NEW MEXICO  
NMOCD District I

WILDERNESS DIVISION  
RECEIVED

'95 APR 19 PM 8 52

INTER-OFFICE MEMO

To file: Texaco Inc.

Date: April 17, 1995

Time: 9:40 am

Telephone call:  Meeting:  Other:

Person called or attending:

Larry Lehman-Texaco USA Environmental Rep.

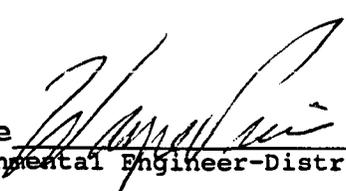
REFERENCE: Sonny's Trucking Co.

Subject: Inquiry on possible violation

Comments:

Larry Lehman called and ask me if I knew anything about the rumor of Sonny's Trucking Co. dumping water on roads. He was concerned that it might be Texaco's water.

I informed him that I had information of water being dumped on the ground at the Salty Dog Brine Station. I gave him the time and date and indicated that the Santa Fe environmental group and the district personnel were notified. I told Mr. Lehman this was public information and he is welcome to come in and look at their file.

Wayne Price   
NMOCD Environmental Engineer-District I

cc: Jerry Sexton-District I Supervisor  
Gary Wink-Field Rep. II  
Roger Anderson-Environmental Bureau Chief  
Larry Lehman-Texaco USA

STATE OF  
NEW MEXICO  
OIL  
CONSERVATION  
DIVISION



MEMORANDUM OF MEETING OR CONVERSATION

Telephone

Personal

Time  
~ 9:40 AM

Date  
4/17/95

Originating Party

Other Parties

LARRY LEHMAN - TEXAS

Subject

G.L. ERWIN - GROUND WATER INVESTIGATION WORK PLAN  
RE: LETTER DATED 3/28/95 OLSON (MEXCO) TO FRAZIER (TEXAS)

Discussion

PROGRESS REPORT

Conclusions or Agreements

ALL ORIGINAL REPORTS GO TO SANTA FE / CC DISTRICT

Distribution

cc: BILL OLSON  
LARRY LEHMAN  
FRANK CUSTAN

Signed



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
POST OFFICE BOX 1980  
HOBBS, NEW MEXICO 88241-1980  
(505) 393-6161

OIL CONSERVATION DIVISION  
RECEIVED

'95 APR 19 PM 8 52

MEMORANDUM:

TO: Jerry Sexton  
FROM: Gary W. Wink *GW*  
DATE: April 17, 1995  
SUBJECT: Sonny's Oilfield Service

On Monday, April 10, 1995, Wayne Price, Environmental Engineer in Hobbs, District I, informed me that he had observed a Sonny's Oilfield transport driver discharging washout fluids onto the ground. The driver, Mike Jones, indicated to Wayne that his dispatcher has instructed him to wash out at Salty Dog Brine Station instead of going back to town.

I then went to talk to Jack Clark at Sonny's office, located in Hobbs.

I reminded Mr. Clark that I had advised them in the past not to discharge fluids on the ground or into their fresh water pit. I also told Mr. Clark, if this occurred again, that my suggestion would be to shut in the Salty Dog Brine Station for 30 days.

Mr. Clark said that he was unaware of the incident, and he would call a safety meeting and inform all of his employees not to dispose of water on the ground or into an unapproved disposal site.

I then informed Mark Ashley of Mr. Clark's and my meeting. A short time later, Mark called me back and asked me if I had told Sonny's that I was going to shut in the Salty Dog Facility at this time. I informed Mark that I hadn't told them they were shut in at this time, but I would suggest the next time this happened that their facility be shut in for 30 days. Mark asked me if I minded speaking to Roger Anderson about this matter. Roger then got on the speaker phone to ask me questions on what I told Mr. Clark. I told Roger that I had told Mr. Clark, if this incident happened again, I would suggest for the Sonny's facility be shut in. Roger said he would write Mr. Clark a letter asking him to submit a pit closure plan within 7 days from receipt of his letter and start closing the pit within 20 days.

cc: Wayne Price  
Roger Anderson  
Mark Ashley

# EDDIE SEAY CONSULTING

601 W. ILLINOIS  
HOBBS, NEW MEXICO 88240  
(505) 392-2236  
FAX (505) 392-6949

ENVIRONMENTAL,  
GEOLOGICAL & REGULATORY  
SPECIALISTS

CONSERVATION DIVISION  
RECEIVED CONSULTING SERVICES



April 14, 1995

Oil Conservation Division  
Environmental Bureau  
2040 S. Pacheco  
Santa Fe, NM 87505

ATTN: Mark Ashley

SUBJECT: BW-008  
Salty Dog Brine Station

Mr. Ashley:

Find within answers to supplemental questions concerning Salty Dog Brine BW-008 Discharge Plan. Mr. Clark, owner/operator, has agreed to all listed within. The sampling, monitoring, and testing of system will be started and maintained immediately. The construction of the loading facility, if approved, will begin this summer and be completed within this calendar year. The closure plan for the overflow pit will be sent in for approval immediately and closure thereof.

I appreciate your time and patience in this matter and apologize for any inconvenience "Salty Dog" may have caused. If further information is needed or if you have any questions, please call.

Sincerely,

A handwritten signature in cursive script that reads "Eddie W. Seay".

Eddie W. Seay, Agent

Discharge Plan BW-008  
Salty Dog Inc. Water Station  
Lea County, New Mexico

Response for additional information, letter dated 12-13-94.

- ✓ 1. Yes, the supply line from brine well to brine pit is 3" poly. pipe 3/8" thick, buried at a depth of approximately 18". The pipe has a 50 year design life and an 800# burst pressure. These are the specifications when layed above ground, when buried, life of pipe increases because it is not exposed to the weather and elements. Appendix A is a copy of the factory specifications. We propose to drive line out and physically inspect bi-monthly, and pressure test line by blanking off end and pressuring up entire length and recording pressure. This will be done every five years as required, starting with 1995. All results will be forwarded to the OCD as required.
- ✓ 2. The leak detector system for the brine pond will be monitored bi-monthly, noting date, who inspected and comments. Records will be kept at Sonny's Trucking off on West County Road. If fluid is found in inspection hole, a sample will be taken and analyzed, the OCD will be notified and brine pit emptied and repairs and/or remediated as required. The surrounding water wells will be tested quarterly, testing for chloride, and a complete analysis every five years. All analysis will be submitted to OCD quarterly.
- ✓ 3. The maximum pressure for injection should not exceed 275#, with an average pressure of 150#, given the weight of the fluid and depth of hole.
- ✓ 4. The first pressure test will be done and sent to OCD within 30 days and an annual test on the brine well will be submitted to the OCD according to OCD guidelines.
- ✓ 5. A meter will be installed at brine extraction well. The fresh water injected will be metered and recorded monthly. A meter on brine sales line will be installed and reading recorded monthly. All readings will be reported quarterly to OCD. Analysis of the injected fluid and brine will be reported quarterly.

- ✓ 6. If a leak were to occur, the fluid from the pit would show up at the inspection hole on the leak detection system. A vacuum pump would be put in hole and all fluid that drained into system would be put in tanks, the brine pit drained immediately and repairs made. If a leak were to occur, a double liner would be installed. Any leakage should be contained by the berms around the pond.
- ✓ 7. Water contour maps are within. Two water wells down gradient of the brine pond.
- ✓ 8. A method of determining conduits would be to run a hydro log. A hydro log shows movement of fluid behind pipe. This could be done when all piping is out of hole, during a workover or when tubing has to be pulled.
- ✓ 9. The old system of loading trucks will be discontinued. A new loading facility will be built with a sump to contain spillage and runover. A tapered concrete ramp with sump will be installed at south end of brine pit near old pump shed. Pumps will be used to load trucks. Diagram attached. Exact footage and measurements will be submitted upon approval.
- ✓ 10. The total source of the material in the overflow pit is unknown, but surface runoff, trucks illegally dumping and truck runover are probable causes. A closure plan will be submitted to do away with pit.
- ✓ 11. A trench could be cut around dike so that if leakage did occur, the trench would carry fluid to SE corner and drain into sump at loading area. There will be a pump in the sump, which will transfer fluid to an emergency holding tank.

#### CERTIFICATION

I hereby certify under penalty of law that I have personally examined and am familiar with the information submitted in this document. I do agree and adhere to all listed within.

NAME: Jack Clark

TITLE: Owner/Operator

SIGNATURE: 

DATE: 4/17/95

Driscopipe Pressure Rating (psi) vs. Temperature (°F)

Temp. °F	Hydrostatic Design Basis (psi)	Pipe SDR									
		32.5	26	21	19	17	15.5	13.5	11	9.3	7.0
50	1820	58	73	90	100	113	125	145	180	215	303
60	1730	55	69	86	96	108	119	138	170	207	288
<b>73.4</b>	<b>1600</b>	<b>51</b>	<b>64</b>	<b>80</b>	<b>90</b>	<b>100</b>	<b>110</b>	<b>128</b>	<b>160</b>	<b>190</b>	<b>267</b>
80	1520	48	60	76	85	95	105	122	150	182	253
90	1390	44	56	70	77	87	96	111	140	167	232
100	1260	40	50	63	70	79	87	101	125	150	210
110	1130	36	45	57	63	71	78	90	113	135	188
120	1000	32	40	50	56	63	69	80	100	120	167
130	900	28	36	45	50	56	62	72	90	108	150
140	800	25	32	40	45	50	55	64	80	96	133

Chart 17

Instantaneous Modulus of Elasticity vs. Temperature

140°F	50,000 psi
100°F	100,000 psi
73.4°F	130,000 psi
50°F	165,000 psi
32°F	200,000 psi
0°F	260,000 psi
-20°F	300,000 psi

Pipe Pressure Rating

Driscopipe 1000 (at 73.4°F)

	SDR 32.5	SDR 26	SDR 21	SDR 19	SDR 17	SDR 15.5	SDR 13.5	SDR 11	SDR 9	SDR 7
Long Term Strength (psi)	1600	1600	1600	1600	<del>1600</del>	1600	1600	1600	1600	1600
Safety Factor	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Hydrostatic Design Stress	800	800	800	800	800	800	800	800	800	800
Design Life (min. years)	50	50	50	50	50	50	50	50	50	50
Pressure Rating (psi)	51	64	80	90	100	110	128	160	200	267

Chart 13

Pipe Pressure Rating

Driscopipe 8600 (at 73.4°F)

	SDR 32.5	SDR 25.3	SDR 15.5	SDR 11	SDR 9.3	SDR 8.3
Long Term Strength (psi)	1600	1600	1600	1600	1600	1600
Safety Factor	2.0	2.0	2.0	2.0	2.0	2.0
Hydrostatic Design Stress	800	800	800	800	800	800
Design Life (min. years)	50	50	50	50	50	50
Pressure Rating (psi)	51	65	110	160	190	220

(A)

## EXPLANATION

$\frac{150}{252}^{\circ}$

Water well

*Upper figure is depth to water; lower figure is depth of well. Open circles are wells finished in Tertiary or Quaternary rocks; solid circles are wells finished in Triassic rocks*

- F = Flowing
- R = Reported
- P = Water level measured while pumping
- D = Dry
- ? = Uncertainty as to aquifer
- > = More than
- < = Less than

(See tables 6 and 7 for detailed well data.)

3925

Water-table contour in Tertiary or Quaternary rocks

*Dashed where inferred or uncertain. Contour interval 25 feet. Datum mean sea level*

3500

Water-table or piezometric contour on water body in Triassic aquifers

*Dashed where inferred or uncertain. Contour interval 100 feet. Datum mean sea level*

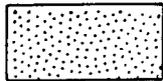
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Approximate position of boundary between Triassic rocks and saturated Tertiary and Quaternary rocks



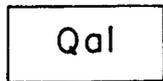
# EXPLANATION

Pleistocene and Recent



Sand

*Thin cover of drift sand in most places; locally dunes 20-40 feet high*



Alluvium

*Sand and gravel along dry washes; silt and sand in lake beds; includes some wind-deposited sand around depressions*



Ogallala formation

*Chiefly sand, poorly to well-cemented with calcium carbonate; contains some clay, silt, and gravel; capped in most places by caliche*

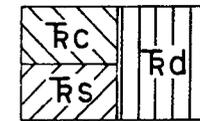
QUATERNARY

TERTIARY



Cretaceous rocks, undifferentiated

*Slumped blocks of buff, tan, or white fossiliferous limestone*



Dockum group

**Tc**-Chinle formation, red and green claystone, minor siltstone, and fine-grained sandstone;  
**Ts**-Santa Rosa sandstone, red to white poorly sorted, coarse-grained, crossbedded sandstone; **Td**-rocks of the Dockum group, undifferentiated

Upper Triassic

CRETACEOUS

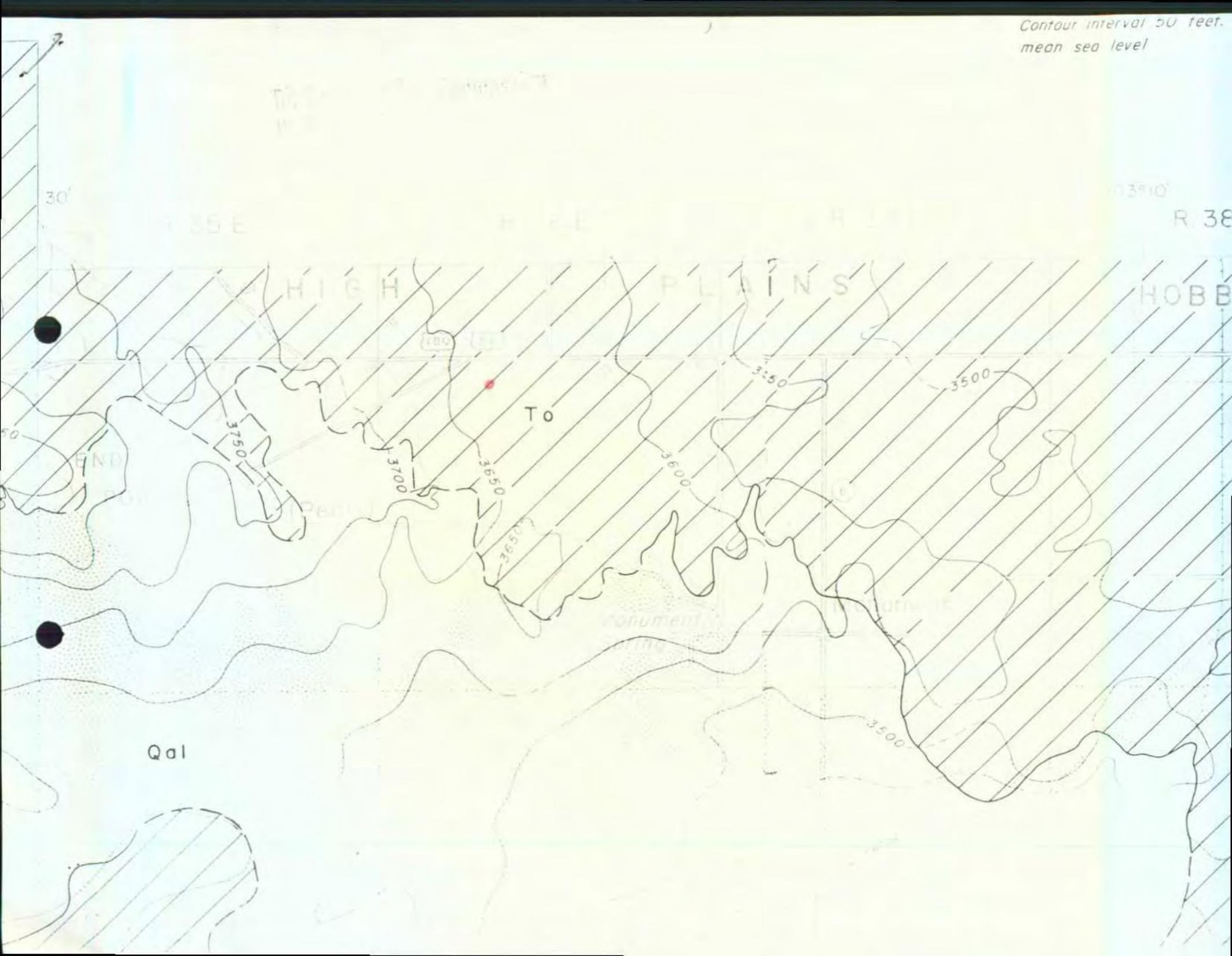
TRIASSIC

----- 3500 -----

Contours on the red-bed surface  
 Dashed where approximate or inferred.  
 Contour interval 50 feet. Datum mean sea level

Oil # 7  
 F. O. ...  
 ...

Contour interval 50 feet.  
mean sea level





PHONE (915) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603

PHONE (505) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

PHONE (505) 326-4669 • 118 S. COMMERCIAL AVE. • FARMINGTON, NM 87401

**CHEMICAL ANALYSIS OF WATER**

Company : Eddie Seay  
 City, St.: 601 W. Illinois, Hobbs, NM  
 Proj.Name: Salty Dog Brine Station  
 Location : BW-008

Lab #: H2008  
 Date Received: 4/11/95  
 Date Analyzed: 4/11/95

Sample 1 : Brine Sample - Product  
 Sample 2 : Water Supply Well for Brine  
 Sample 3 : Snyder Ranch Office Well  
 Sample 4 : Snyder Ranch House Well

Units: mg/L

<u>PARAMETER</u>	<u>RESULT 1</u>	<u>RESULT 2</u>	<u>RESULT 3</u>	<u>RESULT 4</u>
pH	7.47	7.88	8.04	7.77
Hardness (CaCO <sub>3</sub> )	5,360	376	248	192
Calcium (CaCO <sub>3</sub> )	4,300	308	212	164
Magnesium (CaCO <sub>3</sub> )	1,060	68	36	28
Sulfate (SO <sub>4</sub> <sup>-</sup> )	3,272	55.2	44.3	38.0
Chloride (Cl <sup>-</sup> )	188,400	920	56	16
Total Dissolved Solids	349,000	2,285	373	316
Total Alkalinity	28	180	172	176
Bicarbonate	28	180	172	176
Carbonate	nil	nil	nil	nil
Conductivity (umhos/Cm)	480,250	2,980	515	435

● Note: Sample was taken from tank not from well, a new analysis taken directly from well is being analysed.

Michael R. Fowler

4/12/95

Date



**CARDINAL**  
LABORATORIES

PHONE (915) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603

PHONE (505) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

PHONE (505) 326-4669 • 118 S. COMMERCIAL AVE. • FARMINGTON, NM 87401

**CHEMICAL ANALYSIS OF WATER**

Company : Eddie Seay  
City, St.: Hobbs, NM  
Prof. Name: Salty Dog Brine Station - Sonny's  
Location : West Hobbs

Lab #: H2013  
Date Received: 4/17/95  
Date Analyzed: 4/17/95

Sample 1 : Flow Well

Units: mg/l

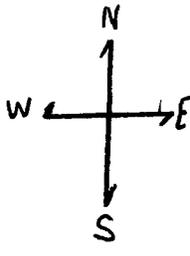
<u>PARAMETER</u>	<u>RESULT 1</u>
Chloride	48
Conductivity	484

New Analysis taken directly from well.

  
Michael R. Fowler

  
Date

Carlsbad Hwy



Brine pit

inspection hole for leak detection

load lines

Pumps

controls

fresh water well and tanks

Overflow pit

Berms & fence

Berms & fence

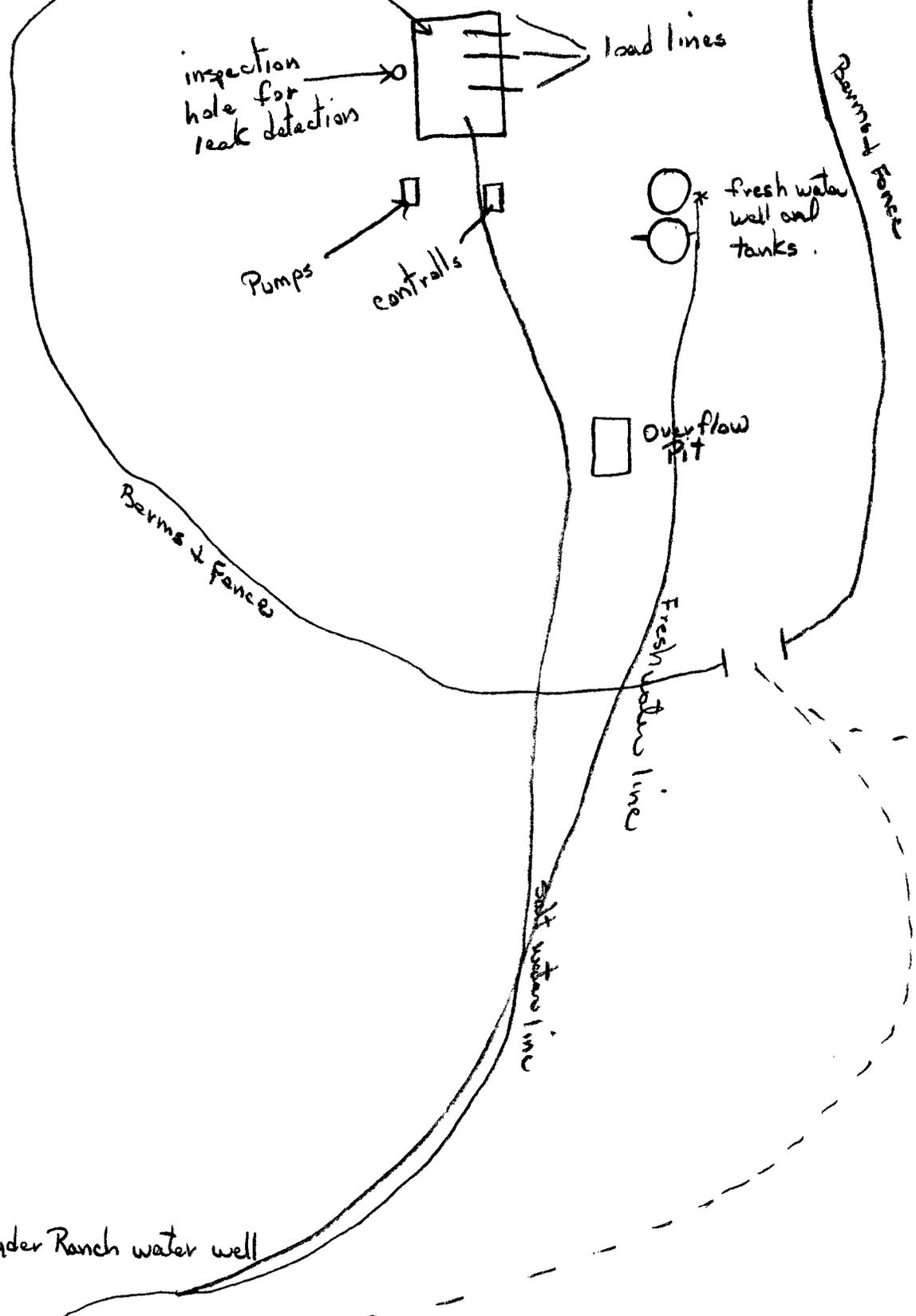
Fresh water line

salt water line

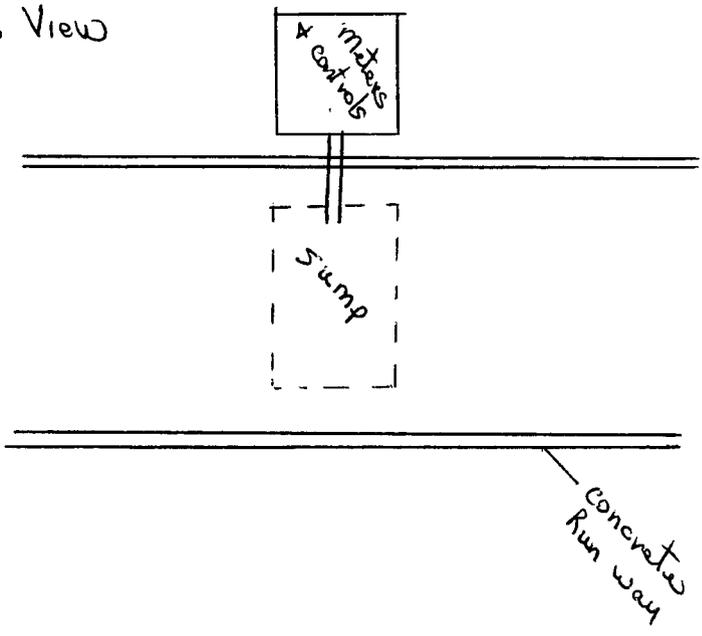
\* Snyder Ranch office & water well

\* Snyder Ranch water well

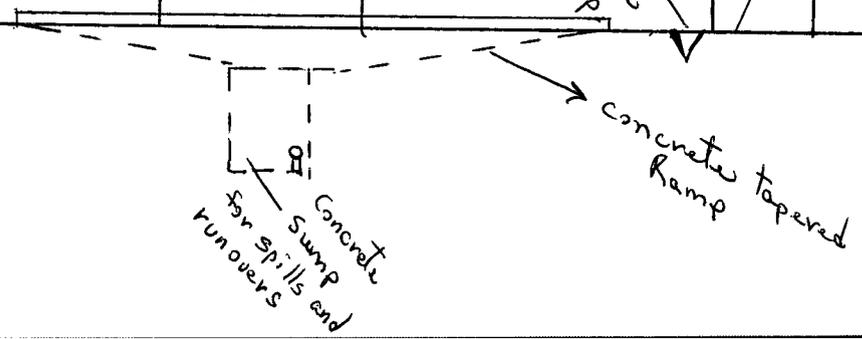
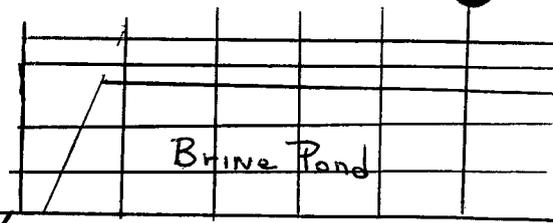
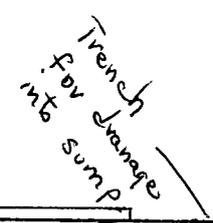
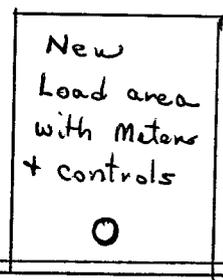
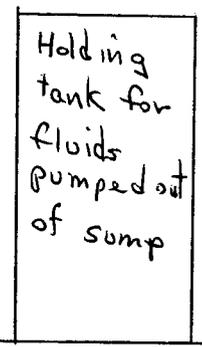
Salty Dog Brine well



Top View



Salty Dog  
Proposed loading area





Leak Detection monitor hole



Area where new loading would be



Brine Pond



Brine Pond.

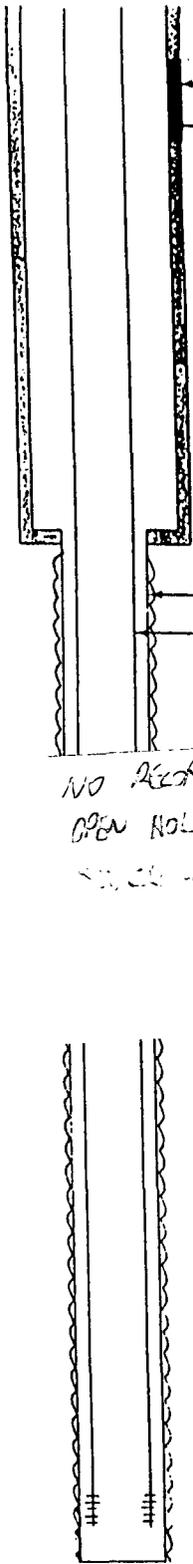
INSPECTIONS & MONITORING  
SALTY DOG BRINE STATION

OCD REQUIRED:	DATE	COMMENTS	INSPECTED BY
LEAK DETECTION HOLE Bi-monthly inspection			
INSPECTION OF BRINE LINE Bi-monthly inspection			
METER READINGS fresh water  brine water  MONTHLY RECORDINGS	REPORT TO OCD QUARTERLY		
WATER ANALYSIS brine water Snyder Ranch well Snyder Office well water supply well for brine  TEST QUARTERLY FOR CHLORIDES	REPORT TO OCD QUARTERLY		

RECORD, REPORT & MAINTAIN RECORDS  
REPORT TO OCD QUARTERLY

WELL BORE SKETCH

OPERATOR/LEASE/WELL Brunson & McKnight Inc.-Brine Supply Well #1 DATE 11-9-82  
NRE JOB NUMBER NB01-001-001  
FIELD/POOL /  
PLUG BACK DEPTH 2958' KB 3816 est. ELEVATION 3806'



Hole Size 12 1/4"

SURFACES CASING:

Size 8 5/8" Weight 24# & 32# Grade J-55  
Set at 1877' with 850 Sacks Cement  
Circulate 200 Sacks to Surface  
Remarks:

Hole Size 6 1/4"

PRODUCTION CASING: \*

Size \_\_\_\_\_ Weight \_\_\_\_\_ Grade \_\_\_\_\_  
Set at \_\_\_\_\_ with \_\_\_\_\_ Sacks Cement  
Cement Top: Calculated \_\_\_\_\_ Temperature Survey \_\_\_\_\_  
\* Remarks: No production casing was run in this well.  
Completed open hole from 1877' to 2958' as a brine source well.

NO RECORD OF  
OPEN HOLE TESTS  
SINCE 1877'

TUBING:

Size 2 7/8 Weight 6.5# Grade J-55  
Number of Joints 93 Set at 2887'  
Packer Set at None  
Bottom Arrangement: Open ended and 15' of perforations in tubing.

RODS:

Size N/A Number \_\_\_\_\_  
Gas Anchor Set at \_\_\_\_\_  
Pump Set at \_\_\_\_\_  
Arrangement: \_\_\_\_\_

T.D. 2958'

Handwritten signature or initials at the bottom of the page.



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
POST OFFICE BOX 1980  
HOBBS, NEW MEXICO 88241-1980  
(505) 393-6161

OIL CONSERVATION DIVISION  
RECEIVED

95 APR 19 PM 8 52

MEMORANDUM:

TO: Jerry Sexton  
FROM: Gary W. Wink *gww*  
DATE: April 17, 1995  
SUBJECT: Sonny's Oilfield Service

On Monday, April 10, 1995, Wayne Price, Environmental Engineer in Hobbs, District I, informed me that he had observed a Sonny's Oilfield transport driver discharging washout fluids onto the ground. The driver, Mike Jones, indicated to Wayne that his dispatcher has instructed him to wash out at Salty Dog Brine Station instead of going back to town.

I then went to talk to Jack Clark at Sonny's office, located in Hobbs.

I reminded Mr. Clark that I had advised them in the past not to discharge fluids on the ground or into their fresh water pit. I also told Mr. Clark, if this occurred again, that my suggestion would be to shut in the Salty Dog Brine Station for 30 days.

Mr. Clark said that he was unaware of the incident, and he would call a safety meeting and inform all of his employees not to dispose of water on the ground or into an unapproved disposal site.

I then informed Mark Ashley of Mr Clark's and my meeting. A short time later, Mark called me back and asked me if I had told Sonny's that I was going to shut in the Salty Dog Facility at this time. I informed Mark that I hadn't told them they were shut in at this time, but I would suggest the next time this happened that their facility be shut in for 30 days. Mark asked me if I minded speaking to Roger Anderson about this matter. Roger then got on the speaker phone to ask me questions on what I told Mr. Clark. I told Roger that I had told Mr. Clark, if this incident happened again, I would suggest for the Sonny's facility be shut in. Roger said he would write Mr. Clark a letter asking him to submit a pit closure plan within 7 days from receipt of his letter and start closing the pit within 20 days.

cc: Wayne Price  
Roger Anderson  
Mark Ashley



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
2040 S. PACHECO  
SANTA FE, NEW MEXICO 87505  
(505) 827-7131

April 18, 1995

**Certified Mail**  
**Return Receipt No. Z-765-962-836**

Mr. Jack Clark  
Salty Dog, Inc.  
P.O. Box 1438  
Hobbs, NM 88240

**RE: Discharge Plan BW-008  
Salty Dog, Inc. Water Station  
Emergency Overflow Pit Closure  
Lea County, New Mexico**

Dear Mr. Clark:

The New Mexico Oil Conservation Division (OCD) has completed a review of the Salty Dog, Inc. April 13, 1995 pit closure letter for the emergency overflow pit. Based on the information provided, your pit closure is approved with the following conditions:

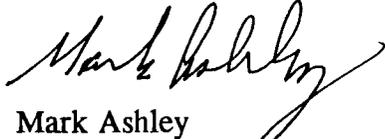
1. The remediation project will conform to the OCD "Unlined Surface Impoundment Closure Guidelines."
2. A closure report of final clean-up will be submitted to the OCD Santa Fe and Hobbs District offices by May 15, 1995.
3. The OCD will be notified at least 72 hours in advance of all closure activities such that the OCD may have the opportunity to witness and/or split samples.

Please be advised that OCD approval does not relieve Salty Dog, Inc. of liability if closure activities determine that contamination exists which is beyond the scope of the closure plan, or if the closure activities fail to adequately remediate contamination at the site. In addition, OCD approval does not relieve Salty Dog, Inc. of liability for compliance with other federal, state or local laws and/or regulations.

Mr. Jack Clark  
April 18, 1995  
Page 2

If you have any questions regarding this matter, please feel free to contact me at (505) 827-7155.

Sincerely,



Mark Ashley  
Environmental Geologist

xc: Eddie Seay, Peak Consulting Services, Hobbs, NM  
Jerry Sexton, OCD Hobbs Office  
Wayne Price, OCD Hobbs Office

Z 765 962 836



**Receipt for  
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Do not use for International Mail  
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Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

PS Form 3800, March 1993



As of Sat. April 8, 1995



As of Sat. April 8, 1995

601 W. ILLINOIS  
HOBBS, NEW MEXICO 88240  
(505) 392-2236  
FAX (505) 392-6949

# EDDIE SEAY CONSULTING

ENVIRONMENTAL,  
GEOLOGICAL & REGULATORY  
SPECIALISTS

ENVIRONMENTAL DIVISION  
RECEIVED  
APR 17 PM 8 50

**PEAK**  
CONSULTING SERVICES



March 13, 1995

New Mexico Oil Conservation Division  
Environmental Bureau  
2040 S. Pacheco  
Santa Fe, NM 87505

RE: Salty Dog Pit Closure  
ATTN: Mark Ashley

Dear Mr. Ashley:

As requested by Mr. Jack Clark of Salty Dog Inc., I am submitting this plan for closure of his emergency overflow pit at his brine station, located in Sect. 5, Tws. 19 S., R. 36 E., Lea Co., NM. Enclosed are photos of present condition of pit. Listed is proposed procedure for closure:

1. Remove all free liquid and dispose at an approved OCD SWD.
2. Remove all solid material, sand, weeds, etc. and take to an approved OCD facility for disposal.
3. Pull liner back so access to soil under liner can be tested for TPH and chlorides. If analysis is acceptable to OCD and no contamination is present, proceed with step 4. If contamination is found, a plan for remediation and cleanup will be worked out and approved with OCD.
4. Cut & fold liner into center of pit area, cover liner and pit with soil, mounding top of pit so as to prevent runoff or runoff of area.
5. Remove any obstacles which may cause drainage to this area.
6. Send final report of closure to OCD with photos.

If this plan is approved, closure will begin immediately to meet OCD deadline. I thank you for your time and consideration in this matter. If you have any questions or need further information, please call.

Sincerely,

  
Eddie W. Seay, Agent

RECEIVED

APR 18 1995

Environmental Bureau  
Oil Conservation Division



STATE OF NEW MEXICO  
 ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
 2040 S. PACHECO  
 SANTA FE, NEW MEXICO 87505  
 (505) 827-7131

Z 765 962 833

April 11, 1995

**CERTIFIED MAIL**  
**RETURN RECEIPT NO. Z-765-962-833**

Mr. Jack Clark  
 Salty Dog, Inc.  
 P.O. Box 1438  
 Hobbs, NM 88240

Re: **Discharge Plan BW-008**  
**Salty Dog, Inc. Water Station**  
**Emergency Overflow Pit Closure**  
**Lea County, New Mexico**

Dear Mr. Clark:

On April 7, 1995, Wayne Price of the OCD observed Sonny's Trucking Co. discharging washout fluids into the emergency overflow pit at the above referenced site. The fluids consisted mainly of water with residual hydrocarbons and produced water. Once again the current use of the pit is not consistent with its approved use under discharge plan BW-008. In a certified letter dated January 23, 1995, Salty Dog, Inc. received notice from the New Mexico Oil Conservation Division (OCD) that a work plan for closure of the pit be submitted to the OCD by March 13, 1995. As of this date, nothing has been received by the OCD.

The OCD requires receipt of a plan for the closure of the pit by April 18, 1995, and requires complete closure by May 1, 1995. Prior approval by the OCD of the closure plan is required before any closure activities can begin.

If you have any questions regarding this matter, please feel free to contact Mark Ashley at (505) 827-7155.

Sincerely,

Roger Anderson  
 Environmental Bureau Chief

xc: Eddie Seay, Peak Consulting Services, Hobbs, NM



**Receipt for  
 Certified Mail**

No Insurance Coverage Provided  
 Do not use for International Mail  
 (See Reverse)

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Street and No.	
P.O., State and ZIP Code	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

PS Form 3800, March 1993

## **Mark Ashley**

---

**From:** Wayne Price  
**To:** Roger Anderson  
**Cc:** Mark Ashley; Wayne Price; Jerry Sexton; Gary Wink  
**Subject:** Salty Dog Brine St. BW-008  
**Date:** Monday, April 10, 1995 8:38AM  
**Priority:** High

Dear Roger,

Please note on Friday, April 7, 1995, I observed Sonny's Trucking Co. discharging washout fluids onto the ground. The Driver of the vehicle was Mike Jones, truck #225, trailer #221, Liscence # NM FR33265. The location was at the Salty Dog Brine Station. The fluids were mostly water with residual hydrocarbons and produced water contained in it. It was running on the ground and down a ditch into the fresh water emergency pit. The pit was more than half full with hydrocarbons on it.

Sonny,s has been advised in the past not to discharge fluids on the ground or into this pit.

The driver indicated to me that his dispatcher had instructed him to wash out instead of going all the way back into town.

I called Sonny's and informed Scotty Greenlee of the problem.



MEMORANDUM OF MEETING OR CONVERSATION

Telephone  Personal

Time  
2:55 PM

Date  
3-6-95

Originating Party

Other Parties

Jack Clark  
393-452

MARK ASHLEY

Subject  
BY-008

Discussion

He wanted an extension to comply. Eddie Leary will be doing the work. I told him I would talk to Roger Anderson tomorrow (3-7-95) about his request.

Conclusions or Agreements

Signature

Signed

Mark Ashley

State of New Mexico  
**ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT**  
Santa Fe, New Mexico 87505



January 13, 1995

**CERTIFIED MAIL**  
**RETURN RECEIPT NO. Z-765-962-795**

Mr. Pieter Bergstein  
Salty Dog, Inc.  
P.O. Box 1438  
Hobbs, NM 88240

**RE: Discharge Plan BW-008 Renewal  
Salty Dog Inc. Water Station  
Lea County, New Mexico**

Dear Mr. Bergstein:

The New Mexico Oil Conservation Division (OCD) has completed preliminary review of your discharge plan renewal application (BW-008) for the Salty Dog Inc. Water Station located in Section 5, Township 19 South, Range 36 East, NMPM, Lea County, New Mexico. The following comments, questions, and requests for additional information are based on review of the renewal application and attachments submitted to the OCD on May 13, 1994, and the OCD's December 13, 1994 inspection of the facility. Additional comments and requests may be forthcoming.

Reponse to all comments shall be submitted to the OCD by March 13, 1995. Please note that unless otherwise stated, response to all comments shall be received and reviewed by the OCD prior to approval of the renewal application.

1. Does the facility contain any underground piping? If so, please provide the age and specifications (i.e., wall thickness, fabrication materials, etc). The OCD requires all underground brine water piping to be tested for mechanical integrity every five years. Please submit a proposed schedule and method of testing. (OCD Guidelines VI.E., WQCC 5-204 and 5-207.A)
2. As part of routine inspection procedures for all leak detection systems and surrounding water wells, please provide the frequency of inspections, how records are to be maintained, and what information will be included in the records. What will be the schedule for sampling the surrounding water wells, and what constituents will the samples be analyzed for? (OCD Guidelines VI.F.1 and .2, WQCC 5-207 and 5-208)

**VILLAGRA BUILDING - 408 Galisteo**

Forestry and Resources Conservation Division  
P.O. Box 1948 87504-1948  
827-5830

Park and Recreation Division  
P.O. Box 1147 87504-1147  
827-7465

**2040 South Pacheco**

Office of the Secretary  
827-5950

Administrative Services  
827-5925

Energy Conservation & Management  
827-5900

Mining and Minerals  
827-5970

Oil Conservation  
827-7131

Mr. Pieter Bergstein

January 13, 1995

Page 2

3. Please provide the maximum and average injection pressures. (OCD Guidelines VII.C.2, WQCC 5-210)
4. There is no record of the annual open hole pressure test. The OCD requires an open hole pressure test to 500 PSI for 4 hours on an annual basis. The results of the required tests shall be submitted and approved prior to renewal of the discharge plan renewal. In addition, please provide a commitment to perform these tests on an annual basis and provide the results to the OCD. (OCD Guidelines VII.C.3)
5. Please provide a proposal for comparison of volumes of fresh water injected to volume of brine water produced to detect potential underground losses, and an analysis of the injection fluid and brine. Submittal of a quarterly report listing, by month, the volume of fluids injected and produced will be required as a condition of approval. As of this time, no quarterly reports listing injection pressures, and production rates and volumes have been received. (OCD Guidelines VII.C.4 and .5)
6. Although the storage pit contains an elaborate leak detection system, there seems to be no way to contain leaks from the primary liner since there is no secondary liner in place. Please provide a method by which a leak in the primary liner can be contained. (OCD Guidelines VIII)
7. Please provide a subsurface water gradient map (potentiometric map) for the aquifer potentially affected so that a determination can be made by the OCD as to whether the water wells used for ground water monitoring will adequately detect any potential leaks at the facility. (OCD Guidelines VIII and IX.B.3)
8. The renewal application did not contain any information on determining if any conduits for fluid movement exist within the well bore. Please provide a method for determining if conduits exist (ie: cement bond log). (WQCC 5-204.B.2)
9. During the December 13, 1994 inspection there was no observed containment system for brine water at the loading racks. Numerous spills were observed at the loading racks. Please provide a proposal for installing such a system.
10. All fluids and hydrocarbon materials that were observed during the December 13, 1994 inspection need to be removed from the overflow pit. What is the source of these hydrocarbon materials that were first reported in an inspection on March 28, 1985? Since the current use of the overflow pit is not consistent with its approved use, the OCD requires that you to submit a work plan for closure of the pit. Please provide a commitment for submission of a closure plan.
11. The current contingency plan for containing brine water in the event of a dike leak does not prevent the ground water from being protected or prevent movement into surface waters of the State. Please provide an alternate method for containing brine water from dike leaks.

Mr. Pieter Bergstein  
January 13, 1995  
Page 3

Submittal of the requested information in a timely manner will expedite the final review of the application and approval of the discharge plan renewal.

If you have any questions, please feel free to contact me at (505) 827-7155.

Sincerely,



Mark Ashley  
Environmental Geologist

xc: OCD Hobbs Office

Z 765 962 795



**Receipt for  
Certified Mail**

No Insurance Coverage Provided  
Do not use for International Mail  
(See Reverse)

Sent to	
Street and No.	
P.O., State and ZIP Code	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

PS Form 3800, March 1993

**SALTY DOG, INC.**  
P. O. Box 1438  
Hobbs, NM 88240

OIL CONSERVATION DIVISION  
RECEIVED  
'94 MAY 13 AM 8 50

May 12, 1994

State of New Mexico  
Energy, Minerals & Natural Resources Dept.  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, NM 87501

Gentlemen:

Application for Discharge Plan Approval - In Situ Extraction Well - Salty  
Dog, Inc.

Salty Dog, Inc. respectfully requests approval for continued operation of  
our in situ salt extraction well, the Salty Dog Brine Well No. 1. Should  
you have any questions or require additional information, please contact  
me at your earliest convenience.

Sincerely,



Pieter Bergstein  
President

PB/dc

Enclosures

State of New Mexico  
 Energy, Minerals and Natural Resources Department  
 OIL CONSERVATION DIVISION  
 P.O. Box 2088  
 Santa Fe, NM 87501

**DISCHARGE PLAN APPLICATION FOR BRINE EXTRACTION FACILITIES**

(Refer to OCD Guidelines for assistance in completing the application.)

NEW       RENEWAL

- I. FACILITY NAME: Salty Dog, Inc.
- II. OPERATOR: Salty Dog, Inc.  
 ADDRESS: P. O. Box 1438, Hobbs, NM 88240  
 CONTACT PERSON: Pieter Bergstein PHONE: 505-393-4521
- III. LOCATION: 1 / 4 1 / 4 Section 5 Township 19S Range 36E  
*Submit large scale topographic map showing exact location.*
- IV. Attach the name and address of the landowner of the facility site.
- V. Attach a description of the types and quantities of fluids at the facility.
- VI. Attach a description of all fluid transfer and storage and fluid and solid disposal facilities.
- VII. Attach a description of underground facilities (i.e. brine extraction well).
- VIII. Attach a contingency plan for reporting and clean-up of spills or releases.
- IX. Attach geological/hydrological evidence demonstrating that brine extraction operations will not adversely impact fresh water.
- X. Attach such other information as is necessary to demonstrate compliance with any other OCD rules, regulations and/or orders.
- XI. CERTIFICATION

*I hereby certify under penalty of law that I have personally examined and am familiar with the information submitted in this document and all attachments and that, based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate and complete. I am aware that there are significant penalties for submitting false information including the possibility of fine and imprisonment.*

Name: Pieter Bergstein Title: President

Signature:  Date: 5-11-94

DISTRIBUTION: Original and one copy to Santa Fe with one copy to appropriate Division District Office.

# **SALTY DOG, INC.**

**P. O. Box 1438  
Hobbs, NM 88240**

IV. Salty Dog, Inc.  
P. O. Box 1438  
Hobbs, NM 88240

V. Production is saturated brine water accomplished by pumping fresh water into salt cavity. On demand the well produces approximately seventy to ninety gallons per minute of ten pounds per gallon brine water depending solely on displacement rate by fresh water. Lined pit storage capacity of 168,300 gallons.

VI. Discharge of produced brine is approximately 2,500' north of brine source well into a lined surface pit. Existing fresh water wells within a one mile radius will be monitored at regular intervals to assure operator that no contamination is taking place. There are no bodies of water existing within one mile of discharge and/or storage of brine.

Surface impoundment - See attachment C for lined pit permit information.

VII. See attached drawings, attachments D, E, F, and G.

VIII. Flooding potential of site is very remote. The lined surface pit has a built-in leak detection system installed in the bottom of the pit. It consists of four inch P.V.C. piping with holes drilled in the pipe. The pipe was installed in trenches 12" deep, then covered with pea gravel. Then the entire bottom of the pit was covered with sand. (See drawing attachment B) Plastic liner was installed over the sand base. (See attachment C - Lined Evaporation Pit Permit No. LP-H-105) The P.V.C. pipe system was manifolded. It exits on the west side of surface pit with four foot riser at the end.

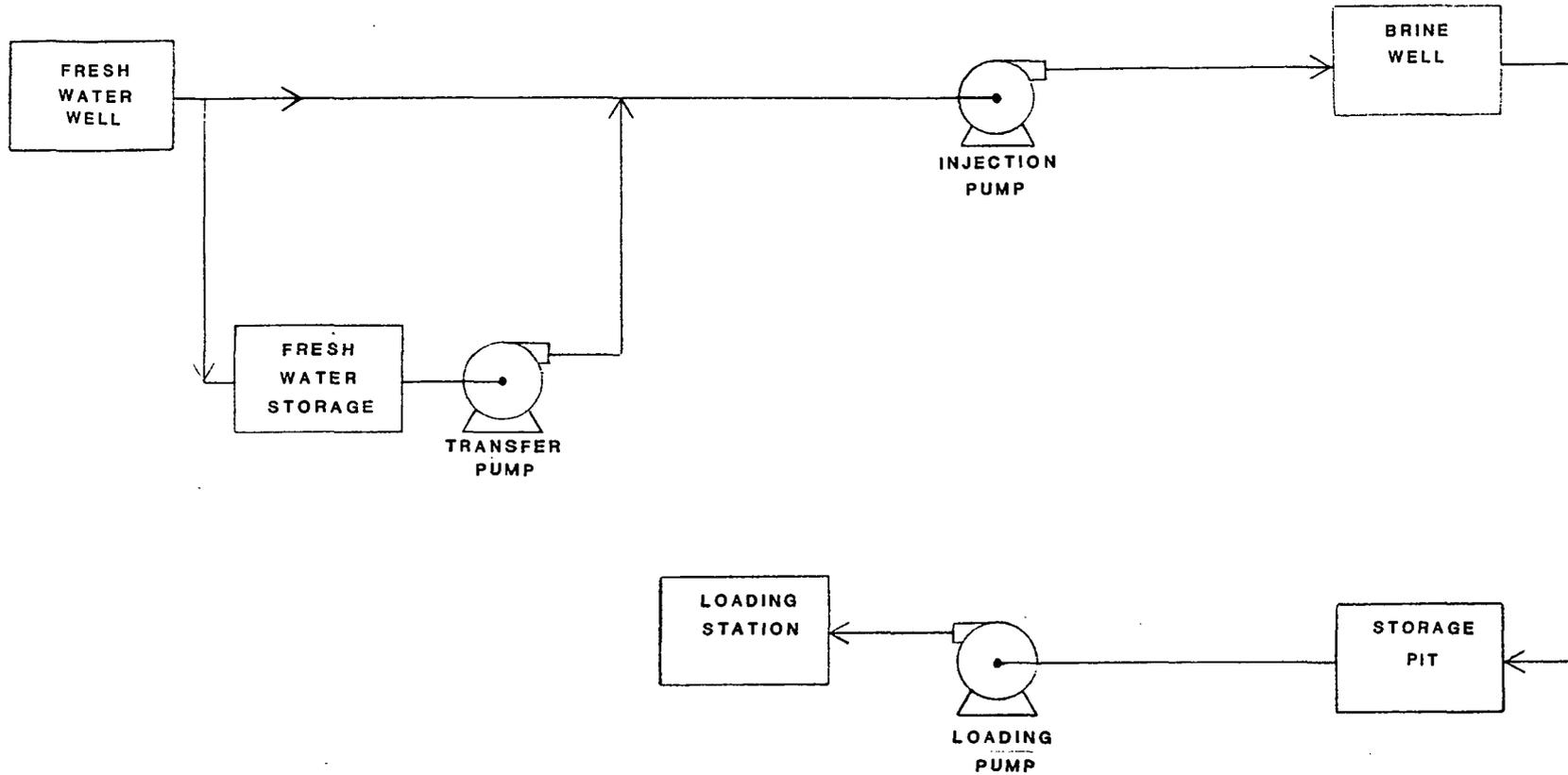
Should the plastic liner develop a leak, it can be detected by daily visual inspection of the riser. In the event a dike should leak, all drainage would be captured in a natural catch basin. It is located approximately 1200' south-southwest of the brine station. (See topographic map - figure 3)

# **SALTY DOG, INC.**

**P. O. Box 1438  
Hobbs, NM 88240**

- IX. There are no bodies of water existing within one mile of discharge or storage of brine. See attachment F for location of fresh water wells and uses. Depth of ground water in the area is 75'.

Other soil analysis and aquifer information is not readily available.



NOTES

SCALE: NONE

NATURAL RESOURCES ENGINEERING INC

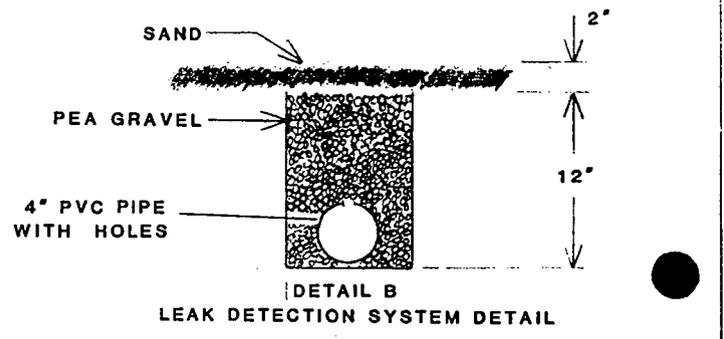
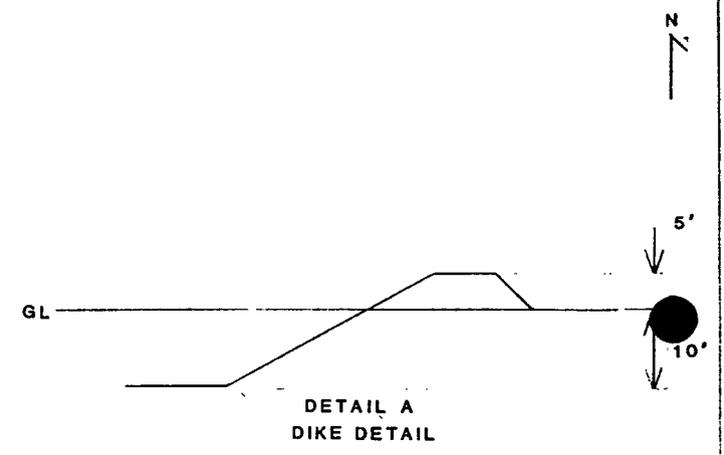
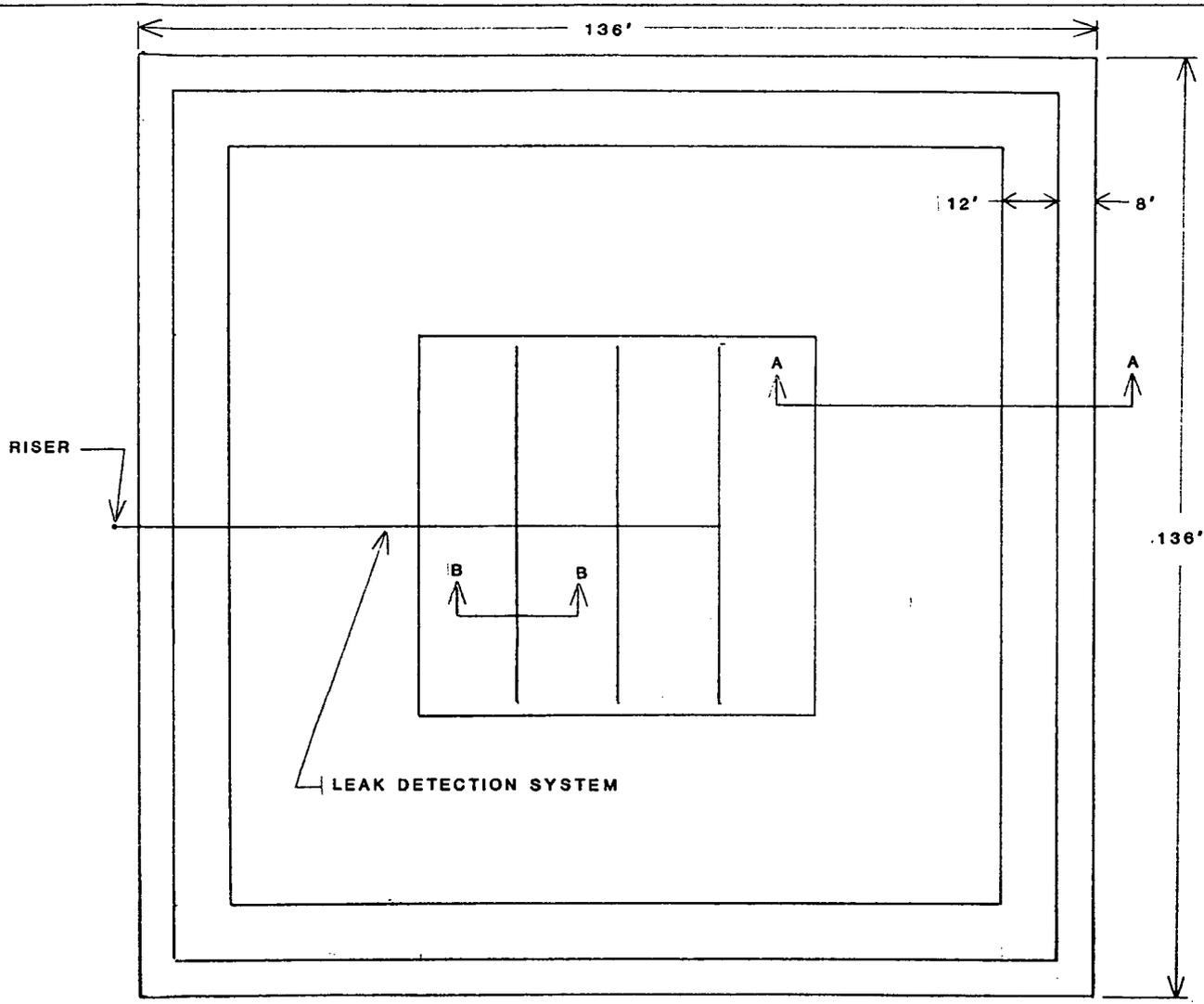
BRINE SYSTEM SCHEMATIC

NB01-001-001

DRAWING NO

1

SHEET 1 OF 1



NOTES

NATURAL RESOURCES ENGINEERING INC

NB01-001-001

BRINE STORAGE PIT

DRAWING NO

2

SHEET 1 OF 1

APPLICATION FOR PERMIT  
TO UTILIZE A LINED EVAPORATION PIT

PERMIT NO. LP-H-105

Attachment C

New Mexico Oil Conservation Commission

Name of Operator SANTY DAD

Address PO Box 774 HOTELS 88240

Name of lease upon which evaporation pit will be located BRINE STORAGE

Location of evaporation pit: Unit Letter B Section 5 Township 19S Range 36 E

Lease(s) which will be producing into pit NA

Pool(s) which will be producing into pit NA

Analysis of disposal water: Chlorides 104LB BRINE ppm. Total dissolved solids \_\_\_\_\_ ppm.  
(If more than one pool will be producing into pit, give water analysis for each pool.)

Quantity of water to be disposed of into this pit N/A barrels per day.

Water production from these same wells six months ago N/A bpd. Three months ago \_\_\_\_\_ bpd  
(If more than one pool will be producing into pit, give water production data for each)

Method of hydrocarbon entrapment to be employed: Settling tank \_\_\_\_\_ Header pit N/A

If settling tank is to be used, give size and number of barrels N/A

If header pit is to be used, give dimensions and depth N/A

Header pit lining material N/A Thickness \_\_\_\_\_

Dimensions of ~~Evaporation~~ <sup>Brine</sup> Pit ("A" and "B" on diagram) 140 X 140

Number of square feet contained in above APPROX 22500

Depth (Top of levee to floor of pit--"D" on diagram) 8'

Material to be used as liner N420 LINE GOODUAE Thickness 30 mil

Does manufacturer recommend protection of material from direct sunlight? Yes \_\_\_\_\_ No X

If yes, what means will be provided to so protect the material? \_\_\_\_\_

Is material resistant to hydrocarbons? Yes YES No \_\_\_\_\_

Is material resistant to acids and alkalis? Yes YES No \_\_\_\_\_

Is material resistant to salts? Yes YES No \_\_\_\_\_

Is material resistant to fungus? Yes YES No \_\_\_\_\_

Is material rot-resistant? Yes YES No \_\_\_\_\_

Will joints in material be fabricated in the field? Yes YES No \_\_\_\_\_

If yes, describe method to be used in lining material \_\_\_\_\_

Attach manufacturer's brochure describing the qualities of the lining material.

Describe the leakage detection system to be used GRID OF 4" pipe  
below liner - (WITH HOLES) PACKED & ENCASED IN 4" (5/8 GRAVEL)  
GRADED TO DRAIN IN 15" PVC SUMP WITH 4" PIPES

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and further, that the subject evaporation pit and appurtenances, when installed, will be kept in good repair, and that all due diligence will be exercised in keeping the surface of the water free of oil and other debris.

Name JERRY SEXTON Title SANTY DAD INC PRES. Date 4-12-82

Approved by JERRY SEXTON Title \_\_\_\_\_ Date APR 13 1982



STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

April 13, 1982

BRUCE KING  
GOVERNOR  
LARRY KEHOE  
SECRETARY

P.O. BOX 1980  
HOBBS, NEW MEXICO 88240  
(505) 393-6161

Salty Dog  
P. O. Box 774  
Hobbs, New Mexico 88240

Gentlemen:

Attached is an approved copy of your Application to Utilize a Lined Evaporation Pit.

Please notify this office when the laterals are in place in order that we may make an inspection of the installation.

Yours very truly,

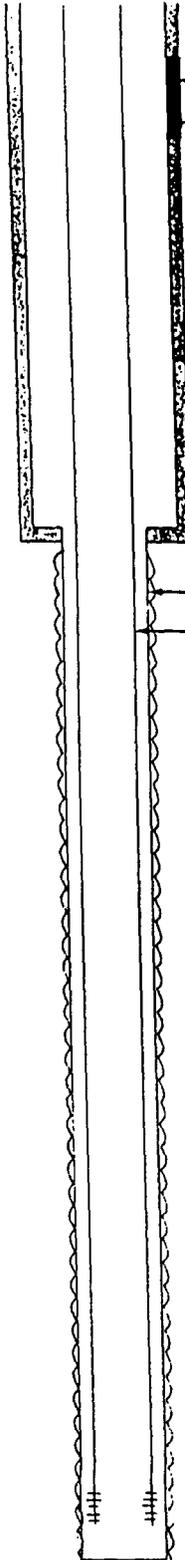
OIL CONSERVATION DIVISION

  
Jerry Sexton  
Supervisor, District 1

mc

**WELL BORE SKETCH**

OPERATOR/LEASE/WELL Brunson & McKnight Inc.-Brine Supply Well #1 DATE 11-9-82  
 NRE JOB NUMBER NB01-001-001  
 FIELD/POOL \_\_\_\_\_ / \_\_\_\_\_  
 PLUG BACK DEPTH 2958' KB 3816 est. ELEVATION 3806'



Hole Size 12 1/4"

**SURFACES CASING:**

Size 8 5/8" Weight 24# & 32# Grade J-55  
 Set at 1877' with 850 Sacks Cement  
 Circulate 200 Sacks to Surface  
 Remarks: \_\_\_\_\_  
 \_\_\_\_\_

Hole Size 6 1/4"

**PRODUCTION CASING: \***

Size \_\_\_\_\_ Weight \_\_\_\_\_ Grade \_\_\_\_\_  
 Set at \_\_\_\_\_ with \_\_\_\_\_ Sacks Cement  
 Cement Top: Calculated \_\_\_\_\_ Temperature Survey \_\_\_\_\_  
 \* Remarks: No production casing was run in this well.  
Completed open hole from 1877' to 2958' as a brine  
source well.  
 \_\_\_\_\_  
 \_\_\_\_\_

**TUBING:**

Size 2 7/8 Weight 6.5# Grade J-55  
 Number of Joints 93 Set at 2887'  
 Packer Set at None  
 Bottom Arrangement: Open ended and 15' of perforations in  
tubing.  
 \_\_\_\_\_  
 \_\_\_\_\_

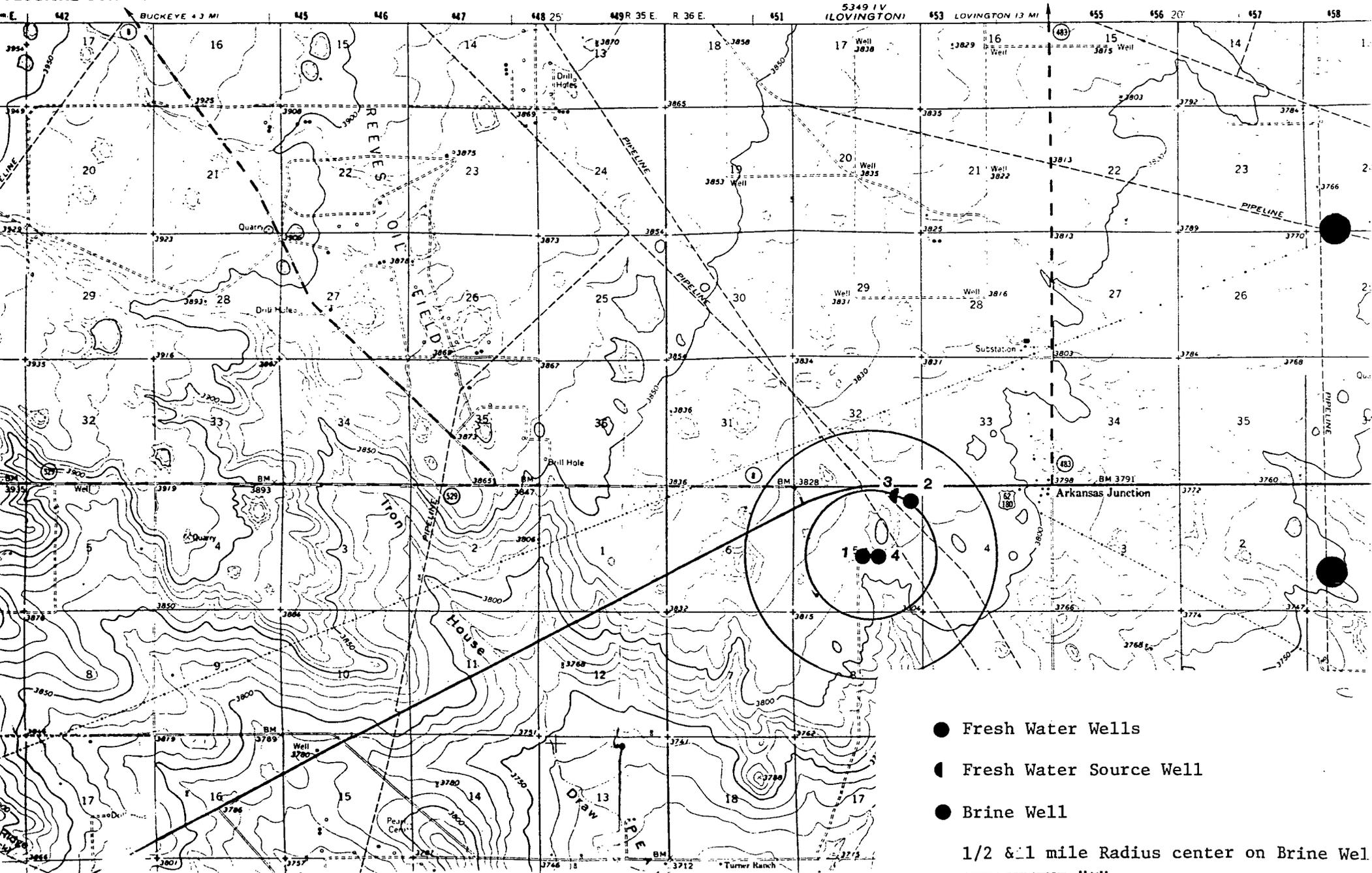
**RODS:**

Size N/A Number \_\_\_\_\_  
 Gas Anchor Set at \_\_\_\_\_  
 Pump Set at \_\_\_\_\_  
 Arrangement: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

T.D. 2958'



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY



- Fresh Water Wells
- ◐ Fresh Water Source Well
- Brine Well

1/2 & 1 mile Radius center on Brine Well  
ATTACHMENT "F"



Attachment G

8 Greenway Plaza, Suite 400  
Houston, Texas 77046

UNDERWRITERS INDEMNITY COMPANY

PREMIUM NOTICE — CONTINUOUS FORM BOND

Principal and Address Salty Dog, Inc. P.O. Box 2724 Lubbock, TX 79408	Bond No. B03386	Premium Period 2/14/94 to 1/14/95	Billing Date 12/10/93
	Amount of Bond \$ 5,000	Premium Charge \$ 250	Program Code
	Description of Bond NM One-Well Plugging Bond		
General Agent and Address Bryan Insurance Agency 1220 Hwy. 16 South Graham, TX 76450	Obligee and Address State of New Mexico		

The bond described above is continuous in form. The indicated premium for the next premium period will be charged to your account unless we are furnished with proper evidence of termination of our liability prior to the beginning of the premium term.

This premium notice does not create a new obligation. The company's liability under said bond is not cumulative and its aggregate liability under said bond on account of all defaults committed during the term of said bond shall not in any event exceed the amount of said bond.

P  
R  
O  
D  
U  
C  
E  
R

Bryan Insurance Agency  
1220 Hwy. 16 South  
Graham, TX 76450



OIL CONSERVATION DIVISION

RECEIVED

STATE OF NEW MEXICO

NMOCD District I

1994 AUG 23 AM 8 50

INTER-OFFICE MEMO

To file: Salty Dog Brine Station-DP # BW-08

Date: August 23, 1994

Time: 9:00 am

Telephone call: \_\_\_\_\_ Meeting: \_\_\_\_\_ Other: XX on site

Person called or attending:

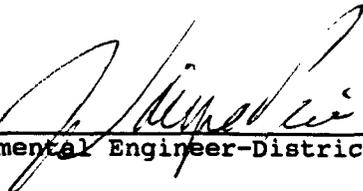
REFERENCE: Salty Dog Brine Station  
Carlsbad HWY 10 mi w of Hobbs

Subject: Permit Violation

Comments:

Visited Brine station, Sonny's Trucking Co. was in the process of removing liquids from overflow pit. Sonny's runs the brine station and has been asked by Gary Wink to empty fluids.

Other recent visits have indicated no progress.

Wayne Price   
NMOCD Environmental Engineer-District I

CC: FILE  
JS  
CE

NEW MEXICO OIL CONSERVATION COMMISSION  
FIELD TRIP REPORT

INSPECTION	CLASSIFICATION	FACILITY	HOURLS	QUARTER
			HOURLS	HOURLS

Name WAYNE PRICE Date AUG 8-10-94 Miles 15 District I  
 Time of Departure 7 AM Time of Return 4 PM Car No. G 0472

In the space below indicate the purpose of the trip and the duties performed, listing wells or leases visited and any action taken.

Signature [Signature]

H U O I -

REF: SALTY DOG BRINE ST. OP # BW-008  
OVERFLOW PIT.

PIT HAS LIQUID IN IT ≈ 1/3 FULL

<u>Mileage</u>	<u>Per Diem</u>	<u>Hours</u>
UIC <u>15</u>	UIC _____	UIC _____
RFA _____	RFA _____	RFA _____
Other _____	Other _____	Other _____

TYPE INSPECTION PERFORMED

- H = Housekeeping
- P = Plugging
- C = Plugging Cleanup
- T = Well Test
- R = Repair/Workover
- F = Waterflow
- M = Mishap or Spill
- W = Water Contamination
- O = Other

INSPECTION CLASSIFICATION

- U = Underground Injection Control - Any inspection of or related to injection project, facility, or well or resulting from injection into any well. (SWD, 2ndry injection and production wells, water flows or pressure tests, surface injection equipment, plugging, etc.)
- R = Inspections relating to Reclamation Fund Activity
- O = Other - Inspections not related to injection or The Reclamation Fund
- E = Indicates some form of enforcement action taken in the field (show immediately below the letter U, R or O)

NATURE OF SPECIFIC WELL OR FACILITY INSPECTED

- D = Drilling
- P = Production
- I = Injection
- C = Combined prod. inj. operations
- S = SWD
- U = Underground Storage
- G = General Operation
- F = Facility or location
- M = Meeting
- O = Other

CHRIS 55 7/18/94

NEW MEXICO OIL CONSERVATION COMMISSION  
FIELD TRIP REPORT

INSPECTION	CLASSIFICATION	FACILITY	HOURS	QUARTER	HOURS
------------	----------------	----------	-------	---------	-------

Name WAYNE PRICE Date 7/18/94 Miles 25 District I  
 Time of Departure 7 AM 1:30 PM Time of Return 4 PM 2:39 PM Car No. G. 0472

In the space below indicate the purpose of the trip and the duties performed, listing wells or leases visited and any action taken.

Signature Wayne Price

H M O I O

SALTY DOG BRINE SE - CARLSBAD HWY  
 INSPECTED BRINE SE - BW-008  
 FOUND EMERGENCY OVERFLOW PIT FULL - HAS 30%  
 OIL OF PIT COVERED WITH OIL SHEEN & FULL  
 OF TUMBLEWEEDS!  
 OIL + SALT ON GROUND NEAR OVERFLOW PIT!  
 TESTED WATER > 90% SALINITY  
 TANKS - OK  
 BRINE POND - OK  
 PUMPS - OK  
 7/19/94 - Jerry gave to Gary Nink - Gary to call  
 & have them empty pit!

<u>Mileage</u>	<u>Per Diem</u>	<u>Hours</u>
UIC _____	UIC _____	UIC _____
RFA _____	RFA _____	RFA _____
Other _____	Other _____	Other _____

TYPE INSPECTION PERFORMED	INSPECTION CLASSIFICATION	NATURE OF SPECIFIC WELL OR FACILITY INSPECTED
<ul style="list-style-type: none"> <li>H = Housekeeping</li> <li>P = Plugging</li> <li>C = Plugging Cleanup</li> <li>T = Well Test</li> <li>R = Repair/Workover</li> <li>F = Waterflow</li> <li>M = Mishap or Spill</li> <li>W = Water Contamination</li> <li>O = Other</li> </ul>	<ul style="list-style-type: none"> <li>U = Underground Injection Control - Any inspection of or related to injection project, facility, or well or resulting from injection into any well. (SWD, 2ndry injection and production wells, water flows or pressure tests, surface injection equipment, plugging, etc.)</li> <li>R = Inspections relating to Reclamation Fund Activity</li> <li>O = Other - Inspections not related to injection or The Reclamation Fund</li> </ul>	<ul style="list-style-type: none"> <li>D = Drilling</li> <li>P = Production</li> <li>I = Injection</li> <li>C = Combined prod. inj. operations</li> <li>S = SWD</li> <li>U = Underground Storage</li> <li>G = General Operation</li> <li>F = Facility or location</li> <li>M = Meeting</li> <li>O = Other</li> </ul>
<p>E = Indicates some form of enforcement action taken in the field (show immediately below the letter U, R or O)</p>		



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION  
HOBBS DISTRICT OFFICE

BRUCE KING  
GOVERNOR

POST OFFICE BOX 1980  
HOBBS, NEW MEXICO 88241-1980  
(505) 393-6161

**NMOCD Inter-Correspondence**

To: Roger Anderson-Environmental Bureau Chief

From: Wayne Price-Environmental Engineer District I *WP*

Date: July 21, 1994

Reference: Salty Dog Brine Station BW-008

Subject: Inspection of facility

**Comments:**

This facility has an overflow pit which catches rain water runoff for the facility. It was observed to be full of brine water salinity was > 40%, with an oil film and a fair amount of debris in the pit. This pit is lined however there does not appear to be a leak detection.

Gary Wink has requested to Sonny's the operator of the system, to decant this pit. They have started, with 1/3 of the fluid and oil removed.

There is visual contamination on the ground of previously spilled brine. There is some (minor amount) of hydrocarbon near the overflow pit.



After reviewing the discharge plan I have the following recommendations:

1. Containment for the loading areas should be installed complete with some type of drip catch system.
2. The overflow pit should be remain empty, except during emergency conditions.
3. All visual contamination should be removed.
4. The original discharge plan indicated that a catastrophic failure of the existing brine pond or tanks would flow down a small draw and collect in the bottom. This appears to be a small playa and therefore should be protected.
5. The tanks should have overflow lines that would be piped to the emergency catch pit. This would prevent contamination from being placed on the ground.
6. All underground piping should be tested.

cc: Jerry Sexton-District I Supervisor  
Chris Eustice-NMOCD Santa Fe



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

RECEIVED

OIL CONSERVATION DIVISION  
HOBBS DISTRICT OFFICE

'94 JUL 25 AM 8 50

BRUCE KING  
GOVERNOR

POST OFFICE BOX 1980  
HOBBS, NEW MEXICO 88241-1980  
(505) 393-6161

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Chris Eustice-NMOCD Santa Fe



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
HOBBS DISTRICT OFFICE

OIL CONSERVATION DIVISION  
RECEIVED  
'94 JUL 25 AM 8 50

BRUCE KING  
GOVERNOR

POST OFFICE BOX 1980  
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(505) 393-6161

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cc: Jerry Sexton-District I Supervisor  
Chris Eustice-NMOCD Santa Fe

TO: CHRIS FUSTICE

OIL CONSERVATION DIVISION  
RECEIVED

NEW MEXICO OIL CONSERVATION COMMISSION  
FIELD TRIP REPORT

'94 JUL 21 AM 8 50

INSPECTION  
CLASSIFICATION  
FACILITY  
HOURS  
QUARTER  
HOURS

Name WAYNE PRICE Date 7/18/94 Miles 25 District I  
Time of Departure 7 AM 1:30 PM Time of Return 4 PM 2:30 PM Car No. G. 0472

In the space below indicate the purpose of the trip and the duties performed, listing wells or leases visited and any action taken.

Signature Wayne Price

H U O I O

SALTY DOG BRINE ST - CARLSBAD HWY  
INSPECTED BRINE ST -

FOUND EMERGENCY OVERFLOW PIT FULL - HAS 30%  
OIL OF PIT COVERED WITH OIL SHEEN & FULL  
OF TUMBLEWEEDS!

OIL & SALT ON GROUND NEAR OVERFLOW PIT!

TANKS - OK

BRINE POND - OK

PUMPS - OK

<u>Mileage</u>	<u>Per Diem</u>	<u>Hours</u>
UIC _____	UIC _____	UIC _____
RFA _____	RFA _____	RFA _____
Other _____	Other _____	Other _____

**TYPE INSPECTION PERFORMED**

**INSPECTION CLASSIFICATION**

**NATURE OF SPECIFIC WELL OR FACILITY INSPECTED**

- H = Housekeeping
- P = Plugging
- C = Plugging Cleanup
- T = Well Test
- R = Repair/Workover
- F = Waterflow
- M = Mishap or Spill
- W = Water Contamination
- O = Other

- U = Underground Injection Control - Any inspection of or related to injection project, facility, or well or resulting from injection into any well. (SWD, 2ndry injection and production wells, water flows or pressure tests, surface injection equipment, plugging, etc.)
- R = Inspections relating to Reclamation Fund Activity
- O = Other - Inspections not related to injection or The Reclamation Fund

- D = Drilling
- P = Production
- I = Injection
- C = Combined prod. inj. operations
- S = SWD
- U = Underground Storage
- G = General Operation
- F = Facility or location
- M = Meeting
- O = Other

E = Indicates some form of enforcement action taken in the field (show immediately below the letter U, R or O)

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

Notice is hereby given that pursuant to New Mexico Water Quality Control Commission Regulations, the following discharge plan renewal application has been submitted to the Director of the Oil Conservation Division, State Land Office Building, P.O. Box 2088, Santa Fe, New Mexico 87504-2088, Telephone (505) 827-5800:

(BW-08) - Salty Dog Inc., Pieter Bergstein, President, P.O. Box 1428, Hobbs, New Mexico, 88240, has submitted an application for the renewal of a discharge plan for the Arkansas Junction Brine Station, located in Section 8, Township 18 South, Range 36 East, NMPM, Lea County, New Mexico. Approximately 90 gallons per minute of brine water with a solution of 1.2 gravity is produced for use in the oil industry. Groundwater most likely to be affected by a spill, leak, or accidental discharge to the surface is at a depth of approximately 75 feet with a total dissolved solids concentration of 400 mg/l. The discharge plan addresses how spills, leaks, and other accidental discharges to the surface will be managed.

Any interested person may obtain further information from the Oil Conservation Division and may submit written comments to the Director of the Oil Conservation Division at the address given above. The discharge plan application may be viewed at the above address between 8:00 a.m. and 4:00 p.m., Monday through Friday. Prior to ruling on any proposed discharge plan or its modification, the Director of the Oil Conservation Division shall allow at least thirty (30) days after the date of publication of this notice during which comments may be submitted to him and public hearing may be requested by any interested person. Requests for public hearing shall set forth the reasons why a hearing should be held. A hearing will be held if the Director determines there is significant public interest.

If no public hearing is held, the Director will approve or disapprove the proposed plan based on information available. If a public hearing is held, the director will approve or disapprove the proposed plan based on information in the plan and information submitted at the hearing.  
GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 24th day of May, 1994.

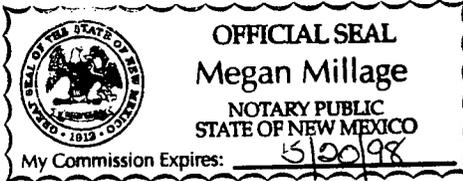
STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION  
WILLIAM J. LEMAY, Director  
Journal: June 2, 1994.

STATE OF NEW MEXICO  
County of Bernalillo

SS

Bill Tafoya being duly sworn declares and says that he is Classified Advertising manager of The Albuquerque Journal, and that this newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Session Laws of 1937, and that payment therefore has been made or assessed as court costs; that the notice, copy of which is hereto attached, was published in said paper in the regular daily edition, for 1 times, the first publication being on the 2 day of June, 1994, and the subsequent consecutive publications on \_\_\_\_\_, 1994

*Bill Tafoya*



Sworn and subscribed to before me, a notary Public in and for the County of Bernalillo and State of New Mexico, this 2 day of June 1994.

PRICE \$31.24

Statement to come at end of month.

CLA-22-A (R-1/93) ACCOUNT NUMBER C80932

# Affidavit of Publication

STATE OF NEW MEXICO )  
 ) ss.  
COUNTY OF LEA )

Joyce Clemens being first duly sworn on oath deposes and says that he is Adv. Director of THE LOVINGTON DAILY LEADER, a daily newspaper of general paid circulation published in the English language at Lovington, Lea County, New Mexico; that said newspaper has been so published in such county continuously and uninterruptedly for a period in excess of Twenty-six (26) consecutive weeks next prior to the first publication of the notice hereto attached as hereinafter shown; and that said newspaper is in all things duly qualified to publish legal notices within the meaning of Chapter 167 of the 1937 Session Laws of the State of New Mexico.

That the notice which is hereto attached, entitled

Notice Of Publication

~~and xxxxxxxx~~ ~~xxxxxx~~

~~County, New Mexico~~

was published in a regular and entire issue of THE LOVINGTON DAILY LEADER and not in any supplement thereof, ~~xxxxxx~~

for one (1) day

beginning with the issue of

June 2, 1994

and ending with the issue of

June 2, 1994

And that the cost of publishing said notice is the sum of \$ 37.08

which sum has been (Paid) (As ~~xxxxxx~~) as Court Costs

Joyce Clemens  
Subscribed and sworn to before me this 27th

day of June, 1994

Mrs. Jean Serier  
Notary Public, Lea County, New Mexico

My Commission Expires Sept. 28, 1994

## LEGAL NOTICE NOTICE OF PUBLICATION STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

Notice is hereby given that pursuant to New Mexico Water Quality Control Commission Regulations, the following discharge plan renewal application has been submitted to the Director of the Oil Conservation Division, State Land Office Building, P.O. Box 2088, Santa Fe, New Mexico 87504-2088, Telephone (505) 827-5800: (BW-08) - Saily Dog Inc., Pieter Bergstein, President, P.O. Box 1438, Hobbs, New Mexico, 88240, has submitted an application for the renewal of a discharge plan for the Arkansas Junction Brine Station, located in Section 5, Township 19 South, Range 36 East, NMPM, Lea County, New Mexico. Approximately 90 gallons per minute of brine water with a solution of 1.2 gravity is produced for use in the oil industry. Groundwater most likely to be affected by a spill, leak, or accidental discharge to the surface is at a depth of approximately 75 feet with a total dissolved solids concentration of 400 mg/l. The discharge plan addresses how spills, leaks, and other accidental discharges to the surface will be managed.

Any interested person may obtain further information from the Oil Conservation Division and may submit written comments to the Director of the Oil Conservation Division at the address given above. The discharge plan application may be viewed at the above address between 8:00 a.m. and 4:00 p.m., Monday through Friday. Prior to ruling on any proposed discharge plan or its modification, the Director of the Oil Conservation Division shall allow at least thirty (30) days after the date of publication of this notice during which comments may be submitted to him and public hearing may be requested by any interested person. Requests for public hearing shall set forth

the reasons why a hearing should be held. A hearing will be held if the Director determines there is significant public interest.

If no public hearing is held, the Director will approve or disapprove the proposed plan based on information available. If a public hearing is held, the director will approve or disapprove the proposed plan based on information in the plan and information submitted at the hearing.

GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on the 24th day of May, 1994.

STATE OF NEW MEXICO  
OIL CONSERVATION  
DIVISION  
WILLIAM J. LEMAY,  
Director  
(SEAL)

Published in the Lovington Daily Leader June 2, 1994.

*invoice to Mary 6-30-94*

BW-003

Salt Dog Water Station

- Evaporation pit with single liner, w/ leak detection below. Approved April '92.

Application says that pit is not to be used for storage of impurities due to age of liner?

- 1993 EPA report is only indication of adjacent water wells. (Attachment C) These appear to be updrift.

Site has history of sanding during pump-up operations. Young well is not producing water.

- What is direction of production?

- Last MIT 12/91, need more data 12/96

- Need more detailed location (Y, Z) on 1st page of application.

- No historic monitoring records, and facility has operated for 15 yrs. Requires additional monitoring.

Notes:  
1993 EPA report  
1991 MIT  
1996 data

22-141 50 SHEETS  
22-142 100 SHEETS  
22-144 200 SHEETS





UNITED STATES  
DEPARTMENT OF THE INTERIOR  
FISH AND WILDLIFE SERVICE  
Ecological Services

Suite D, 3530 Pan American Highway, NE  
Albuquerque, New Mexico 87107

OIL CONSERVATION DIVISION  
RECEIVED

'94 JUN 3 AM 8 50

June 1, 1994

William J. Lemay, Director  
New Mexico Water Quality Control Commission  
Oil Conservation Division  
State Land Office Building  
P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

Dear Mr. Lemay:

This responds to your agency's public notice dated May 24, 1994, regarding the State of New Mexico's proposal to renew the discharge plan for the applicant listed below.

**Salty Dog Inc., Pieter Bergstein, President, P.O. Box 1438, Hobbs, New Mexico, 88240** The applicant requests renewal of a discharge plan for the Arkansas Junction Brine Station, located in Section 5, Township 19 South, Range 36 East, NMPM, Lea County, New Mexico. Approximately 90 gallons per minute of brine water with a solution of 1.2 gravity is produced for use in the oil industry.

It is our understanding that all brine water produced by the applicant will be contained within a pipe, closed storage tank, transport vehicle, etc. No produced water will be discharged into a surface impoundment or open-topped tank where it could become available to wildlife, except in the event of an accidental breach of a pipe or storage tank. Therefore, the U.S. Fish and Wildlife Service has no objection to the Oil Conservation Division granting approval for the discharge plan application outlined above.

Thank you for the opportunity to review and comment on this discharge plan application. If you have any questions, please contact Mark Wilson at (505) 833-7877.

Sincerely,

Jennifer Fowler-Propst  
State Supervisor

cc:  
Director, New Mexico Department of Game and Fish, Santa Fe, New Mexico

NOTICE OF PUBLICATION  
STATE OF NEW MEXICO  
ENERGY, MINERALS  
AND NATURAL

RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

Notice is hereby given that pursuant to New Mexico Water Quality Control Commission Regulations, the following discharge plan renewal application has been submitted to the Director of the Oil Conservation Division, State Land Office Building, P.O. Box 2068, Santa Fe, New Mexico 87504-2068, Telephone (505) 827-5800:

(BW-08) - Salty Dog Inc., Pieter Bergerstein, President, P.O. Box 1438, Hobbs, New Mexico, 88240, has submitted an application for the renewal of a discharge plan for the Arkansas Junction Brine Station, located in Section 5, Township 19 South, Range 36 East, NMPM, Lea County, New Mexico. Approximately 60 gallons per minute of brine water with a solution of 1.2 gravity is produced for use in the oil industry. Groundwater most likely to be affected by a spill, leak, or accidental discharge to the surface is at a depth of approximately 75 feet with a total dissolved solids concentration of 400 mg/l. The discharge plan addresses how spills, leaks, and other accidental discharges to the surface will be managed.

Any interested person may obtain further information from the Oil Conservation Division and may submit written comments to the Director of the Oil Conservation Division at the address given above. The discharge plan application may be viewed at the above address between 8:00 a.m. and 4:00 p.m., Monday through Friday. Prior to ruling on any proposed discharge plan or its modification, the Director of the Oil Conservation Division shall allow at least thirty (30) days after the date of publication of this notice during which comments may be submitted to him and public hearing may be requested by any interested person. Requests for public hearing shall set forth the reasons why a hearing should be held. A hearing will be held if the Director determines there is significant public interest.

If no public hearing is held, the Director will approve or disapprove the proposed plan based on information available. If a public hearing is held, the director will approve or disapprove the proposed plan based on information in the plan and information submitted at the hearing.

GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 24th day of May, 1994.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION  
a/WILLIAM J. LEMAY, Director  
Journal: June 2, 1994.

STATE OF NEW MEXICO  
County of Bernalillo

ss

Bill Tafoya being duly sworn declares and says that he is Classified Advertising manager of **The Albuquerque Journal**, and that this newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Session Laws of 1937, and that payment therefore has been made or assessed as court costs; that the notice, copy of which is hereto attached, was published in said paper in the regular daily edition, for 1 times, the first publication being on the 2 day of June, 1994, and the subsequent consecutive publications on \_\_\_\_\_, 1994

*Bill Tafoya*



Sworn and subscribed to before me, a notary Public in and for the County of Bernalillo and State of New Mexico, this 2 day of June 1994.

PRICE \$31.24

Statement to come at end of month.

CLA-22-A (R-1/93) ACCOUNT NUMBER C80932

RECORD OF PHONE CONVERSATION (W/CHRIS EUSTICE)

Date: 7-20-94 Time: 1:25 pm  
RE: Salty Dog Brine Station  
Name: Wayne Price  
Company: OCD - Hobbs

Wayne completed a follow-up inspection of the above mentioned facility and noted that the 'load lines' had no containment for drips,

Comments/Followup:

I told wayne we'd adress this as a condition of approval

**NOTICE OF PUBLICATION**

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

Notice is hereby given that pursuant to New Mexico Water Quality Control Commission Regulations, the following discharge plan renewal application has been submitted to the Director of the Oil Conservation Division, State Land Office Building, P.O. Box 2088, Santa Fe, New Mexico 87504-2088, Telephone (505) 827-5800:

**(BW-08) - Salty Dog Inc., Pieter Bergstein, President, P.O. Box 1438, Hobbs, New Mexico, 88240, has submitted an application for the renewal of a discharge plan for the Arkansas Junction Brine Station, located in Section 5, Township 19 South, Range 36 East, NMPM, Lea County, New Mexico. Approximately 90 gallons per minute of brine water with a solution of 1.2 gravity is produced for use in the oil industry. Groundwater most likely to be affected by a spill, leak, or accidental discharge to the surface is at a depth of approximately 75 feet with a total dissolved solids concentration of 400 mg/l. The discharge plan addresses how spills, leaks, and other accidental discharges to the surface will be managed.**

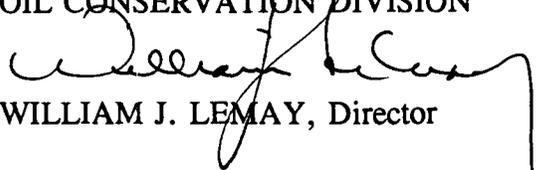
Any interested person may obtain further information from the Oil Conservation Division and may submit written comments to the Director of the Oil Conservation Division at the address given above. The discharge plan application may be viewed at the above address between 8:00 a.m. and 4:00 p.m., Monday through Friday. Prior to ruling on any proposed discharge plan or its modification, the Director of the Oil Conservation Division shall allow at least thirty (30) days after the date of publication of this notice during which comments may be submitted to him and public hearing may be requested by any interested person. Requests for public hearing shall set forth the reasons why a hearing should be held. A hearing will be held if the Director determines there is significant public interest.

If no public hearing is held, the Director will approve or disapprove the proposed plan based on information available. If a public hearing is held, the director will approve or disapprove the proposed plan based on information in the plan and information submitted at the hearing.

GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 24th day of May, 1994.

S E A L

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
WILLIAM J. LEMAY, Director



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING  
GOVERNOR

ANITA LOCKWOOD  
CABINET SECRETARY

April 25, 1994

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

**CERTIFIED MAIL**  
**RETURN RECEIPT NO. P-176-012-077**

Mr. Larry Squires  
Salty Dog Inc.  
P.O. Box 774  
Hobbs, NM 88240

**RE: Discharge Plan Renewal BW-008  
Salty Dog Inc. Water Station  
Lea County, New Mexico**

Dear Mr. Squires,

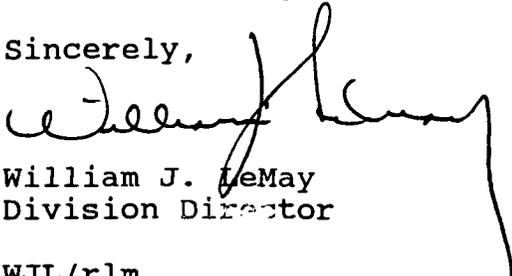
On March 8 1994, Salty Dog Inc. received, via certified mail, notice from the Oil Conservation Division (OCD) that the discharge plan BW-008 for the Salty Dog Inc. Water Station, located in Section 5, Township 19 South, Range 36 East, NMPM, Lea County, New Mexico would expire on April 18, 1994. The letter went on to state that if your facility continues to have potential or actual effluent or leachate discharges and if you wish to continue your operations, you must renew your discharge plan.

As of this date (April 25, 1994), the OCD has not received a renewal application from Salty Dog Inc. Unless an application for renewal of the discharge plan is received by May 13, 1994, the OCD must assume that this facility is no longer in operation. Without an application for renewal by this date, any on-going operational activities should cease immediately.

If you wish to renew operations at this facility, a discharge plan application shall be submitted and approved by the OCD prior to operation of the facility. The application shall follow the Water Quality Control Regulations and the OCD's Guidelines for the Preparation of Ground Water Discharge Plans at Brine Extraction Facilities delivered to you with the OCD's March 3, 1994 renewal notice letter.

If there are any questions on this matter, please contact Bobby Myers at 827-4080 or Roger Anderson at 827-5812.

Sincerely,



William J. LeMay  
Division Director

WJL/rlm  
XC: Wayne Price, OCD Hobbs Office

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING  
GOVERNOR

ANITA LOCKWOOD  
CABINET SECRETARY

March 4, 1994



POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

**CERTIFIED MAIL**  
**RETURN RECEIPT NO.P-111-334-180**

Mr. Larry Squires  
Salty Dog Inc.  
P. O. Box 774  
Hobbs, New Mexico 88240

**RE: DISCHARGE PLAN BW-08 RENEWAL  
SALTY DOG INC. WATER STATION  
LEA COUNTY, NEW MEXICO**

Dear Mr. Squires:

On December 18, 1982, the ground water discharge plan, GWB-2 for the Salty Dog Inc. Water Station located in Section 5, Township 19 South, Range 36 East, NMPM, Lea County, New Mexico, was approved by the Director of the New Mexico Oil Conservation Division (OCD). This discharge plan was required and submitted pursuant to Water Quality Control Commission (WQCC) Regulations and was approved for a period of five years. The discharge plan (DP-325, formerly GWB-2) was renewed on April 18, 1989 by the Director of the Environmental Improvement Division (EID). The approval will expire on April 18, 1994.

Authority to administer the brine program was returned to the OCD in 1989 and all brine well permits and activities are again under the OCD's jurisdiction. Please note the new discharge plan number BW-08, formerly DP-325, which will be the permanent designation used in all future correspondence.

If your facility continues to have potential or actual effluent or leachate discharges and you wish to continue operations, you must renew your discharge plan. The OCD is reviewing discharge plan submittals and renewals carefully and the review time can often extend for several months. Please indicate whether you have made, or intend to make, any changes in your discharge system, and if so, please include these modifications in your application for renewal.

Mr. Larry Squires  
March 4, 1994  
Page 2

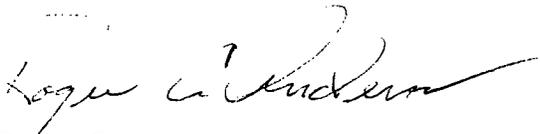
To assist you in preparation of your renewal application, I have enclosed an application form and a copy of the OCD's Guidelines for the Preparation of Ground Water Discharge Plans at Brine Extraction Facilities, revised May 1991, and a copy of the Water Quality Control Commission Regulations. Note that the completed and signed application form must be submitted with your discharge plan renewal request.

The discharge plan renewal application for the Salty Dog Inc Water Station is subject to the WQCC Regulation 3-114 discharge plan fee. Every billable facility submitting a discharge plan renewal will be assessed a fee equal to the filing fee of fifty (50) dollars plus one-half of the flat fee or six-hundred and ninety (690) dollars for brine extraction facilities.

The \$50 filing fee is to be submitted with the discharge plan renewal application and is nonrefundable. The flat fee for an approved discharge plan renewal may be paid in a single payment due at the time of approval, or in equal annual installments over the duration of the discharge plan.

If you no longer have any actual or potential discharges a discharge plan renewal is not needed, please notify this office. If you have any questions, please do not hesitate to contact Kathy Brown at (505) 827-5884.

Sincerely,



Roger C. Anderson  
Environmental Bureau Chief

RCA/kmb

Enclosures

xc: Wayne Price, OCD Hobbs Office

Submit 3 Copies  
to Appropriate  
District Office

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-103  
Revised 1-1-89

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

OIL CONSERVATION DIVISION  
P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

WELL API NO.

5. Indicate Type of Lease  
STATE  FEE

6. State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS  
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A  
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT"  
(FORM C-101) FOR SUCH PROPOSALS.)

7. Lease Name or Unit Agreement Name

1. Type of Well:  
OIL WELL  GAS WELL  OTHER  Brine Supply Well

8. Well No.  
Brine Supply Well #1

2. Name of Operator  
Salty Dog Water Station (Brunson & McKnight, Inc.)

3. Address of Operator  
P.O. Box 1440 Hobbs, NM 88240

9. Pool name or Wildcat

4. Well Location  
Unit Letter J : 1980 Feet From The South Line and 1980 Feet From The East Line  
Section 5 Township 19S Range 36E NMPM Lea County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)

3,806.0'GR

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

SUBSEQUENT REPORT OF:

PERFORM REMEDIAL WORK  PLUG AND ABANDON  REMEDIAL WORK  ALTERING CASING   
TEMPORARILY ABANDON  CHANGE PLANS  COMMENCE DRILLING OPNS.  PLUG AND ABANDONMENT   
PULL OR ALTER CASING  CASING TEST AND CEMENT JOB   
OTHER:  OTHER:

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

- 12/09/91 1. Rig up Pulling Unit.  
2. Install blow out preventor, tally tubing out of hole & stank back in derrick.  
3. Run retrievable plug to bottom of surface casing & set @ 1877'.  
4. Tally work string in hole with packer.  
5. Test casing for possible leak - if there is a leak - isolate & establish an injection rate.
- 12/10/91 1. Rig up B.J. Cementing Equipment & squeeze off hole in casing & let cement set up 24 hours.
- 12/11/91 1. Rig up reverse unit & drill out cement. 12/12/91 1. Test casing to <sup>500</sup>~~1000~~ PSI  
12/12/91 2. If casing holds, run production tubing back & set @ 2887'. for 30 minutes.  
3. Release rig - operations complete.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Jack D. Clark TITLE Area Manager DATE 12/6/91

TYPE OR PRINT NAME Jack D. Clark TELEPHONE NO. (505)393-4521

(This space for State Use)

APPROVED BY [Signature] TITLE \_\_\_\_\_ DATE \_\_\_\_\_

CONDITIONS OF APPROVAL, IF ANY:

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT

NO. OF COPIES RECEIVED	
DISTRIBUTION	
SANTA FE	
FILE	
U.S.G.S.	
LAND OFFICE	
OPERATOR	

OIL CONSERVATION DIVISION  
P. O. BOX 2088  
SANTA FE, NEW MEXICO 87501

Form C-103  
Revised 10-1-78

5a. Indicate Type of Lease  
State  Fee   
5. State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO OPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT TO DRILL" (FORM C-101) FOR SUCH PROPOSALS.)

1. OIL WELL  GAS WELL  OTHER: brine supply well

2. Name of Operator: Ernstson McKnight, Inc.

3. Address of Operator: Box 27, Hobbs, NM 88240

4. Location of Well:  
UNIT LETTER J 1980 FEET FROM THE South LINE AND 1980 FEET FROM  
THE East LINE, SECTION 5 TOWNSHIP 16S RANGE 36E NMPM.

7. Unit Agreement Name  
8. Farm or Lease Name: Brine Supply Well

9. Well No.: 1

10. Field and Pool, or Wildcat

11. Elevation (Show whether DF, RT, GR, etc.): 3806.0' GR

12. County: Lea

16. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK

TEMPORARILY ABANDON

PULL OR ALTER CASING

OTHER

PLUG AND ABANDON

CHANGE PLANS

SUBSEQUENT REPORT OF:

REMEDIAL WORK

COMMENCE DRILLING OPNS.

CASING TEST AND CEMENT JOB

OTHER completion

ALTERING CASING

PLUG AND ABANDONMENT

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

- 4/28/79 Rigged up Mark Drilling Co. Drilled 12 1/4" hole to 1850'.
- 5/2/79 Ran 56 joints of 5/8" J-55 casing, set at 1847' with 650 sx HOWCO light 2% CaCl plus 1/2 floccle followed with 200 sx Class "C" neat with 2% CaCl. Plug down 4:30 pm 5/1/79.
- 5/3/79 Drilled shoe and tested casing to 1000 psi for 30 minutes; held o.k.
- 5/4/79 T.D. 2958' in salt. Released rig.
- 5/7/79 Ran 2 7/8" tubing to 2650'. Operations complete.

18. I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNED Nolan Brunson Jr TITLE president DATE 3/6/80

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE MAR 10 1980

CONDITIONS OF APPROVAL, IF ANY:

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form O-104  
Supersedes C-128  
Effective 1-1-65

All distances must be from the outer boundaries of the Section

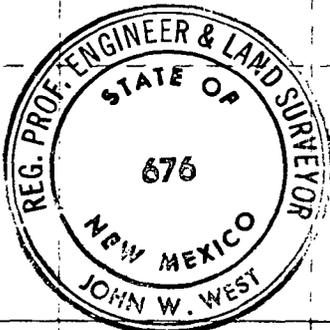
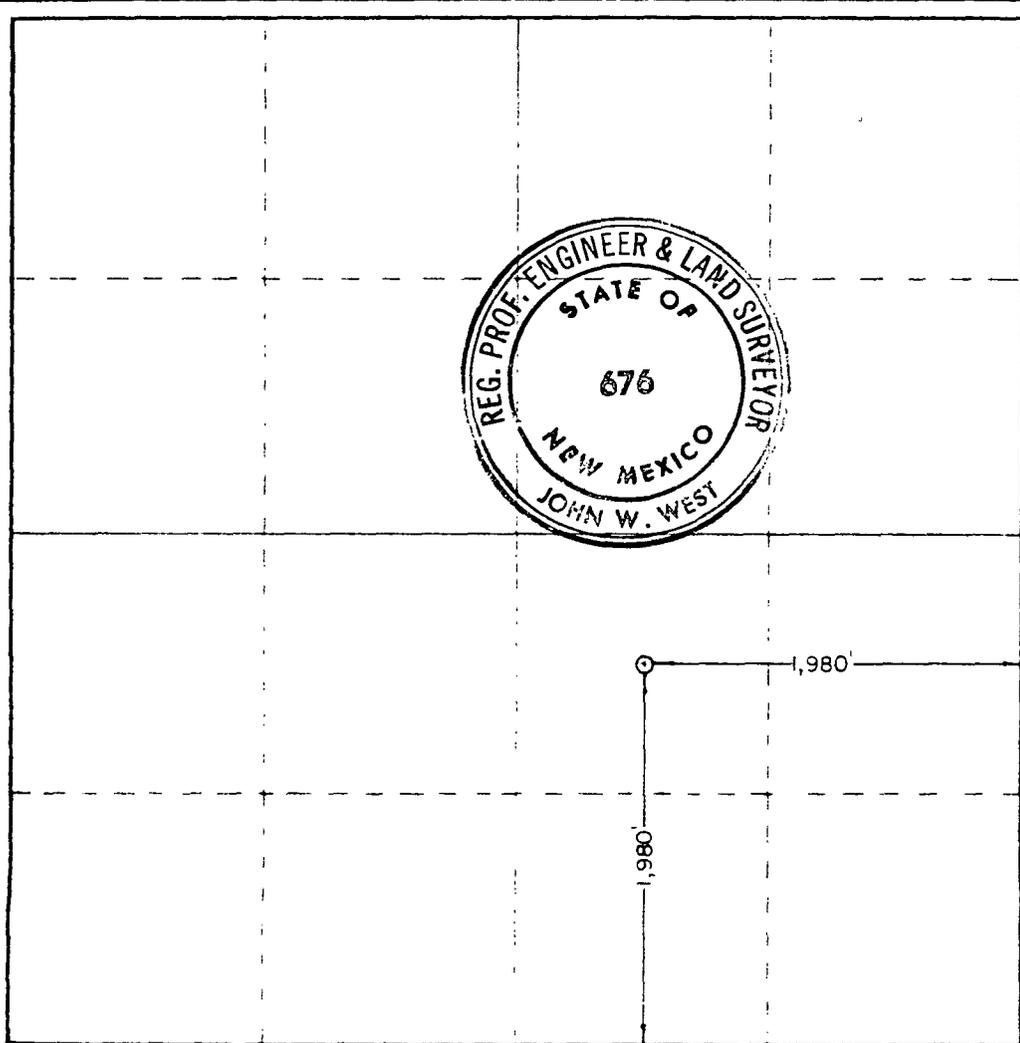
Operator <b>BRUNSON &amp; MC KNIGHT, INC.</b>		Lease <b>Brine</b>		Section <b>1</b>
County <b>J</b>	Section <b>5</b>	Range <b>19 South</b>	Meridian <b>36 East</b>	Section <b>Lea</b>
Actual Acreage Dedication of Wells				
1980		1980		
feet (approx.)		feet (approx.)		
South		East		
Ground Level Elevation	Estimated Elevation	Feet	Estimated Acreage	
<b>3806.0'</b>				
				Area

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes  No If answer is "yes," type of consolidation \_\_\_\_\_

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

*Nelson Brunson, Jr.*  
President  
*Brunson & Mc Knight, Inc.*  
4-27-79

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed  
**April 26, 1979**  
Registered Professional Engineer and Land Surveyor  
*John W. West*

NO. OF COPIES RECEIVED		
DISTRIBUTION		
SANTA FE		
FILE		
U.S.G.S.		
LAND OFFICE		
OPERATOR		

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-101  
Revised 1-1-65

5A. Indicate Type of Lease	
STATE <input type="checkbox"/>	FEE <input checked="" type="checkbox"/>
5. State Oil & Gas Lease No.	
7. Unit Agreement Name	
8. Farm or Lease Name	
Brine Supply Well	
9. Well No.	
1	
10. Field and Pool, or Wildcat	
Undesignated	
12. County	
Lea	
19. Proposed Depth	19A. Formation
3000'	Salt
20. Rotary or C.T.	
Rotary	
21. Elevations (Show whether DF, RT, etc.)	21A. Kind & Status Plug. Bond
3806.0 GR	current
21B. Drilling Contractor	
Marc Drilling Co.	
22. Approx. Date Work will start	
4/27/79	

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work

b. Type of Well DRILL  DEEPEN  PLUG BACK

OIL WELL  GAS WELL  OTHER **brine supply** SINGLE ZONE  MULTIPLE ZONE

2. Name of Operator  
BRUNSON & MCKNIGHT, INC.

3. Address of Operator  
P. O. Box 297, Hobbs, NM 88240

4. Location of Well UNIT LETTER **J** LOCATED **1980** FEET FROM THE **South** LINE AND **1980** FEET FROM THE **East** LINE OF SEC. **5** TWP. **18 S** RGE. **36 E** NMPM

23. PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
11 1/4	8 5/8	25#	1800	750 circ.	
6 1/4	2 3/8"		0--3000	none	

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

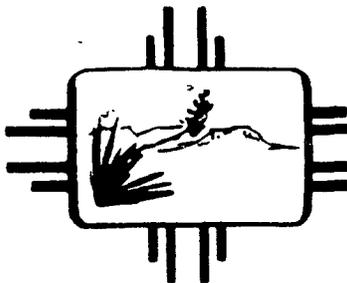
I hereby certify that the information above is true and complete to the best of my knowledge and belief.

Signed Nolan Brunson, Jr. Title President Date 4/27/79

(This space for State Use)

APPROVED BY [Signature] TITLE SUPERVISOR DISTRICT 1 DATE MAY 1 1979

CONDITIONS OF APPROVAL, IF ANY:



New Mexico Health and Environment Department

MARALYN BUDKE  
Acting Secretary

CARLA L. MUTH  
Deputy Secretary

MICHAEL J. BURKHART  
Deputy Secretary

RICHARD MITZELFELT  
Director

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

P 996 327 968

April 18, 1989

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED  
NDT FOR INTERNATIONAL MAIL  
(See Reverse)

Larry Squires  
P.O. Box 774  
Hobbs, NM 88240

Sent to	Larry Squires
Street and No.	P.O. Box 774
P.O., State and ZIP Code	Hobbs, NM 88240
Postage	S
Certified Fee	

RE: Renewal of DP-325

Dear Mr. Squires:

The renewal of the discharge plan (DP-325) for the Salty Dog Inc. Brine Facility located in Lea County, New Mexico is hereby approved subject to the condition listed below, which is part of the financial assurance required pursuant to Section 5-210.B.17. of the New Mexico Water Quality Control Commission (WQCC) regulations.

Salty Dog Inc. will establish a trust fund using the enclosed trust agreement, funded by the performance bond submitted October 31, 1988 (surety number: 01-0130-10506-88-0).

Further, approval of this ground-water discharge plan does not relieve you of your responsibility to comply with any other applicable local laws and regulations, such as zoning requirements and nuisance ordinances.

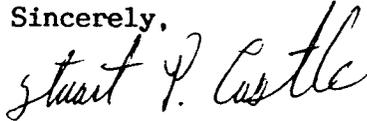
The discharge plan renewal application was submitted pursuant to Section 3-106 of the New Mexico Water Quality Control Commission Regulations. It is approved pursuant to Section 3-109. Please note Subsections 3-109.E. and 3-109.F., which provide for possible future amendment of the plan. Please be advised that the approval of this plan does not relieve you of liability should your operation result in actual pollution of surface or ground waters which may be actionable under other laws and/or regulations.

Monitoring and reporting shall be as specified in the discharge plan and supplements thereto. These requirements are summarized on the attached sheet(s). Any inadvertent omissions from this summary of a discharge plan monitoring or reporting requirement shall not relieve you of responsibility for compliance with that requirement.

Pursuant to Subsection 3-109.G.4., this plan renewal is for a period of 5 years. This approval will expire April 18, 1994, and you should submit an application for new approval in ample time before that date.

On behalf of the staff of the Ground Water Section, I wish to thank you (and your staff and/or consultants) for your cooperation during this discharge plan review.

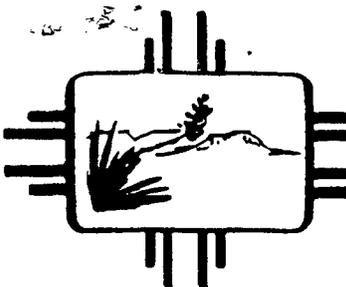
Sincerely,



Stuart P. Castle  
Bureau Chief  
Ground Water Bureau

SPC:JWP:mar

cc: Garrison McCaslin, District IV, EID, Roswell  
Roelf Ruffner, EID, Hobbs



New Mexico Health and Environment Department

CARLA L. MUTH  
Secretary

MICHAEL J. BURKHART  
Deputy Secretary

RICHARD MITZELFELT  
Director

February 22, 1989

Glenn H. Danford  
Leavell/Danford Insurance Agency  
P.O. Box 1889  
Eunice, NM 88231

Dear Mr. Danford:

John Parker referred your letter of January 11, 1989 to me for response. You previously submitted a surety bond for \$6,500; however, you questioned the need for signing the trust agreement which was provided to you by the Environmental Improvement Division (EID) of the NM Health and Environment Department.

If you would allow some background information, about 18 months ago, the EID requested the Office of General Counsel to evaluate the financial assurance provisions contained in NM Water Quality Control Commission Regulation 5-210. The Office of General Counsel recommended that the trust agreement be included along with bonds, letters of credit and trust funds. Furthermore, they provided the EID with various sample forms to make it convenient for EID and the discharger to comply with that recommendation.

It is my understanding that the trust agreement sets up a third party to administer the bond or other financial instrument should payment thereof be necessary. Furthermore, the trust agreement sets the terms and conditions under which payment is made. From that standpoint, the trust agreement can serve to protect both the discharger and the EID.

As I'm sure you are aware, the trust agreement is very new for the UIC Program at EID. Other EID regulatory programs, and those at the federal level, are requiring trust agreements with bonds, so there seems to be a trend in that direction.

If your primary concern is cost, it may be possible that a single trust agreement can cover more than one bond or other financial instrument.

Glenn H. Danford  
February 22, 1989  
Page - 2

If you would like to discuss specific provisions of the trust agreement, you may call Gini Nelson, of HED's Office of General Counsel at 827-2854.

Sincerely,

A handwritten signature in cursive script that reads "Stuart P. Castle". The signature is written in dark ink and is positioned below the word "Sincerely,".

Stuart P. Castle  
Bureau Chief  
Ground Water Bureau

SPC:ECR:mar

cc: Gini Nelson, HED Office of General Counsel

**R E C E I V E D**

**JAN 30 1989**

**GROUND WATER BUREAU**

HEALTH AND ENVIRONMENT DEPARTMENT  
OFFICE OF INTERNAL AUDIT

ENVIRONMENTAL IMPROVEMENT DIVISION  
GROUNDWATER SECTION  
DETERMINATION OF NET WORTH OF  
SALTY DOG, INC., AND SNYDER RANCHES, INC.

**EVALUATION**

Review of Salty Dog, Inc. indicates tangible net worth of \$251 at 3/31/87. Self insurance requires \$35,000 tangible net worth. There is also a 51% reduction in retained earnings for the year ending 3/31/87. Current information is unavailable.

Snyder Ranches, Inc. indicates tangible net worth of \$126,392 as of 3/31/88, although notes receivable in the amount of \$45,880 remain constant (Pollution Control, Inc., and J. Bennett). The relationship and financial statements for Snyder Ranches, Ltd. were not available, therefore, collectibility of the \$114,500 receivable is unknown. The collectibility will affect the tangible net worth available for self insurance. Further review of 12/31/88 year-to-date information indicates a receivable of \$149,871 from Executive Aero, collectibility unknown.

Review of Snyder Ranches, Inc. statements also indicates net income for the year ended 3/31/88 of \$153,056, a 189% increase in retained earnings over the prior year. A portion of the increase is due to \$158,900 from mineral lease revenue (recurring?) and an asset sale of \$28,373. The income analysis shows an upward trend of the corporation's stability, if the mineral lease income is recurring and other revenues and expenses remain constant. Year-to-date 12/31/88 revenue indicates \$462 from mineral lease revenue and the sale of a \$100,000 asset. Year-to-date net income is from the asset sale, not actual operating income.

**RECOMMENDATION**

Request that the amount of self insurance be set aside in a separate account by Snyder Ranches, Inc. or Salty Dog, Inc. (i.e. the liable corporation).

eiddeter

MED Office of Internal Aud  
EID Ground Water Section

Tangible Net Worth Evaluation of:

Salty Dog, Inc., Hobbs, NM

Balance Sheet:	3/31/87
Current Assets	\$251
Current Liabilities	\$0
	-----
Tangible Net Worth	\$251
	-----

Income Statement:	
Revenue	\$22,761
Expenses	\$62,335
	-----
Net Operating Loss	(\$39,574)
	-----
Net Loss	(\$35,701)
	-----

Retained Earnings 4/1/86	\$70,068
Retained Earnings 3/31/87	\$34,367
	-----
Reduction in Retained Earnings	51%

HED Office of Internal Aud  
 EID Ground Water Section

Tangible Net Worth Evaluation of:  
 Snyder Ranches, Inc., Hobbs, NM

Balance Sheet:	3/31/87	3/31/88	12/31/88
Current Assets:			
Cash	\$11,230	\$3,131	\$753
Federal Income Tax (prepaid)	\$771	\$771	\$771
Interest (prepaid)	\$37,633	\$0	\$0
N/R Stockholders	\$26,030	\$31,030	\$96,328
N/R Snyder Ranches, Ltd	\$17,500	\$114,500	\$99,000
N/R Pollution Control, Inc.	\$41,880	\$43,880	\$41,880
N/R Jimmy Bennett	\$4,000	\$4,000	\$4,000
N/R Executive Aero	\$103,728	\$0	\$149,871
<b>Total Current Assets</b>	<b>\$242,772</b>	<b>\$197,312</b>	<b>\$392,603</b>
Current Liabilities:			
Accrued Taxes Payable	\$648	\$665	\$563
N/P First Interstate Bank	\$3,450	\$11,105	n/a
N/P Roswell PCA	\$8,800	\$25,000	n/a
N/P Sandia S & L	\$9,700	\$34,150	n/a
N/P CIT	\$13,584	\$0	n/a
<b>Total Current Liabilities</b>	<b>\$36,182</b>	<b>\$70,920</b>	<b>\$563</b>
<b>Tangible Net Worth</b>	<b>\$206,590</b>	<b>\$126,392</b>	<b>\$392,040</b>
<b>Acid Test Ratio</b>	<b>6.7 : 1</b>	<b>2.8 : 1</b>	<b>697.3 : 1</b>
Income Statement:			
Revenue	\$204,049	\$347,709	\$207,942
Expenses	\$177,592	\$193,230	\$109,600
<b>Net Operating Loss</b>	<b>\$26,457</b>	<b>\$154,479</b>	<b>\$98,342</b>
<b>Net (Loss) Income</b>	<b>(\$5,638)</b>	<b>\$153,156</b>	<b>n/a</b>
Retained Earnings 4/1	\$86,577	\$80,939	
Retained Earnings 3/31	\$80,939	\$233,995	
Reduction in Retained Earnings	7%		
Increase in Retained Earnings		189%	

E I D B U C K S L I P

CHECK ONE:

LETTER TO Glenn H. Danford  
FOR Stuart P. Castle's SIGNATURE

MEMO TO \_\_\_\_\_

PRESS RELEASE

OTHER

SUBJECT: Response to Danford's letter on "UIC" trust agreement

DRAFTED BY: E. C. Rebuck 2/6/89  
(DATE)

CONCURRENCES:

NAME:		INITIAL	DATE REC'D	DATE APPROVED
<u>Ernest Rebuck</u>	<u>Prog. Mgr.</u>	<u>ER</u>	<u>2/8</u>	<u>2/8</u>
<u>Stuart P. Castle</u>	<u>Bur. Chief</u>	<u>SC</u>	<u>2/21</u>	<u>2/22</u>
_____	<u>Deputy Dir.</u>	_____	_____	_____
<u>Jon Thompson</u>	<u>Deputy Dir.</u>	_____	_____	_____
<u>Richard Mitzelfelt</u>	<u>Director</u>	_____	_____	_____
<u>Gini Nelson</u>	<u>Legal Review</u>	_____	_____	_____
_____	<u>Branch Admin.</u>	_____	_____	_____

FINAL DECISION NEEDED BY 3 days if possible BECAUSE at least one  
(Date)  
member of legislature has inquired about EID's response

COMMENTS BY DRAFTER OR REVIEWER(S):

Stuart,  
Gini Nelson has reviewed, and we have  
incorporated all of her recommendations  
ER

## MEMORANDUM OF MEETING OR CONVERSATION

<input checked="" type="checkbox"/> Telephone	<input type="checkbox"/> Personal	Time 3:15 PM	Date 1/23/89
Originating Party Ingrid - State Library		Other Parties John Parker WRS	
Subject Letter from Leavell/Danford Ins Agency to John Parker EIP/GWB			
Discussion I informed Ingrid that we were in the process of working up a response to the letter - and that if the subject trust agreement constituted an unreasonable burden on the brine operator in question, and if trust agreement was not justified to attain adequate financial assurance, then we would re-evaluate our present policy.			
Conclusions or Agreements Ingrid thanked me as indicated she would attach a note to the legislator requesting the info. to that effect!			
Distribution Ernest Reback / Prgm Mngr		Signed JWP	



# Leavell/Danford Insurance Agency

(505) 394-2514  
394-2515  
397-4116

P.O. Box 1889

914 Main

Eunice, New Mexico 88231

January 11, 1989

**R E C E I V E D**  
**JAN 17 1989**

Environmental Improvement Division  
Harold Rummels BLD - 1190 St. Francis Drive  
Santa Fe, New Mexico 87503

**GROUND WATER BUREAU**

Attn: John W. Parker

RE: Salty Dog, Inc.  
Trust Fund/Surety Bond

Dear Mr. Parker,

We have visited with the Surety Bond Manager, the V.P. of First Interstate Bank, the attorney for our principal and not one person can understand the reason for a standby trust fund. The banker is the only one pleased as the bank charges \$400.00 per year at the present and is considering and increase.

The Surety Bond No. 01-0130-10506-88-0 in the amount of \$6500.00 is payable to New Mexico environmental Improvement Division should our principal fail to perform and demand is received from EID.

We do not understand the requirement for a trust fund and are requesting an explanation from your office.

Thank you for your prompt attention.

Sincerely,

Glenn H. Danford

cc: Larry C. Squires  
Salty Dog, Inc.  
P. O. Box 2158  
Hobbs, New Mexico 88240

PERFORMANCE BOND

Date bond executed: October 24, 1988

Effective date: October 24, 1988

Principal: SALTY DOG, INC.

Type of Organization: \_\_\_\_\_

State of incorporation: NEW MEXICO

Surety(ies): [name(s) and business address(es)]  
UNITED STATES FIDELITY AND GUARANTY CO. P.O. BOX 3566, ALBUQUERQUE, NM 87190  
Name, address, and amounts(s) for each injection well  
guaranteed by this bond [indicate amounts for each well]:  
Salty Dog Inc. PO Box 2158, Hobbs, NM 88240  
1980' FSL, 1980' FEL, NW $\frac{1}{4}$ , SE $\frac{1}{4}$ , Section 5, TWP 19, Range 36E, N.M.P.M. Lea Co. NM  
Total penal sum of bond: ~~5500.00~~

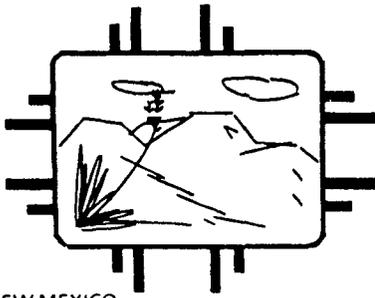
Surety's bond number: 01-0130-10506-88-0

Know All Persons By These Presents, That ~~we~~, the ~~Principal~~ and ~~Surety(ies)~~ hereto, are ~~jointly bound~~ to the ~~New Mexico Environmental Improvement Division~~ (hereinafter called EID), in the above penal sum for the payment of which we bind ourselves, our heirs, executors, administrators, successors, and assigns jointly and severally; provided that, where the Surety(ies) are corporations acting as co-sureties, we, the Sureties, bind ourselves in such sum "jointly and severally" only for the purpose of allowing a joint action or actions against any or all of us, and for all other purposes each Surety binds itself, jointly and severally with the Principal, for the payment of such sum only as is set forth opposite the name of such Surety, but if no limit of liability is indicated, the limit of liability shall be the full amount of the penal sum.

Whereas said Principal is required, under the New Mexico Water Quality Control Commission Regulations to have a permit to operate under rule for each injection well identified above, and

Whereas said Principal is required to provide financial assurance for the proper closing, plugging and abandonment of a well, and hydrogeologic investigation for ground-water contamination as a condition of the permit to operate under rule, and

~~Whereas said Principal shall establish a standby trust fund as is required when a surety bond is used to provide such financial assurance;~~



NEW MEXICO  
**HEALTH AND ENVIRONMENT**  
DEPARTMENT

**ENVIRONMENTAL IMPROVEMENT DIVISION**  
**Harold Runnels Bldg.-1190 St. Francis Drive**  
**Santa Fe, New Mexico 87503**

Richard Mitzelfelt  
Director

GARREY CARRUTHERS  
Governor  
CARLA L. MUTH  
Secretary  
MICHAEL J. BURKHART  
Deputy Secretary

December 22, 1988

Mr. Larry Squires, Owner  
Salty Dog, Inc.  
P.O. Box 774  
Hobbs, New Mexico 88240

Dear Mr. Squires:

The Underground Injection Control staff of the New Mexico Environmental Improvement Division Ground Water Section would like to thank you for your cooperation during our recent inspection of the Salty Dog, Inc. brine facility. A copy of the inspection forms is attached for your reference. Deficiencies noted during the inspection are as follows:

1. Loading area and spillage collection system needs cleaning.
2. Insufficient freeboard in brine storage pond.

Thank you for your continued cooperation. Should you have any questions feel free to contact me (827-2902) or John Parker (827-0027).

Sincerely,

Kevin Lambert  
Hydrologist  
Ground Water Section - UIC Program

KL/JP/mw

cc: Roelf Ruffner, EID Hobbs Field Office

Enclosure

No. of Samples	Ion
/	Na
/	K
/	Ca
/	Mg
/	Cl
/	HCO3
/	CO3
/	SO4
/	TDS
/	NO3+ NO2
/	NH3
/	Field N
/	As
/	Ba
/	Cd
/	CN
/	Cr
/	F
/	Pb
/	Hg
/	Se
/	Ag
/	U
/	V
/	Ra 226
/	Ra 228
/	Cu
/	Fe
/	Mn
/	Phenols
/	Zn
/	Al
/	B
/	Co
/	Mo
/	Ni
/	pH
/	Conduct.

FIELD TRIP REPORT  
GROUND WATER SECTION

County Eddy/Lea

SLD USER CODES  
Ground Water: 59300  
NO<sub>3</sub>, HC, & Toxics: 59600  
UIC: 59500

FACILITY VISITED  
Name of Facility: 20 Brine Facilities of Climax Chemical  
Location: Carlsbad/Hobbs in Southeast NM  
Discharge Plan Number: DP- See Below  
Type of Operation: Brine Production / Chemical Manufacturing

ENVIRONMENTAL IMPROVEMENT DIVISION FIELD VISIT

EID Inspector(s): Lambert  
Date of Inspection or Visit: 12/5-8/88  
Discharger's Representative Present During EID Visit:  
Name: \_\_\_\_\_  
Title or Position: \_\_\_\_\_

Purpose of Visit:

- a. Evaluation of Proposed Discharge Plan \_\_\_\_\_
- b. Compliance Inspection of Discharge with Approved Plan \_\_\_\_\_
- c. Other (specify) \_\_\_\_\_

Inspection Activities During Field Visit:

- a. Inspection of Facilities or Construction (specify) \_\_\_\_\_
- b. Sampling of Effluents (give sampling locations) \_\_\_\_\_
- c. Sampling of Ground Water (give names or locations of wells)  
Sampled M.W. at Marathon
- d. Evaluation of geology, soils, water levels or other physical characteristics of the location (specify) \_\_\_\_\_
- e. Other (specify) \_\_\_\_\_

Observations and Information Obtained during the Visit:

The 20 Brine Facilities of Climax are listed below by DP#. See Individual File for specifics

ACTION REQUIRED	#	#	#	#
	<u>318</u>	<u>323</u>	<u>354</u>	<u>370</u>
	<u>319</u>	<u>324</u>	<u>355</u>	<u>371</u>
	<u>320</u>	<u>325</u>	<u>360</u>	<u>372</u>
	<u>321</u>	<u>326</u>	<u>361</u>	<u>394</u>
	<u>322</u>	<u>351</u>	<u>369</u>	<u>401</u>
				<u>298</u>
				<u>426</u>

BRINE STATION INSPECTION FORM

DATE 12/6 <sup>1415</sup> 1988 EID INSPECTOR Lambert  
FACILITY Salty Dog LOCATION Hobbs Hwy  
FACILITY REP ON SITE secretary COUNTY LEA

WELL OPERATION

valved for reversal

WELL IS INJECTING: — THROUGH ANNULUS — THROUGH TUBING  
SOURCE OF FRESH WATER Water Well  
TRACE INJECTION/PRODUCTION LINES Underground

WELL HEAD PRESSURE \_\_\_\_\_ PSIG PUMP PRESSURE \_\_\_\_\_ PSIG  
LEAKS AROUND WELL OR PUMP —

STORAGE AREA

FOR PONDS:

1 brine storage

GENERAL LINER APPEARANCE lyalon lined Looks OK

AMOUNT OF FREEBOARD ~ 1 foot

ANY SIGN OF OVERFLOW OR LEAKS yes wind causing overflow towards East  
LEAK DETECTION SYSTEM — FLUIDS — DRY

FOR TANKS:

GENERAL APPEARANCE 1 tank has collapsed 2 in good order

LABELLED PLAINLY — YES — NO

BERMED TO PREVENT RUNOFF — YES — NO Drains to collection system

CHECK CONTENTS TO ASSURE PROPER FLUID/LABLE MATCH \_\_\_\_\_

NUMBER OF TANKS FOR BRINE — FRESH WATER 3 middle tank  
Only 1 tank in use - South tank has collapsed

LOADING AREA

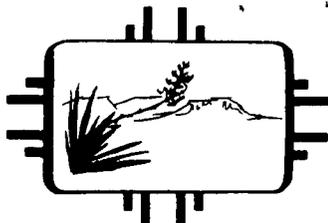
PROPERLY GRADED AND BERMED TO CONTAIN SPILLAGE ✓ YES — NO  
ANY EVIDENCE OF RECENT SPILLAGE ✓ YES — NO  
DOES FACILITY HAVE A SPILL COLLECTION SYSTEM ✓ YES — NO  
ANY EVIDENCE OF OIL SPILLING/DUMPING — YES — NO

Spill collection system lined, contains large amounts of fluids

MONITORING WELLS

DEPTH \_\_\_\_\_ FT STATIC WATER LEVEL \_\_\_\_\_ FT BELOW CASING  
SAMPLED THIS VISIT — YES — NO TEMP \_\_\_\_\_ Ec \_\_\_\_\_

COMMENTS Overall OK, Need to cleanup spillage  
Regrade loading area, cleanup collection system  
minimize wind overflow of pond  
Nothing is major but do recommend  
general spillage cleanup



NEW MEXICO  
HEALTH AND ENVIRONMENT  
DEPARTMENT

Post Office Box 968  
Santa Fe, New Mexico 87504-0968

GARREY CARRUTHERS  
Governor

LARRY GORDON  
Secretary

CARLA L. MUTH  
Deputy Secretary

**R E C E I V E D**

OCT 31 1988

**GROUND WATER BUREAU**

July 26, 1988

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Larry Squires  
Salty Dog, Inc.  
P.O. Box 744  
Hobbs, NM 88240

**R E C E I V E D R E C E I V E D**

OCT 31 1988

**GROUND WATER BUREAU GROUND WATER BUREAU**

Dear Mr. Squires:

The New Mexico Environmental Improvement Division (EID) is in receipt of your submittal dated March 29, 1988. Based on the financial statements provided for Salty Dog, Inc. and Snyder Ranches, Inc., if you will sign and date the enclosed letter supporting use of your financial statements to provide for financial assurance in the event of a hydrogeological investigation, EID will consider their use for this purpose. However, please note that the cost of conducting a hydrogeological investigation as determined by EID is \$35,000.00. Standard practice when evaluating the feasibility of self-insurance for financial assurance is to compare 10 percent of the applicants tangible net worth with the sum of the costs of the required action(s); e.g. \$35,000.00.

With respect to financial assurance for brine well plugging and abandonment, EID is not allowing self assurance. The bond Salty Dog, Inc. has on file with OCD in the sum of \$5,000.00 is also not acceptable for this purpose. The plugging and abandonment plan submitted by Salty Dog, Inc. totalled \$3,778.43, however this does not include the costs of a cast-iron bridge plug (approximately \$1,500.00), an oil field service unit (approximately \$1,000.00 for a long day), well head dismantlement, and setting of a P & A marker. Please provide three estimates for plugging and abandonment which include these items. Once EID has approved your plugging and abandonment plan, and the associated cost estimate, you should use one of the attached forms in order to acquire financial assurance. The attached financial assurance forms are as follows:

1. Financial Guarantee Bond (note: a trust agreement must also be submitted if this bond is used);
2. Performance Bond (note: a trust agreement must also be submitted if this bond is used);
3. Trust Agreement; or
4. Irrevocable Standby Letter of Credit (note: there are additional requirements if this form is used).

Self Insurance for a Hydrogeologic Investigation

I am 50% owner of Salty Dog, Inc., and 100% owner of Snyder Ranches, Inc., This letter is in support of the use of the financial test of self-insurance to demonstrate financial responsibility for undertaking a hydrogeologic investigation for ground water contamination arising from operating the Salty Dog, Inc., brine facility located in Section 5, T19S, R36E, Lea County, New Mexico.

Salty Dog, Inc., or Snyder Ranches, Inc., have neither received an adverse opinion or a disclaimer of opinion from an independent auditor on their financial statements for the latest completed fiscal year.

[Fill in the following information. Tangible net worth is to be derived from the year-end financial statements of Salty Dog, Inc., and Snyder Ranches, Inc., for the latest completed fiscal year.]

1. Amount of hydrogeologic investigation costs covered by the financial test-----\$35,000.00.
2. Tangible net worth----- 685,446.76
3. Is line 2 at least 10 times line 1? YES.

  
\_\_\_\_\_  
[Signature]

Snyder Ranches inc  
\_\_\_\_\_  
[Name]

LARRY C. SQUIRES  
PRESIDENT  
\_\_\_\_\_  
[Title]

10-24-88  
\_\_\_\_\_  
[Date]

Snyder Ranches, Inc.  
Balance Sheet  
At  
FEBRUARY 29, 1988  
SEE ACCOUNTANT'S COMPILATION REPORT

ASSETS

CURRENT ASSETS

Cash in Bank - FIB	12,826.39	
Prepaid Federal Income Tax	771.00	
N/R Stockholders	31,030.26	
N/R Snyder Ranches, Ltd.	139,500.00	
N/R Pollution Control, Inc.	43,879.52	
N/R Executive Aero, Inc.	125,577.58	
N/R Jimmy Bennett	4,000.00	
TOTAL CURRENT ASSETS		357,584.75

FIXED ASSETS

Ranch Improvements (Graham)	61,357.77	
Accu Depreciation (Graham)	<del>58,729.63</del>	
Land	8,000.00	
State Grazing Lease	9,076.72	
Land	1,500.00	
Appreciable Value	57,034.48	
Robert's Place	35,000.00	
Accu Depreciation (Roberts)	<del>26,454.26</del>	
Residence	271,207.78	
Jones Farm	257,437.36	
Accu Depreciation (Jones Farm)	<del>112,662.76</del>	
Depreciable Assets (Rental)	257,212.34	
Accu Depreciation (Rental)	<del>145,704.66</del>	
Oil & Gas Equip. & Leasehold	6,858.42	
Accu Depreciation (Equipment)	<del>8,620.01</del>	
WM Snyder Leasehold Cost	10,500.00	
WM Snyder Equipment	23,307.07	
Accu Depreciation (WM Snyder)	<del>10,041.63</del>	
Airplane	83,000.00	
Accu Depreciation (Airplane)	<del>30,502.01</del>	
TOTAL FIXED ASSETS		688,776.98

OTHER ASSETS

Non-Producing Minerals	18,300.00
3 Shares - Partnership	9,000.00
50 Shares - First-Interstate	5,000.00
Partnership Interest - SR Ltd	<del>23,691.03</del>
Coffee Plantation	4,850.00
Executive Aero Stock	1,500.00
Fish Hawk	1,000.00

Snyder Ranches, Inc.  
Balance Sheet  
At  
FEBRUARY 29, 1986  
SEE ACCOUNTANT'S COMPILATION REPORT

Cash Surrender Value-Life Ins	6,419.18		
TOTAL OTHER ASSETS		22,378.15	
TOTAL ASSETS			1,068,739.88

Snyder Ranches, Inc.  
Income Statement  
For The Period Ending  
FEBRUARY 29, 1988

	Current Period	Percent Of Period Sales	Year-To-Date	Percent Of Y-T-D Sales
<b>INCOME</b>				
Building Rental	1,075.00	.00	17,388.08	.00
Management Fees	.00	.00	16,000.00	.00
Grazing Lease	.00	.00	31,815.69	.00
Dividend	.00	.00	461.76	.00
Wash Royalties	.00	.00	2,096.89	.00
Oil & Gas Sales	6,374.85	.00	51,723.04	.00
Sale of Equipment	.00	.00	99,244.82	.00
Mineral Lease	.00	.00	156,728.50	.00
Surface Damages	.00	.00	2,182.00	.00
Misc. Income	.00	.00	40,203.64	.00
<b>TOTAL INCOME</b>	<b>7,449.85</b>	<b>64.24</b>	<b>417,844.42</b>	<b>693.41</b>
<b>EXPENSES</b>				
Salary	2,000.00	17.25	22,000.00	36.51
Travel	.00	.00	2,100.00	3.48
Mall Repairs	103.27	.89	2,076.34	3.45
Mall Janitor	150.00	1.29	1,650.00	2.74
Mall Utilities	38.43	.33	422.73	.70
Mall Parts & Supplies	58.90	.51	951.48	1.58
Taxes	150.20	1.30	1,704.10	2.83
State Lease Fees	.00	.00	18,932.34	31.42
Consulting	.00	.00	1,650.00	2.74
Legal & Professional	.00	.00	2,028.47	3.37
Lease Operating	531.55	4.58	1,696.63	2.82
Oil Lease Repairs	218.63	1.89	23,205.42	38.51
Oil Lease Pumper Exp.	.00	.00	262.19	.44
Oil Lease Utilities	80.58	.69	1,497.58	2.49
Oil Lease Taxes	963.56	8.31	4,184.87	6.94
Oil Lease Royalty	1,522.75	13.13	6,652.18	11.04
Interest	2,609.35	22.50	36,443.97	60.48
Depreciation	3,258.63	28.10	35,844.93	59.48
Airplane Maint. & Repairs	.00	.00	1,022.63	1.70
Permits & License	.00	.00	95.70	.16
<b>TOTAL EXPENSE</b>	<b>11,685.85</b>	<b>100.76</b>	<b>164,421.56</b>	<b>272.86</b>
<b>NET INCOME</b>	<b>4,236.00-</b>	<b>.00</b>	<b>253,422.86</b>	<b>.00</b>

Snyder Ranches, Inc.  
 -Balance Sheet  
 At  
 FEBRUARY 29, 1988  
 SEE ACCOUNTANT'S COMPILATION REPORT

LIABILITIES AND CAPITAL

CURRENT LIABILITIES

Payroll Taxes Payable	563.21	
TOTAL CURRENT LIABILITIES		563.21

LONG TERM LIABILITIES

N/F RFDCA - Jones	121,691.99	
N/P Sandia	205,157.28	
N/P First Interstate Bank	17,706.68	
N/P Roberts Place	3,727.13	
N/P Reba Stone	46,018.61	
TOTAL LONG TERM LIABILITIES		394,301.69
TOTAL LIABILITIES		394,864.90

CAPITAL

Common Stock	235,000.00	
Paid in Capital	192,500.00	
Treasury Stock	87,986.86	
Retained Earnings	80,938.98	
CURRENT PROFIT & LOSS	253,422.86	
TOTAL CAPITAL		673,874.98

TOTAL LIABILITIES & CAPITAL		1,068,739.88
-----------------------------	--	--------------

*tangible net worth = 279,070.00*

PERFORMANCE BOND

Date bond executed: October 24, 1988

Effective date: October 24, 1988

Principal: SALTY DOG, INC.

Type of Organization: \_\_\_\_\_

State of incorporation: NEW MEXICO

Surety(ies): [name(s) and business address(es)]

UNITED STATES FIDELITY AND GUARANTY CO. P.O. BOX 3566, ALBUQUERQUE, NM 87190

Name, address, and amounts(s) for each injection well guaranteed by this bond [indicate amounts for each well]:

Salty Dog Inc. PO Box 2158, Hobbs, NM 88240

1980' FSL, 1980' FEL, NW $\frac{1}{4}$ , SE $\frac{1}{4}$ , Section 5, TWP 19, Range 36E, N.M.P.M. Lea Co. NM

Total penal sum of bond: \$ 6500.00

Surety's bond number: 01-0130-10506-88-0.

Know All Persons By These Presents, That we, the Principal and Surety(ies) hereto, are firmly bound to the New Mexico Environmental Improvement Division (hereinafter called EID), in the above penal sum for the payment of which we bind ourselves, our heirs, executors, administrators, successors, and assigns jointly and severally; provided that, where the Surety(ies) are corporations acting as co-sureties, we, the Sureties, bind ourselves in such sum "jointly and severally" only for the purpose of allowing a joint action or actions against any or all of us, and for all other purposes each Surety binds itself, jointly and severally with the Principal, for the payment of such sum only as is set forth opposite the name of such Surety, but if no limit of liability is indicated, the limit of liability shall be the full amount of the penal sum.

Whereas said Principal is required, under the New Mexico Water Quality Control Commission Regulations to have a permit to operate under rule for each injection well identified above, and

Whereas said Principal is required to provide financial assurance for the proper closing, plugging and abandonment of a well, and hydrogeologic investigation for ground-water contamination as a condition of the permit to operate under rule, and

Whereas said Principal shall establish a standby trust fund as is required when a surety bond is used to provide such financial assurance;

Now, Therefore, the conditions of this obligation are such that if the Principal shall faithfully perform the activities described above, whenever required to do so, for each injection well this bond guarantees, in accordance with the plugging and abandonment plan and other requirements of the permit for operating under rule as may be amended, pursuant to all applicable laws, statutes, rules, and regulations, as such may be amended,

Or if the Principal shall provide alternate financial assurance and obtain the EID Director's written approval of such assurance, within 90 days after the date of notice of cancellation is received by both the Principal and the EID Director, then this obligation shall be null and void, otherwise it is to remain in full force and effect.

The Surety(ies) shall become liable on this bond obligation only when the Principal has failed to fulfill the conditions described above.

Upon notification by the EID Director that the Principal has been found in violation of the proper closing, plugging and abandonment of a well, and hydrogeologic investigation for ground-water contamination requirements for an injection well this bond guarantees, the Surety(ies) shall either perform the required activities in accordance with the plugging and abandonment plan and other permit requirements or place the penal sum guaranteed into the standby trust fund as directed by the EID Director.

Upon notification by the EID Director that the Principal has failed to provide alternate financial assurance as specified, and obtain written approval of such assurance from the EID Director during the 90 days following receipt by both the Principal and the EID Director of a notice of cancellation of the bond, the Surety(ies) shall place funds in the amount guaranteed for the injection well(s) into the standby trust fund as directed by the EID Director.

The Surety(ies) hereby agree that no amendments to the Settlement Agreement, applicable laws, statutes, rules and regulations shall in any way alleviate its (their) obligation on this bond.

The liability of the Surety(ies) shall not be discharged by any payment or succession of payments hereunder, unless and until such payment or payments shall amount in the aggregate to the penal sum of the bond, but in no event shall the obligation of the Surety(ies) hereunder exceed the amount of said penal sum.

The Surety(ies) may cancel the bond by sending notice of cancellation by certified mail to [name of discharger] and

to the EID Director, provided, however, that cancellation shall not occur during the 120 days beginning on the date of receipt of the notice of cancellation by both the Principal and the EID Director, as evidenced by the return receipts.

The Principal may terminate this bond by sending written notice to the Surety(ies), provided, however, that no such notice shall become effective until the Surety(ies) receive(s) written authorization for termination of the bond by the EID Director.

In Witness Whereof, the Principal and Surety(ies) have executed this Performance Bond and have affixed their seals on the date set forth above.

The person(s) whose signatures appear below hereby certify that they are authorized to execute this surety bond on behalf of the Principal and Surety(ies).

Principal: SALTY DOG, INC.

[Signature]

[Name] LARRY C. SQUIRES

[Title] PRESIDENT

[Corporate Seal]

Corporate Surety(ies):

UNITED STATES FIDELITY AND GUARANTY CO.  
[Name and address]

P.O. Box 3566, Albuquerque, NM 87190  
State of Incorporation:

Maryland

Liability limit:

\$6500.00

[Signature(s)]

*Glenn H. Danford*

[Name(s) and title(s)]

Glenn H. Danford, Attorney-in-fact

Corporate Seal:

[For every co-surety, provide signature(s), corporate seal, and other information in the same manner as for Surety above.]

Bond Premium:

\$ 130.00

CERTIFIED COPY

GENERAL POWER OF ATTORNEY

No. 93133

Know all Men by these Presents:

That UNITED STATES FIDELITY AND GUARANTY COMPANY, a corporation organized and existing under the laws of the State of Maryland, and having its principal office at the City of Baltimore, in the State of Maryland, does hereby constitute and appoint

Glenn H. Danford

of the City of Eunice, State of New Mexico, its true and lawful attorney in and for the State of New Mexico

for the following purposes, to wit:

To sign its name as surety to, and to execute, seal and acknowledge any and all bonds, and to respectively do and perform any and all acts and things set forth in the resolution of the Board of Directors of the said UNITED STATES FIDELITY AND GUARANTY COMPANY, a certified copy of which is hereto annexed and made a part of this Power of Attorney; and the said UNITED STATES FIDELITY AND GUARANTY COMPANY, through us, its Board of Directors, hereby ratifies and confirms all and whatsoever the said

Glenn H. Danford

may lawfully do in the premises by virtue of these presents.

In Witness Whereof, the said UNITED STATES FIDELITY AND GUARANTY COMPANY has caused this instrument to be sealed with its corporate seal, duly attested by the signatures of its Vice-President and Assistant Secretary, this 28th day of May, A. D. 1982

UNITED STATES FIDELITY AND GUARANTY COMPANY.

(Signed) By Charles D. Zimmerman, III Vice-President.

(Signed) Ray H. Britt Assistant Secretary.

STATE OF MARYLAND, BALTIMORE CITY,

ss:

On this 28th day of May, A. D. 1982, before me personally came Charles D. Zimmerman, III, Vice-President of the UNITED STATES FIDELITY AND GUARANTY COMPANY and Ray H. Britt, Assistant Secretary of said Company, with both of whom I am personally acquainted, who being by me severally duly sworn, said that they, the said Charles D. Zimmerman, III and Ray H. Britt were respectively the Vice-President and the Assistant Secretary of the said UNITED STATES FIDELITY AND GUARANTY COMPANY, the corporation described in and which executed the foregoing Power of Attorney; that they each knew the seal of said corporation; that the seal affixed to said Power of Attorney was such corporate seal, that it was so fixed by order of the Board of Directors of said corporation, and that they signed their names thereto by like order as Vice-President and Assistant Secretary, respectively, of the Company.

My commission expires the first day in July, A. D. 1982.

(Signed) Margaret M. Hurst Notary Public.

STATE OF MARYLAND, BALTIMORE CITY,

Sct.

I, Charles W. Mackey, Jr., Clerk of the Superior Court of Baltimore City, which Court is a Court of Record, and has a seal, do hereby certify that Margaret M. Hurst, Esquire, before whom the annexed affidavits were made, and who has thereto subscribed his name, was at the time of so doing a Notary Public of the State of Maryland, in and for the City of Baltimore, duly commissioned and sworn and authorized by law to administer oaths and take acknowledgment, or proof of deeds to be recorded therein. I further certify that I am acquainted with the handwriting of the said Notary, and verily believe the signature to be his genuine signature.

In Testimony Whereof, I hereto set my hand and affix the seal of the Superior Court of Baltimore City, the same being a Court of Record, this 28th day of May, A. D. 1982

(Signed) Charles W. Mackey, Jr., Clerk of the Superior Court of Baltimore City.

COPY OF RESOLUTION

*That Whereas*, it is necessary for the effectual transaction of business that this Company appoint agents and attorneys with power and authority to act for it and in its name in States other than Maryland, and in the Territories of the United States and in the Provinces and territories of Canada;

*Therefore, be it Resolved*, that this Company do, and it hereby does, authorize and empower its President or either of its Vice-Presidents in conjunction with its Secretary or one of its Assistant Secretaries, under its corporate seal, to appoint any person or persons as attorney or attorneys-in-fact, or agent or agents of said Company, in its name and as its act, to execute and deliver any and all contracts guaranteeing the fidelity of persons holding positions of public or private trust, guaranteeing the performances of contracts other than insurance policies and executing or guaranteeing bonds and undertakings, required or permitted in all actions or proceedings, or by law allowed, and

*Also*, in its name and as its attorney or attorneys-in-fact, or agent or agents to execute and guarantee the conditions of any and all bonds, recognizances, obligations, stipulations, undertakings or anything in the nature of either of the same, which are or may by law, municipal or otherwise, or by any Statute of the United States or of any State or Territory of the United States or of the Provinces or territories of Canada, or by the rules, regulations, orders, customs, practice or discretion of any board, body, organization, office or officer, local, municipal or otherwise, be allowed, required or permitted to be executed, made, taken, given, tendered, accepted, filed or recorded for the security or protection of, by or for any person or persons, corporation, body, office, interest, municipality or other association or organization whatsoever, in any and all capacities whatsoever, conditioned for the doing or not doing of anything or any conditions which may be provided for in any such bond, recognizance, obligation, stipulation, or undertaking, or anything in the nature of either of the same.

I, Michael W. Vann, an Assistant Secretary of the UNITED STATES FIDELITY AND GUARANTY COMPANY, do hereby certify that the foregoing is a full, true and correct copy of the original power of attorney given by said Company to Glenn H. Danford

of Eunice, New Mexico, authorizing and empowering him to sign bonds as therein set forth, which power of attorney has never been revoked and is still in full force and effect.

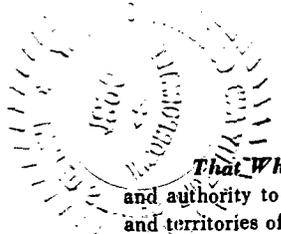
And I do further certify that said Power of Attorney was given in pursuance of a resolution adopted at a regular meeting of the Board of Directors of said Company, duly called and held at the office of the Company in the City of Baltimore, on the 25th day of November, 1981, at which meeting a quorum of the Board of Directors was present, and that the foregoing is a true and correct copy of said resolution, and the whole thereof as recorded in the minutes of said meeting.

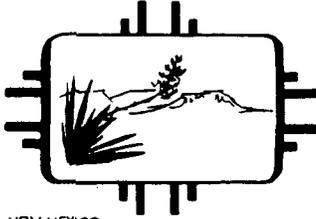
*In Testimony Whereof*, I have hereunto set my hand and the seal of the UNITED STATES FIDELITY AND GUARANTY COMPANY on

(Date) October 24, 1988



Assistant Secretary.





NEW MEXICO  
HEALTH AND ENVIRONMENT  
DEPARTMENT

Post Office Box 968  
Santa Fe, New Mexico 87504-0968

GARREY CARRUTHERS  
Governor

LARRY GORDON  
Secretary

CARLA L. MUTH  
Deputy Secretary

P-484 099 810

*Certified Mail - Return*

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED  
NOT FOR INTERNATIONAL MAIL

(See Reverse)

July 26, 1988

Larry Squires  
Salty Dog, Inc.  
P.O. Box 744  
Hobbs, NM 88240

U.S.G.P.O. 153-506

Sent to	<i>Larry Squires</i>
Street and No.	<i>Salty Dog, Inc.</i>
P.O. State and ZIP Code	<i>P.O. Box 744</i>
Postage	<i>Hobbs, NM 88240</i>
Certified Fee	

Dear Mr. Squires:

The New Mexico Environmental Improvement Division (EID) is in receipt of your submittal dated March 29, 1988. Based on the financial statements provided for Salty Dog, Inc. and Snyder Ranches, Inc., if you will sign and date the enclosed letter supporting use of your financial statements to provide for financial assurance in the event of a hydrogeological investigation, EID will consider their use for this purpose. However, please note that the cost of conducting a hydrogeological investigation as determined by EID is \$35,000.00. Standard practice when evaluating the feasibility of self-insurance for financial assurance is to compare 10 percent of the applicants tangible net worth with the sum of the costs of the required action(s); e.g. \$35,000.00.

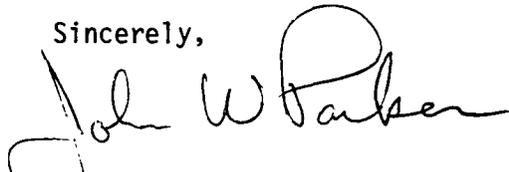
With respect to financial assurance for brine well plugging and abandonment, EID is not allowing self assurance. The bond Salty Dog, Inc. has on file with OCD in the sum of \$5,000.00 is also not acceptable for this purpose. The plugging and abandonment plan submitted by Salty Dog, Inc. totalled \$3,778.43, however this does not include the costs of a cast-iron bridge plug (approximately \$1,500.00), an oil field service unit (approximately \$1,000.00 for a long day), well head dismantlement, and setting of a P & A marker. Please provide three estimates for plugging and abandonment which include these items. Once EID has approved your plugging and abandonment plan, and the associated cost estimate, you should use one of the attached forms in order to acquire financial assurance. The attached financial assurance forms are as follows:

1. Financial Guarantee Bond (note: a trust agreement must also be submitted if this bond is used);
2. Performance Bond (note: a trust agreement must also be submitted if this bond is used);
3. Trust Agreement; or
4. Irrevocable Standby Letter of Credit (note: there are additional requirements if this form is used).

LARRY SQUIRES  
JULY 26, 1988  
Page 3.

Thank you for your cooperation. Should you have any questions you may reach me at 827-0027.

Sincerely,



John Parker  
Water Resource Specialist  
Ground Water Section

JP:mc

cc: Tom Burt, EID Carlsbad Field Office  
Roelf Ruffner, Hobbs EID Field Office

Self Insurance for a Hydrogeologic Investigation

I am 50% owner of Salty Dog, Inc., and 100% owner of Snyder Ranches, Inc., This letter is in support of the use of the financial test of self-insurance to demonstrate financial responsibility for undertaking a hydrogeologic investigation for ground water contamination arising from operating the Salty Dog, Inc., brine facility located in Section 5, T19S, R36E, Lea County, New Mexico.

Salty Dog, Inc., or Snyder Ranches, Inc., have neither received an adverse opinion or a disclaimer of opinion from an independent auditor on their financial statements for the latest completed fiscal year.

[Fill in the following information. Tangible net worth is to be derived from the year-end financial statements of Salty Dog, Inc., and Snyder Ranches, Inc., for the latest completed fiscal year.]

1. Amount of hydrogeologic investigation costs covered by the financial test-----\$35,000.00.
2. Tangible net worth-----\_\_\_\_\_.
3. Is line 2 at least 10 times line 3?\_\_\_\_\_.

\_\_\_\_\_  
[Signature]

\_\_\_\_\_  
[Name]

\_\_\_\_\_  
[Title]

\_\_\_\_\_  
[Date]

JP:mc

WW  
WW  
WW WW WW  
WW W W WW  
WW WW

SIX PLUGS OF 85 SXS CLASS 'C'  
510 SACKS TOTAL  
YIELD 1.32 WGHT 14.8 56% WATER

W E S T E R N

LARRY SQUYRES

CEMENT PRICE LIST

03-31-88

25 Mileage at 25 Miles  
25 Pickup Mileage  
1 Pump charge at 1800  
510 Service charge per cu. ft.  
599.3 Delivery charge per tn/mile  
510 sxs Class C

Total

-----  
\$3778.43

LARRY SQUYRES - Plug Procedure:

PLUG # 1: 1800' to 1500'  
85 sacks Class "C"  
Pull up and reverse out  
2-7/8" tubing - 8.7 bbls  
2-3/8" tubing - 5.8 bbls

112.2 ft<sup>3</sup>

265.4 gal } 609 gal  
243.6 gal } ~ 81.4 ft<sup>3</sup>

PLUG # 2: 1500' - 1200'  
85 sacks Class "C"  
Reverse out  
2-7/8" tubing - 6.9 bbls  
2-3/8" tubing - 4.6 bbls

289.8 } 483  
193.2 } ~ 64.6 ft<sup>3</sup>

PLUG # 3: 1200' - 900'  
85 sacks Class "C"  
Reverse out  
2-7/8" tubing - 5.2 bbls  
2-3/8" tubing - 3.5 bbls

PLUG # 4: 900' - 600'  
85 sacks Class "C"  
Reverse out  
2-7/8" tubing - 3.5 bbls  
2-3/8" tubing - 2.3 bbls

PLUG # 5: 600' - 300'  
85 sacks Class "C"  
Reverse out  
2-7/8" tubing - 1.7 bbls  
2-3/8" tubing - 1.2 bbls

PLUG # 6: 300' - surface  
85 sacks Class "C"

550.5X??

Cast Iron Bridge Plug?  
Well-field Pulling Unit?

# SALTY DOG, INC.

P. O. Box 774

Hobbs, New Mexico 88240

393-7544

March 31, 1988

1. Salty Dog, Inc. will plug the well completely as described in the cost estimates furnished by the Western Co. of North America. See Attachment.
2. All the brine water will be sold, the pond emptied, and the liner would be washed with fresh water which would then be hauled to an acceptable salt water disposal facility. The cost of this would be approximately 10 loads of water at \$150.00 per load. The land and the facilities tied to the land are owned by Snyder Ranches. Snyder Ranches would use the existing facilities after proper clean-up, as a fresh water storage set-up.

At the present time Salty Dog is operating under a lease agreement for the use of the land where Salty Dog is located.

As I am 50% owner of Salty Dog, and 100% owner of Snyder Ranches, I can assure you that both corporations are financially able to take care of their obligations and will remain solvent.

Larry C. Squires

Enc: Salty Dog Financial Statement  
Snyder Ranches Financial Statement

Salty Dog, Inc.  
Reviewed Financial Statements  
March 31, 1987

---

The year does  
not end until  
3/31/88 - We  
have not yet  
received an up-  
dated financial  
stmt ~~for~~ <sup>from</sup> our  
accountant.

*Charles F. Skalenda*  
*Professional Corporation*  
*Registered Public Accountants*  
*113 East Washington*  
*Bovington, New Mexico 88260*

(505) 396-4577

To the Board of Directors  
Salty Dog, Inc.  
Hobbs, New Mexico

I have compiled the accompanying balance sheet of Salty Dog, Inc. as of March 31, 1987, and the related statement of income and retained earnings, and changes in financial position for the year then ended, in accordance with standards established by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Salty Dog, Inc.

A review consists principally of inquiries of Company personnel and analytical procedures applied to financial data. It is substantially less in scope than an examination in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, I do not express such an opinion.

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

June 5, 1987

*Stephen C. Fald CPA*

Salty Dog, Inc.

Balance Sheet

March 31, 1987

ASSETS

Current assets:

Cash

\$ 251

Total current assets

251

Fixed assets:

Equipment

258,529

Less: accumulated depreciation

(204,615)

Total fixed assets

53,914

Other assets:

Organization costs

1,686

Water rights

15,000

Less: accumulated amortization

(6,561)

Total other assets

10,125

Total assets

\$ 64,290

=====

LIABILITIES AND STOCKHOLDERS' EQUITY

Liabilities

Current Liabilities:

-0-

Noncurrent Liabilities:

Notes Payable

\$ 19,923

Total Liabilities

19,923

Stockholders' equity:

Common stock - 10,000 shares outstanding

10,000

Retained earnings

34,367

Total stockholders' equity

\$ 44,367

Total Liabilities and Stockholders' Equity

\$ 64,290

=====

See accountant's compilation report.

Salty Dog, Inc.

Statement of Income and Retained Earnings

For The Year Ended March 31, 1987

Sales	\$22,761
Operating expense:	
Well expense	2,095
Utilities	6,083
Office expense	400
Rent	7,200
Group insurance	4,506
Contract pumper	3,600
Miscellaneous Fees	500
Franchise tax	63
Plugging bond	50
Accounting and legal	733
Promotion and entertainment	2,400
Penalty	113
General liability insurance	3,050
Water royalty	1,804
Interest	141
Service charge	29
Depreciation	28,818
Amortization	750
Total operating costs	<u>62,335</u>
Net operating loss	(39,574)
Other income:	
Interest	3,655
State tax refund	218
Total other income	<u>3,873</u>
Net loss	(35,701)
Retained earnings April 1, 1986	<u>70,068</u>
Retained earnings March 31, 1987	<u>\$34,367</u> =====

See accountant's compilation report.

Salty Dog, Inc.

Statement of Changes in Financial Position

For The Year Ended March 31, 1987

Sources of working capital:	
Operations:	
Net loss	\$(35,701)
Items not requiring working capital:	
Depreciation	28,818
Amortization	750
Long term borrowing	<u>19,923</u>
Total sources of working capital	<u>13,790</u>
Application of working capital:	
Purchase of equipment	<u>52,577</u>
Total application of working capital	<u>52,577</u>
Decrease in working capital	(38,787)
Working capital April 1, 1986	<u>39,038</u>
Working capital March 31, 1987	\$ 251 =====
Decrease (decrease) in working capital Cash	<u>\$(38,787)</u>
Decrease in working capital	<u>\$(38,787)</u> =====

See accountant's compilation report.

Snyder Ranches, Inc.  
Balance Sheet  
At  
SEPTEMBER 30, 1988  
SEE ACCOUNTANT'S COMPILATION REPORT

ASSETS

CURRENT ASSETS

Cash in Bank - FIB	653.99	
Prepaid Federal Income Tax	771.00	
N/R Stockholders	96,327.93	
N/R Snyder Ranches, Ltd.	130,500.00	
N/R Pollution Control, Inc.	43,879.52	
N/R Executive Aero, Inc.	127,870.90	
N/R Jimmy Bennett	4,000.00	
<b>TOTAL CURRENT ASSETS</b>		<b>404,003.34</b>

FIXED ASSETS

Ranch Improvements (Graham)	61,357.77	
Accu Depreciation (Graham)	58,823.00-	
Land	8,000.00	
State Grazing Lease	9,076.72	
Land	1,500.00	
Appreciable Value	57,034.48	
Robert's Place	35,000.00	
Accu Depreciation (Roberts)	27,445.94-	
Residence	271,207.78	
Jones Farm	257,437.36	
Accu Depreciation (Jones Farm)	113,391.94-	
Depreciable Assets (Rental)	254,122.34	
Accu Depreciation (Rental)	149,714.00-	
Oil & Gas Equip. & Leasehold	6,858.42	
Accu Depreciation (Equipment)	4,672.96-	
WM Snyder Leasehold Cost	10,500.00	
WM Snyder Equipment	23,307.07	
Accu Depreciation (WM Snyder)	17,247.04-	
Office Equipment	2,200.00	
<b>TOTAL FIXED ASSETS</b>		<b>626,907.06</b>

OTHER ASSETS

Non-Producing Minerals	18,300.00
3 Shares - Partnership	9,000.00
50 Shares - First Interstate	5,000.00
Partnership Interest - SR Ltd	24,470.00-
Coffee Plantation	4,850.00
Executive Aero Stock	1,500.00
Fish Hawk	1,000.00
Cash Surrender Value-Life Ins	6,419.18

Snyder Ranches, Inc.  
Balance Sheet  
At  
SEPTEMBER 30, 1988  
SEE ACCOUNTANT'S COMPILATION REPORT

TOTAL OTHER ASSETS

21,599.18

TOTAL ASSETS

1,052,509.58

Snyder Ranches, Inc.  
Balance Sheet  
At  
SEPTEMBER 30, 1988  
SEE ACCOUNTANT'S COMPILATION REPORT

LIABILITIES AND CAPITAL

CURRENT LIABILITIES

Payroll Taxes Payable	563.21	
TOTAL CURRENT LIABILITIES		563.21

LONG TERM LIABILITIES

N/P RPCA - Jones	111,316.45	
N/P Sandia	207,782.16	
N/P Roberts Place	1,382.33	
N/P Reba Stone	46,018.61	
TOTAL LONG TERM LIABILITIES		366,499.55
TOTAL LIABILITIES		367,062.76

CAPITAL

Common Stock	235,000.00	
Paid in Capital	192,500.00	
Treasury Stock	87,986.86	
Retained Earnings	233,995.18	
CURRENT PROFIT & LOSS	111,938.50	
TOTAL CAPITAL		<del>685,444.82</del>
TOTAL LIABILITIES & CAPITAL		1,052,509.58

Snyder Ranches, Inc.  
Income Statement  
For The Period Ending  
SEPTEMBER 30, 1988

	Current Period	Percent Of Period Sales	Year-To-Date	Percent Of Y-T-D Sales
<b>INCOME</b>				
Building Rental	1,075.00	.00	7,375.00	.00
Management Fees	.00	.00	52,000.00	.00
Dividend	.00	.00	238.81	.00
Oil & Gas Sales	149.66	.00	20,959.00	.00
Delay Rentals	.00	.00	40.10	.00
Sale of Asset	.00	.00	100,000.00	.00
Mineral Lease	.00	.00	462.00	.00
<b>TOTAL INCOME</b>	<b>1,224.66</b>	<b>4.34</b>	<b>181,074.91</b>	<b>.81.23</b>
<b>EXPENSES</b>				
Salary	2,000.00	7.09	12,000.00	5.38
Travel	2,100.00	7.45	2,100.00	.94
Mall Repairs	.00	.00	1,513.85	.68
Mall Janitor	150.00	.53	750.00	.34
Mall Utilities	39.85	.14	232.00	.10
Mall Parts & Supplies	65.96	.23	442.60	.20
Education	.00	.00	400.00	.18
Taxes	150.20	.53	952.40	.43
State Lease Fees	.00	.00	890.00	.40
Legal & Professional	10,244.00	36.32	11,982.69	5.38
Equip. Lease & Maint. Agree.	680.80	2.41	2,042.40	.92
Misc. Expense	.00	.00	137.05	.06
Lease Operating	130.38	.46	4,483.98	2.01
Oil Lease Repairs	.00	.00	4,856.20	2.18
Oil Lease Utilities	146.34	.52	620.43	.28
Oil Lease Taxes	.00	.00	1,408.53	.63
Oil Lease Royalty	.00	.00	2,377.83	1.07
Interest	4,829.09	17.12	12,580.09	5.64
Depreciation	1,479.11	5.24	8,874.66	3.98
Pipeline Expense	3,226.75-	11.44	466.70	.21
Permits & License	.00	.00	25.00	.01
<b>TOTAL EXPENSE</b>	<b>19,797.98</b>	<b>66.62</b>	<b>69,136.41</b>	<b>31.01</b>
<b>NET INCOME</b>	<b>17,563.32-</b>	<b>.00</b>	<b>111,938.50</b>	<b>.00</b>



Post Office Box 968  
Santa Fe, New Mexico 87504-0968

GARREY CARRUTHERS  
Governor  
LARRY GORDON  
Secretary  
CARLA L. MUTH  
Deputy Secretary

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

March 21, 1988

Larry Squires  
Salty Dog, Inc.  
P.O. Box 744  
Hobbs, NM 88240

Dear Mr. Squires:

The New Mexico Environmental Improvement Division (EID) Ground Water Section has completed review of your renewal application for Salty Dog, Inc. Brine Facility; DP-325. The referenced application consists of the November 28, 1987 application for renewal, and the February 25, 1988 response to the EID requests for additional information. EID is unable to approve your application for renewal because Salty Dog, Inc. has not met the financial assurance requirements of Section 5-210.B.17. of the New Mexico Water Quality Control Commission (WQCC) regulations.

Salty Dog, Inc. has been notified in numerous letters from EID (correspondence dated November 9, 1987) that DP-325 would expire on December 18, 1987. Salty Dog, Inc. has been operating its brine facility now for approximately three months without a permit. In order to insure a timely resolution of this situation, EID is asking Salty Dog, Inc. to agree to the following schedule of compliance:

1. Salty Dog, Inc. will submit an estimate for costs of plugging and abandoning the Salty Dog, Inc. brine well and decommissioning of the surface facilities to EID on or before April 8, 1988.
2. Salty Dog, Inc. will submit financial assurance for both the sum of plugging and abandonment and decommissioning and for the costs of a ground water investigation which EID has established a minimum of \$35,000.00 dollars as being adequate to perform such an investigation. Approvable financial assurance pursuant to Section 5-210.B.17. of the WQCC regulations, will be in place or before April 29, 1988.

EID will not undertake enforcement against Salty Dog, Inc. for the continued operation of the brine facility without a permit so long as Salty Dog, Inc. satisfies the requirements in items 1. and 2., above. Failure to comply with these requirements will free EID to pursue any lawful enforcement action allowed under Section 74-6-5 of the Water Quality Act.

P-484 099 574

**RECEIPT FOR CERTIFIED MAIL**  
NO INSURANCE COVERAGE PROVIDED  
NOT FOR INTERNATIONAL MAIL  
(See Reverse)

U.S.G.P.O. 153-506	Sent to	Larry Squires
	Street and No.	Salty Dog, Inc.
	P.O., State and ZIP Code	P.O. Box 744
	Postage	Hobbs, NM 88240
	Certified Fee	
Special Delivery Fee		

Larry Squires  
March 21, 1988  
Page 2.

Should you want to discuss the terms of this proposed schedule of compliance, you may call me at 827-2900 or you may wish to talk with either Kevin Lambert or John Parker of my staff, telephone numbers 827-2902 and 827-0027 respectively. Thank you in advance for your cooperation and prompt response.

Sincerely,



Richard Mitzelfelt  
Deputy Director  
Water Management Programs

RM:JWP:mc

cc: Ernest Rebuck, Program Manager, Ground Water Section  
Garrison McCaslin, EID District IV Office, Roswell  
EID Hobbs Field Office

---

I have read the above letter and I concur with its contents.

---

Larry C. Squires

---

Date

E I D B U C K S L I P

CHECK ONE:

LETTER TO Larry Squires  
for Richard Mitzelfelt signature

MEMO TO \_\_\_\_\_

PRESS RELEASE

OTHER

SUBJECT: Schedule of Compliance

DRAFTED BY: John Parker \_\_\_\_\_ (Date)

CONCURRENCES:

NAME:		INITIAL	DATE REC'D	DATE APPROVED
<u>E.C. Rebird</u>	Sect. Mgr.	<u>ER</u>	<u>3/22</u>	<u>3/22</u>
<u>RM</u>	Bur. Chief	<u>m</u>	<u>3/22</u>	<u>3/22</u>
<u>Kirkland Jones</u>	Dep. Dir.	_____	_____	_____
<u>Michael Burkhart</u>	Director	_____	_____	_____

*Richard has a copy (RM)*

FINAL DECISION NEEDED BY \_\_\_\_\_ (date) BECAUSE \_\_\_\_\_

COMMENTS BY DRAFTER OR REVIEWER(S):

Need schedule of compliance to force Squires into action on financial assurance. otherwise renewal is approvable.

Hand Delivered to John Parker on 03/02/88. JHP

# SALTY DOG, INC.

P. O. Box 774

Hobbs, New Mexico 88240

393-7544

February 25, 1988

1. The amount of brine produced during the quarter ending September 1987 is as follows:

July -	16340 bbls.
Aug -	4979 bbls.
Sept -	8319 bbls.
<hr/>	
Total	29638 bbls.
2. The dimensions for the spill collection system pond are as follows: 20'x 20'x 10' and is lined with a hypolone liner.
3. The pipe connecting the brine well with the brine storage pond is 2400' long and is a 3" polyethene pipe.
4. See Attachment #1.
5. To be done by the E.I.D.
6. During the five year renewal period, a cement bond log or equivalent procedure will be conducted.
7. The E.I.D. office will be notified prior to commencement of drilling, cementing and casing, well logging, mechanical integrity tests, and any other well workover.
8. The maximum operating pressure of the well is 500 psi. When this pressure has been reached, the well automatically shuts down.
9. The collection system will be kept free of produced waters and any ponding of spilled brine or produced waters will be cleaned up.
10. In the event that the brine well needs to be plugged, the 8 5/8" casing will be completely filled with cement to the surface.
11. See Attachment #2

# SALTY DOG, INC.

P. O. Box 774

Hobbs, New Mexico 88240

393-7544

BRINE WELL

Elev. 3800

—————  
CALICHE SS

————— 40

SANDSTONE  
WATER FOUNDATION

————— 150

REDBEDS

1800

—————  
ANHYDRITE

————— 2000

↑  
SALT

↓  
BASE

————— 2900

Date: 8-10-87 pb

RELIANCE INSURANCE CO.

PLEASE NOTE:

Bond Renewal Inquiry

Leavell-Danford Ins. Agency

XXXXXXXXXXXXXXXXXXXXX INC  
PO BOX XXXXXX 1422  
XXXXXXXXXX Eunice, NM 88231 XXXXXX

Attn: Rhonda

Check appropriate block and return Agent's Reply Copy (No. 5) to Company.

- RENEW— Check accuracy of Reporting Instructions noted below and forward requested data
- RENEW FOR ( 1 ) YEARS.
- CONTINUE AS IS.
- CANCEL—TYPE A— Attach Termination Evidence
- CANCEL—TYPE B & C— No papers required.

TYPE OF RENEWAL AND REPORTING INSTRUCTIONS: (only items checked apply)

- A non-cancellable**  
BOND CONTINUES INDEFINITELY UNLESS TERMINATION NOTICE OR EVIDENCE IS RECEIVED.
- 1. WE WILL AUTOMATICALLY CHARGE YOUR ACCOUNT WITH THE RENEWAL PREMIUM SHOWN BELOW UNLESS WE ARE ADVISED TO THE CONTRARY.
  - 2. UPON RETURN OF THE ATTACHED FORM(S) FULLY COMPLETED, WE WILL CALCULATE THE RENEWAL PREMIUM AND CHARGE IT TO YOUR ACCOUNT.

- B BOND EXPIRES AUTOMATICALLY BUT MAY BE EXTENDED BY CONTINUATION CERTIFICATE.**
- 1. PLEASE ADVISE IMMEDIATELY AND WE WILL ISSUE CONTINUATION CERTIFICATE.
  - 2. SINCE YOU HAVE POWER OF ATTORNEY, PLEASE SEND US COPY OF EXECUTED CONTINUATION CERTIFICATE.

- C BOND EXPIRES AUTOMATICALLY BUT A NEW BOND MUST BE ISSUED IN ORDER TO CONTINUE COVERAGE.**
- 1. PLEASE ADVISE IMMEDIATELY AND WE WILL ISSUE THE BOND. IF OBLIGEE HAS THEIR OWN FORM, SEND US COPY FOR EXECUTION.
  - 2. SINCE YOU HAVE POWER OF ATTORNEY, PLEASE SEND US COPY OF THE EXECUTED BOND BUT, IF COPY OF BOND IS UNAVAILABLE, COMPLETE INFORMATION BELOW.

Renew for period 10-19-87 to 10-19-88  
One Well Plugging Bond  
5,000.

Eff Date	Exp Date
Exec Date	Bond Amt
	\$

Principal (Obligee if Fidelity)	Agency Code	Branch	Bond Number	Expiration MTH/YR.	Renewal Premium *
SALTY DOG INC	XXXXXXXX 615402	XXXXXXXX Denver	B 0477641	10/87	5

- \* 1.  The premium shown for this policy (3-D or BCP) does not include Burglary.
- \* 2.  The premium shown for this bond covers one (1) year only. We invite you to take advantage of savings in handling costs available to you by converting it to a multi-year, prepaid premium. As indicated, your client also benefits. Various advance premium and savings are:

(3) YEAR BASIS \$ \_\_\_\_\_ SAVINGS \$ \_\_\_\_\_

( ) YEAR BASIS \$ \_\_\_\_\_ SAVINGS \$ \_\_\_\_\_

NOTE: WE RECOMMEND THAT YOU ALSO APPLY THE ADVANCE PREMIUM TECHNIQUE TO ORIGINAL PREMIUMS WHENEVER POSSIBLE

RECEIVED  
AUG 13 1987

Date: 1/15/88

RELIANCE INSURANCE CO.

Bond Renewal Inquiry

PLEASE NOTE:

Check appropriate block and return Agent's Reply Copy (No. 5) to Company.

- RENEW— Check accuracy of Reporting Instructions noted below and forward requested data.
- RENEW FOR ( 1 ) YEARS.
- CONTINUE AS IS.
- CANCEL—TYPE A— Attach Termination Evidence.
- CANCEL—TYPE B & C— No papers required.

TO:  
 615401 LEAVELL DANFORD INS AG IN  
 P O BOX 1889  
 EUNICE NM 88431

ATTN: Rhonda

TYPE OF RENEWAL AND REPORTING INSTRUCTIONS: (only items checked apply)

<input checked="" type="checkbox"/> <b>A non-cancellable</b> BOND CONTINUES INDEFINITELY UNLESS TERMINATION NOTICE OR EVIDENCE IS RECEIVED.		<input type="checkbox"/> <b>B</b> BOND EXPIRES AUTOMATICALLY BUT MAY BE EXTENDED BY CONTINUATION CERTIFICATE.	<input type="checkbox"/> <b>C</b> BOND EXPIRES AUTOMATICALLY BUT A NEW BOND MUST BE ISSUED IN ORDER TO CONTINUE COVERAGE.
<input checked="" type="checkbox"/> 1. WE WILL AUTOMATICALLY CHARGE YOUR ACCOUNT WITH THE RENEWAL PREMIUM SHOWN BELOW UNLESS WE ARE ADVISED TO THE CONTRARY.	<input type="checkbox"/> 1. PLEASE ADVISE IMMEDIATELY AND WE WILL ISSUE CONTINUATION CERTIFICATE.	<input type="checkbox"/> 1. PLEASE ADVISE IMMEDIATELY AND WE WILL ISSUE THE BOND. IF OBLIGEE HAS THEIR OWN FORM, SEND US COPY FOR EXECUTION.	
<input type="checkbox"/> 2. UPON RETURN OF THE ATTACHED FORM(S) FULLY COMPLETED, WE WILL CALCULATE THE RENEWAL PREMIUM AND CHARGE IT TO YOUR ACCOUNT.	<input type="checkbox"/> 2. SINCE YOU HAVE POWER OF ATTORNEY, PLEASE SEND US COPY OF EXECUTED CONTINUATION CERTIFICATE.	<input type="checkbox"/> 2. SINCE YOU HAVE POWER OF ATTORNEY, PLEASE SEND US COPY OF THE EXECUTED BOND BUT IF COPY OF BOND IS UNAVAILABLE, COMPLETE INFORMATION BELOW. Eff Date                      Exp Date	

Renew for period 2/14/88 to 2/14/89  
 One-Well Plugging Bond  
 5,000                      Need current financials

Exec Date                      Bond Amt  
 \$

Principal (Obligee if Fidelity)	Agency Code	Branch	Bond Number	Expiration MTH/YR.	Renewal Premium *
SALTY DUG. INC.	015402	Denver	0 0517920	02/80	

- \* 1.  The premium shown for this policy (3-D or BCP) does not include Burglary.
- \* 2.  The premium shown for this bond covers one (1) year only. We invite you to take advantage of savings in handling costs available to you by converting it to a multi-year, prepaid premium. As indicated, your client also benefits. Various advance premium and savings are:

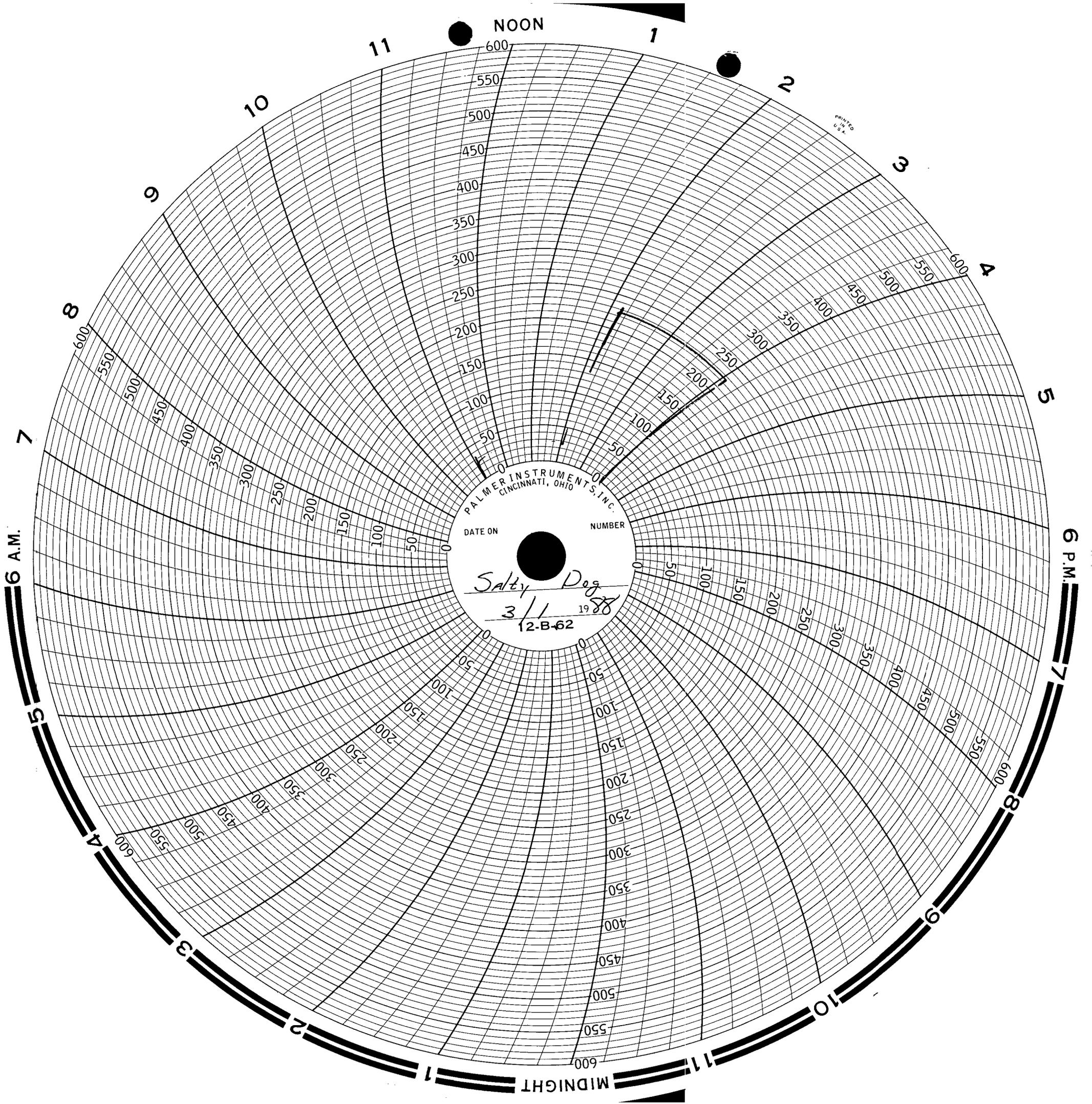
(3) YEAR BASIS \$ \_\_\_\_\_ SAVINGS \$ \_\_\_\_\_

( ) YEAR BASIS \$ \_\_\_\_\_ SAVINGS \$ \_\_\_\_\_

NOTE: WE RECOMMEND THAT YOU ALSO APPLY THE ADVANCE PREMIUM TECHNIQUE TO ORIGINAL PREMIUMS WHENEVER POSSIBLE

RECEIVED  
 JAN 22 1988





NOON

PRINTED  
U.S.A.

PALMER INSTRUMENTS, INC.  
CINCINNATI, OHIO

DATE ON NUMBER

*Salty Dog*  
*3/1 1988*  
*12-B-62*

6 A.M.

6 P.M.

MIDNIGHT

MEMORANDUM OF MEETING OR CONVERSATION

Telephone     Personal    Time 9:30 AM    Date 02/22/88

Originating Party: John Parker  
Other Parties: Larry Squires

Subject: WRS II  
DP-305, Salty Dog Brine  
Renewal

Discussion  
Informed Mr Squires that Kevin and I would be down in Hobbs next week and would like to meet with him, and also do a pressure test of the Salty Dog Brine ~~Fracture~~ Well. I asked how he was progressing on the renewal. He said he had not had time to do much on it. I informed him that his plan had expired on Dec. 18, 1987.

Conclusions or Agreements  
Mr. Squires said he'd get responses to our questions by next week when we visit Hobbs.

Distribution: File  
Signed: John Parker

*file copy*

Post Office Box 968  
Santa Fe, New Mexico 87504-0968

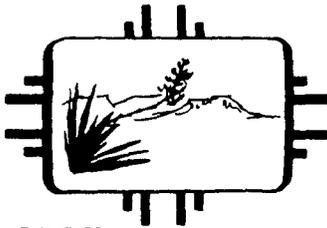
GARREY CARRUTHERS  
Governor

LARRY GORDON  
Secretary

CARLA L. MUTH  
Deputy Secretary

ENVIRONMENTAL IMPROVEMENT DIVISION

Michael J. Burkhart  
Director



NEW MEXICO  
HEALTH AND ENVIRONMENT  
DEPARTMENT

February 5, 1988

James D. Thornton  
Petro-Thermo Corporation  
P.O. Box 2069  
Hobbs, NM 88241-2069

Dear Mr. Thornton:

Thank you for your comments regarding the renewal of DP-325, the Discharge Plan for the Salty Dog, Inc. brine station. Your comments along with any others we receive will be incorporated into our file for DP-325.

As you are already aware, having reviewed both the renewal application and our response requesting additional information and commitments, the Environmental Improvement Division (EID) is requiring compliance with Part 5 of the Water Quality Control Commission regulations prior to renewal of DP-325. Your suggestion that EID force Salty Dog, Inc. to suspend operations until they can prove that there has been no ground water contamination is not consistent with EID's approach with facilities of this type. Generally the EID does not pursue termination of a discharge plan unless there has been a history of non-compliance, or when there is substantial evidence that ground water degradation is or will be occurring.

Rather than address each of the six itemized comments in your letter individually, let me just reassert our intention to require complete compliance with Parts 3 and 5 of the WQCC regulations for all discharge plans, including Salty Dog, Inc. Your suggestions will receive due consideration during EID's review of the renewal application.

Your request to hold a public hearing is duly noted. Final decision on whether to hold a public hearing is vested in the EID Director, Michael Burkhart. At this time yours is the only request we have received for a public hearing.

If we can be of further service please call me at 827-0027 or Kevin Lambert at 827-2906.

Sincerely,

John Parker  
Water Resource Specialist  
Ground Water Section

JP:dg

cc: Michael Burkhart, Director, Environmental Improvement Division  
Richard Mitzelfelt, Chief, Ground Water Bureau  
Ernest C. Rebeck, Program Manager, Ground Water Section

# PETRO-THERMO CORPORATION

P.O. BOX 2069      PHONES (505) 393-2417 — 397-3557  
HOBBS, NEW MEXICO 88241-2069



January 26, 1988

C E R T I F I E D M A I L

Environmental Improvement Division  
P.O. Box 968  
Santa Fe, New Mexico 87504-0968

RECEIVED

Attn: Chief of the Ground Water Bureau

JAN 28 1988

Re: Discharge Plan DP-325  
Salty Dog, Inc.  
Brine In situ Extraction Well

GROUND WATER/HAZARDOUS WASTE  
BUREAU

Gentlemen:

Reference is made to the notice which appeared in the Hobbs Daily News Sun inviting comments with regard to the renewal of the Salty Dog, Inc. Discharge Plan referenced above. This is written to offer the following comments for your consideration.

In our opinion, the operation depicted lacks the assurance of adequate groundwater protection due to an incomplete discharge plan and an inadequately constructed facility. Recent inspections by EID agents revealed puddles of produced and brine waters that had been spilled and left to seep into the soil and ultimately into the groundwater. The facility itself contains a brine storage pit which may have already developed an undetected leak due to the absence of a secondary liner to contain any fluids which may penetrate through. Without containment of a possible leak, the monitoring system designed is inadequate. The mechanical integrity of the well has not been determined for a period of over five years. Also, the determination of conduits for fluid movement has never been performed and is a specific requirement of the Water Quality Control Commission (WQCC 5-204. B.2.a). Furthermore, the water wells used to monitor the brine extraction well are inadequate because the groundwater in the area flows away from these monitor wells. In view of these facts, we suggest that the Salty Dog, Inc. Brine In situ Extraction Facility suspend operations until an assessment is made concerning possible groundwater contamination and an abatement of water pollution has been established.

Having applied for a permit to operate a brine in situ extraction well, our management fully realizes the important responsibility placed upon the EID to promulgate regulations that all extraction well operators must comply with in an effort to effectively protect the environment. With this in mind, we respectfully submit the following suggestions. Regulatory reference to the Water Quality Control Commission (WQCC) and New Mexico Statutes Annotated (NMSA) regulations follow in parenthesis.

- 1) The storage and overflow pit as shown in the Discharge Plan does not include the containment of fluids, should a leak occur in the liner. Although an elaborate design exists to monitor leaks, containment of any leaks have been overlooked. Should a leak occur in the primary liner, the fluids are allowed to seep into the sand and pea gravel beneath the pit and percolate into the soil contaminating groundwater. With the absence of a secondary liner, containment is virtually impossible allowing fluids to escape the current monitoring system without detection. Before renewal, Petro-Thermo suggests that the pit be lined with a secondary liner as set forth in the Attachment "Guidelines For The Design And Construction Of Lined Evaporation Pits" which has been adopted by the New Mexico Oil Conservation Division. Also, the overflow pit should be kept dry at all times. (WQCC 3-107.A.1 thru 3, NMSA 74-6-5.G.1)
- 2) In the vicinity of the surface installation and brine well, the movement of water is towards the southeast. The water wells that are being used to monitor the facility are to the southwest and northwest of the facility. Should a leak develop in either the brine well, brine storage pit or overflow pit, the water wells monitored would not detect a leak. Before renewal, Petro-Thermo suggests that three wells be drilled located 200 feet to the south, southeast and east of the brine in situ extraction well and surface facilities. A monitoring program should then be initiated to assess any damage that has already been done and to monitor continued operation of the facility. (WQCC 3-107.A.1 thru 3; WQCC 5-205.C.1; WQCC 5-205.C.2; WQCC 5-205.C.4; WQCC 5-207.B.3; WQCC 5-207.C.2.b; WQCC 5-208.B.2.a; NMSA 74-6-5.G.1)
- 3) According to Part 5 of the Discharge Plan submitted November 28, 1987, the only mechanical integrity test that has been performed was when the well was completed. It also states that the annular pressure is monitored during the operation and is noticed only if the pressure rises above 500 PSI. These tests do not in any way reflect the current mechanical integrity of the casing. Before renewal, Petro-Thermo suggests that a pressure test be performed and witnessed, and that the results be submitted to the EID and WQCC. (WQCC 5-204.B.1.b; WQCC 5-207.A; WQCC 5-208.B.2.b; WQCC 5-210.C.3)

COMPLAINTS

Environmental Improvement Division  
Discharge Plan DP-325  
Salty Dog, Inc.  
Page 3

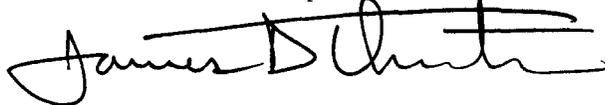
- 4) According to the Discharge Plan with all amendments, the determination of conduits for fluid movement has never been performed. Before renewal, Petro-Thermo suggests that a cement bond log be performed and witnessed, and that the results be submitted to the EID and WQCC. (WQCC 5-204.B.2.a; WQCC 5-207.A; WQCC 5-208.B.2.b; WQCC 5-210.C.3)
- 5) The Discharge Plan submitted does not contain any information regarding the collection of brine where the brine is discharged at the loading station. Before renewal, Petro-Thermo suggests that an impermeable sump and collecting pad should be installed to prevent further contamination of groundwater. (WQCC 3-107.A. 1 thru 3; NMSA 74-6-5.G.1)
- 6) According to the Discharge Plan submitted, reports on required monitoring are being submitted on a 5 year period. Before renewal, Petro-Thermo suggests that reports be submitted on a quarterly basis to better ascertain the impact of the facility on groundwater. (WQCC 5-208.B.2.a; NMSA 75-6-5.G.2)

If it is the intention of the EID to waive these regulations with regard to the Salty Dog, Inc. Discharge Plan, please forward the reasons supporting your decision to us and schedule a public hearing in compliance with NMSA 74-6-5.E .

Petro-Thermo appreciates this opportunity to submit our comments and suggestions. If you have any questions please do not hesitate to call me at (505) 397-3557.

Yours truly,

Petro-Thermo Corporation



James D. Thornton  
Engineer

JDT/dlb

Attachment: As stated

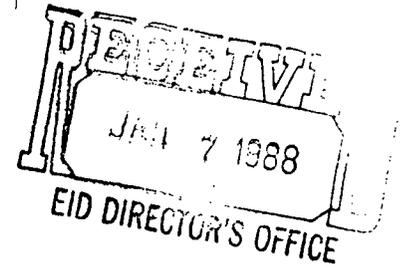
xc: Michael J. Burkhart - Director, EID, Santa Fe  
Ernest Rebeck - EID, Santa Fe  
EID - Hobbs Field Office



**UNITED STATES  
DEPARTMENT OF THE INTERIOR  
FISH AND WILDLIFE SERVICE**

Ecological Services  
Suite D, 3530 Pan American Highway NE  
Albuquerque, New Mexico 87107

January 4, 1988



RECEIVED

JAN 7 1988

GROUND WATER/HAZARDOUS WASTE  
BUREAU

Mr. Michael J. Burkhardt, Director  
New Mexico Health and Environment Department  
Environmental Improvement Division  
P. O. Box 968-Crown Building  
Santa Fe, New Mexico 87504-0968

Dear Mr. Burkhardt:

This responds to your public notice dated December 18, 1987 in which several proposed groundwater discharge plans were described. We have reviewed all of the plans and have not identified any resource issues of concern to our agency in the following:

DP-535, Village of San Jon, Quay County, San Jon, New Mexico.  
DP-325, Salty Dog, Inc., Lea County, Hobbs, New Mexico. ✓  
DP-493, Chino Mines Company, Grant County, Hurley, New Mexico.  
DP-436, Joy Canning Company, Dona Ana County, Las Cruces, New Mexico.

These comments represent the views of the Fish and Wildlife Service. If you have any questions concerning our comments, please contact Tom O'Brien at FTS 474-7877 or (505) 883-7877.

Sincerely yours,

John C. Peterson  
Field Supervisor

cc:

Director, New Mexico Department of Game and Fish, Santa Fe, New Mexico  
Regional Administrator, Environmental Protection Agency, Dallas, Texas  
Regional Director, U.S. Fish and Wildlife Service, Fish and Wildlife  
Enhancement, Albuquerque, New Mexico



Post Office Box 968  
Santa Fe, New Mexico 87504-0968

ENVIRONMENTAL IMPROVEMENT DIVISION

Michael J. Burkhardt  
Director

GARREY CARRUTHERS  
Governor

LARRY GORDON  
Secretary

CARLA L. MUTH  
Deputy Secretary

December 31, 1987

Larry Squires  
Salty Dog, Inc.  
P.O. Box 774  
Hobbs, NM 88240

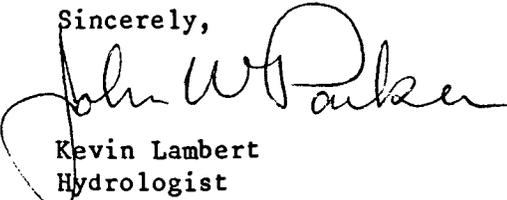
Dear Mr. Squires:

The Underground Injection Control staff of the New Mexico Environmental Improvement Division Ground Water Section would like to thank you for your cooperation during our recent inspection of Salty Dog Hobbs #1 brine facility. A copy of the inspection form is attached for your reference. Deficiencies noted during the inspection are as follows:

1. Produced waters present in spill collection system. Oil and oily residues should be removed. Collection system should be inspected and cleaned frequently.
2. There was an inadequate amount of freeboard in the brine storage pond. A freeboard of at least two feet should be maintained.

Thank you for your continued cooperation. Should you have any questions feel free to contact me (827-2902) or John Parker (827-0027).

Sincerely,

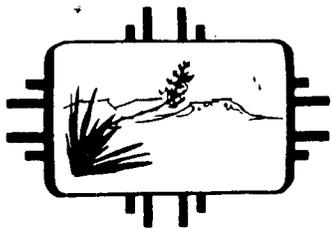
  
Kevin Lambert  
Hydrologist  
Ground Water Section

KL:JP:egr

Enclosure

*OIL IN OVERFLOW  
BIT*





NEW MEXICO  
HEALTH AND ENVIRONMENT  
DEPARTMENT

Post Office Box 968  
Santa Fe, New Mexico 87504-0968

ENVIRONMENTAL IMPROVEMENT DIVISION

Michael J. Burkhart  
Director

GARREY CARRUTHERS  
Governor

LARRY GORDON  
Secretary

CARLA L. MUTH  
Deputy Secretary

P-484 097 864

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED  
NOT FOR INTERNATIONAL MAIL

(See Reverse)

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

December 21, 1987

Larry Squires  
Salty Dog, Inc.  
P.O. Box 774  
Hobbs, NM 88240

Dear Mr. Squires:

Enclosed is a copy of the public notice pertaining to your proposed discharge which was issued by this division pursuant to New Mexico Water Quality Control Commission Regulations, Section 3-108.

If you have any questions, please do not hesitate to contact me at the address listed above or at phone number (505) 827-2900.

Sincerely,

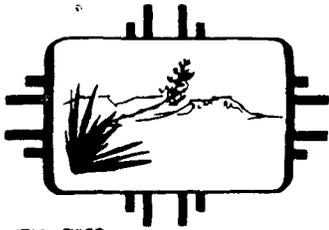
*Kevin A. Lambert for*  
Ernest C. Rebeck  
Program Manager  
Ground Water Section

ECR/egr

Enclosure

U.S.G.P.O. 153-506

Sent to	<i>Larry Squires</i>	
Street and No.	<i>P.O. Box 774</i>	
P.O.: State and ZIP Code	<i>Hobbs, NM</i>	
Postage		S
Certified Fee		
Special Delivery Fee		



NEW MEXICO  
HEALTH AND ENVIRONMENT  
DEPARTMENT

Post Office Box 968  
Santa Fe, New Mexico 87504-0968

ENVIRONMENTAL IMPROVEMENT DIVISION

Michael J. Burkhart  
Director

GARREY CARRUTHERS  
Governor

LARRY GORDON  
Secretary

CARLA L. MUTH  
Deputy Secretary

P-484 097 869

RECEIPT FOR CERTIFIED MAIL  
NO INSURANCE COVERAGE PROVIDED  
NOT FOR INTERNATIONAL MAIL  
(See Reverse)

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

December 21, 1987

The Honorable JoAnn Martin  
Mayor, City of Hobbs  
P.O. Box 1117  
Hobbs, New Mexico 88240

U.S.G.P.O. 153-506	Sent to	Mayor JoAnn Martin
	Street and No.	P.O. Box 1117
	P.O., State and ZIP Code	Hobbs, NM 88240
	Postage	\$
	Certified Fee	
Special Delivery Fee		

Dear Mayor Martin:

Enclosed is a public notice which includes notice of a proposed discharge plan(s) for one or more operations in or near your city.

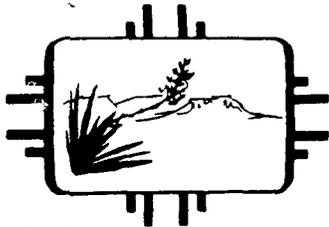
If you have any questions, please do not hesitate to contact me at the address given above or at 827-2900.

Sincerely,

Ernest C. Rebuck  
Program Manager  
Ground Water Section

ECR/egr

Enclosure



NEW MEXICO  
HEALTH AND ENVIRONMENT  
DEPARTMENT

Post Office Box 968  
Santa Fe, New Mexico 87504-0968

ENVIRONMENTAL IMPROVEMENT DIVISION

Michael J. Burkhardt  
Director

GARREY CARRUTHERS  
Governor

LARRY GORDON  
Secretary

CARLA L. MUTH  
Deputy Secretary

P-484 097 861

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED  
NOT FOR INTERNATIONAL MAIL

*Lea*  
(See Reverse)

U.S.G.P.O. 153-506

Sent to	<i>County Commissioners</i>	
Street and No.	<i>215 E. Central</i>	
P.O. State and ZIP Code	<i>Lovington, NM</i>	
Postage		\$
Certified Fee		
Special Delivery Fee		

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

December 21, 1987

Board of County Commissioners  
Lea County Courthouse  
215 E Central  
Lovington, NM 88260

Board of County Commissioners:

Enclosed is a public notice for one or more operations located in your county.

If you have any questions, please do not hesitate to contact me at the address listed above or at phone number (505) 827-2900.

Sincerely,

*Kevin A. Lambert*  
*for*

Ernest C. Rebuck  
Program Manager  
Ground Water Section

ECR/egr

Enclosure

DECEMBER 18, 1987

TO BE PUBLISHED ON OR BEFORE DECEMBER 29, 1987

**PUBLIC NOTICE**  
NEW MEXICO ENVIRONMENTAL IMPROVEMENT DIVISION

Notice is hereby given that, pursuant to New Mexico Water Quality Control Commission Regulations, the following proposed discharge plans have been submitted for approval to the New Mexico Environmental Improvement Division, P.O. Box 968, Santa Fe, New Mexico 87504-0968; telephone 827-2900.

**(DP-535) VILLAGE OF SAN JON**, Newell Rose, Mayor, P.O. Box 37, San Jon, New Mexico 88434, has proposed constructing a new municipal sewage treatment plant with about six acres of total retention/evaporation lagoons, to be located in T10N, R34E, N $\frac{1}{2}$ SE $\frac{1}{4}$  Section 10 of Quay County. About 25,600 gallons per day, with a peak design capacity of about 38,250 gpd, will be discharged to the lagoons. Ground water most likely to be affected lies at a depth of about 30 feet and contains about 1,400 mg/l of total dissolved solids.

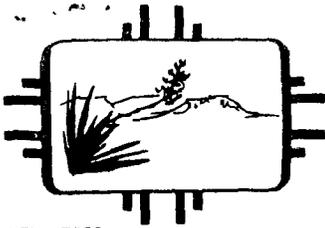
**(DPP-325) SALTY DOG, INC.**, Larry Squires, P.O. Box 774, Hobbs, New Mexico, 88240, has submitted an application to renew discharge plan DP-325, for a brine in-situ extraction well and associated facilities located in Section 5, T19S, R36E in Lea County, about 15 miles west of Hobbs on Highway 62-180. The operation involves injecting fresh water from on-site well into salt beds and producing brine through a tubing within the injection well. Brine is stored in a hypalon-lined pond and pumped to tank trucks to be used in oil exploration activities. The facility is capable of injecting 130,000 gallons/day fresh water, but demand for brine limits production to below 50,000 gallons/day. The ground water most likely to be affected by this operation is at a depth of 70 feet and has a total dissolved solids concentration of approximately 520 mg/l.

**(DP-493) CHINO MINES COMPANY**, D.P. Milovich, Manager, Hurley, New Mexico 88043, proposes to modify its previously approved discharge plan for the L-Dump reservoir located at the Santa Rita open pit copper mine in T18S, R12W, Section 3, Grant County, New Mexico. The currently approved discharge plan allows for the storage of 300 million gallons of mine water.\* The proposed modification requests that the storage capacity be increased to 800 million gallons. The ground water at the site is at a depth of approximately 160 feet with a total dissolved solids concentration of 53,080 mg/l.

\*Untreated mine water typically has a pH of approximately 3 and a TDS of approximately 40,000 to 50,000 mg/l.

**(DP-436) JOY CANNING COMPANY**, Ralph Taylor, P.O. Box 39, Las Cruces, New Mexico 88004, proposes to modify its previously approved discharge plan for the land application of green chile processing water. Joy Canning Company is located off of West Amador in Las Cruces, New Mexico in Section 13, T23S, R1E NMPM, Dona Ana County. Approximately 210,000 gallons/day of process water is spray irrigated on 18 acres of cropland for 50 to 75 days per year. The proposed modification requests that ground water monitoring be reduced from monthly during the non-processing season to sampling during the months of March, July and November. The ground water at the site is at a depth of approximately 15 feet with a total dissolved solids content of 700-1,000 mg/l.

Any interested person may obtain further information from the Ground Water Section, Ground Water Bureau, EID, and may submit written comments to the Chief of the Ground Water Bureau at the address given above. Prior to ruling on any proposed discharge plan or its modification, the EID will allow thirty (30) days after the date of publication of this Notice during which comments may be submitted to the EID and a public hearing may be requested by any interested person. Requests for a public hearing shall set forth the reasons why the hearing should be held. A hearing will be held if the EID determines that there is significant public interest.



NEW MEXICO  
HEALTH AND ENVIRONMENT  
DEPARTMENT

Post Office Box 968  
Santa Fe, New Mexico 87504-0968

GARREY CARRUTHERS  
Governor

LARRY GORDON  
Secretary

CARLA L. MUTH  
Deputy Secretary

December 09, 1987

Larry C. Squires  
Salty Dog Inc.  
P.O. Box 774  
Hobbs, New Mexico 88240

Dear Mr. Squires:

The Environmental Improvement Division (EID) Ground Water Section has completed preliminary review of your discharge plan renewal application for Salty Dog Brine Well #1; DP - 325. Comments that follow are in response to the application and attachments submitted to EID on December 03, 1987. Regulatory reference to the Water Quality Control Commission (WQCC) Regulations follow in parenthesis.

1. The application did not provide an estimation of the quantity of brine produced. Please provide an estimate of brine produced for the calendar quarter ending September 30, 1987. (3-106.C.1.;5-210.B.8.)
2. Please provide dimensions (length, width, and depth) for the spill collection system pond. (3-106.C.7.)
3. How long and of what diameter is the pipe connecting the brine well with the brine storage pond? (3-106.C.1)
4. Please provide a geologic cross section which at a minimum depicts the production zone, confining layers, and any water bearing strata the well penetrates. (3-106.C.3.;5-205.A.3.i.)
5. Please provide this office with a copy of the results of a pressure test, using the attached "Brine Well Pressure Test" procedure. (5-204.B.1.b.) If you wish you can use a different procedure, but if you don't use our procedure, provide us with a copy of the alternate procedure used.

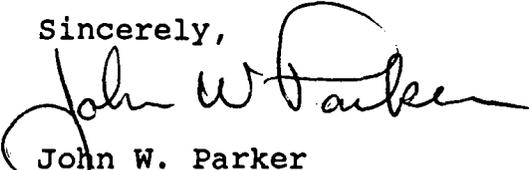
*4000-1000 INFO. FOR RENEWAL*

L.C. Squires  
December 09, 1987  
Page 2

6. EID needs a commitment from you to conduct a cement bond log or equivalent procedure during the five year renewal period. (5-204.B.2.a.)
7. EID needs a commitment from you to notify this office "prior to commencement of drilling, cementing and casing, well logging, mechanical integrity tests, and any other well workover...." (5-204.B.2.a.)
8. In order to demonstrate that under normal operating conditions there will be no initiation or propagation of fractures within the injection zone, please provide a comparison of fracture for salt within the injection zone (you report 800 psi) with the down - hole pressure resulting from your maximum operating pressure. (5-206.A.,C.)
9. In a recent inspection of Salty Dog Brine Well # 1 ponding of spilled produced waters and brine was noted, and the collection system pond was full of produced waters. Your application states: "If a major spill or leak should occur, vaccum trucks would be used to remove any standing liquids immiediately." EID needs a commitment from you to keep the collection system free of produced waters and to clean up any ponding of spilled brine or produced waters. (3-107.A.10)
10. Please provide this office with a plugging and abandonment plan which delineates the methods and materials to be used in plugging the brine well. (5-209.A.)
11. Please provide a copy of your blanket plugging/surety bond for our review. (5-210.B.17.) In addition, please submit documentation which demonstrates the adequacy of the sum of the bond to carry out the plan requested in item 10. above.

Should there be any questions, you may call me at (505) 827-0027.

Sincerely,

  
John W. Parker  
Water Resource Specialist

Attatchments

cc Garrison McCaslin, District IV EID, Roswell  
EID Field Office, Hobbs



Home Office 707 N. Leech, P.O. Box 1499 / Hobbs, NM 88240 / Ph. 505/393-7751, TWX 910/986-0010

December 1, 1987

Hand Delivered 12/03/87  
JUP

File Copy

Mr. Larry Squires  
703 E. Clinton  
Hobbs, New Mexico 88240

Dear Mr. Squires:

Enclosed please find our water analysis reports on the samples submitted to our laboratory on November 25, 1987.

If you have any questions or require further information, please contact us.

Sincerely,

A handwritten signature in cursive script that reads 'Sharon Wright'. The signature is written in dark ink and extends across the width of the typed name below it.

Sharon Wright  
Laboratory Technician

SW/djs

Enclosures

cc: Skeet Raybon

Received  
12/4/87  
KAC

UNICHEM INTERNATIONAL INC.

Unichem International

707 North Leech

P.O.Box 1499

Hobbs, New Mexico 88240

Company : Larry Squires

Date : 12-01-1987

Location: Ranch House - SS 19-36 (on 11-25-1987)

	<u>Sample 1</u>
Specific Gravity:	1.000
Total Dissolved Solids:	518
pH:	7.92
IONIC STRENGTH:	0.011

---

<u>CATIONS:</u>		<u>me/liter</u>	<u>mg/liter</u>
Calcium	(Ca <sup>+2</sup> )	2.20	44.0
Magnesium	(Mg <sup>+2</sup> )	2.60	31.6
Sodium	(Na <sup>+1</sup> )	3.18	73.1
Barium	(Ba <sup>+2</sup> )	0.008	0.570

<u>ANIONS:</u>			
Bicarbonate	(HCO <sub>3</sub> <sup>-1</sup> )	3.00	183
Carbonate	(CO <sub>3</sub> <sup>-2</sup> )	0	0
Hydroxide	(OH <sup>-1</sup> )	0	0
Sulfate	(SO <sub>4</sub> <sup>-2</sup> )	0.750	36.0
Chloride	(Cl <sup>-1</sup> )	4.23	150

---

SCALING INDEX (positive value indicates scale)

		<u>Calcium</u>	<u>Calcium</u>
	<u>Temperature</u>	<u>Carbonate</u>	<u>Sulfate</u>
86°F	30°C	0.33	-19

Unichem International

707 North Leech

P.O.Box 1499

Hobbs, New Mexico 88240

Company : Larry Squires  
 Date : 12-01-1987  
 Location: Salty Dog - Brine (on 11-25-1987)

	<u>Sample 1</u>
Specific Gravity:	1.228
Total Dissolved Solids:	318631
pH:	6.54
IONIC STRENGTH:	5.582

<u>CATIONS:</u>		<u>me/liter</u>	<u>mg/liter</u>
Calcium	(Ca <sup>+2</sup> )	72.0	1440
Magnesium	(Mg <sup>+2</sup> )	88.0	1070
Sodium	(Na <sup>+1</sup> )	5300	122000
Barium	(Ba <sup>+2</sup> )	0.003	0.210

<u>ANIONS:</u>		<u>me/liter</u>	<u>mg/liter</u>
Bicarbonate	(HCO <sub>3</sub> <sup>-1</sup> )	1.20	73.2
Carbonate	(CO <sub>3</sub> <sup>-2</sup> )	0	0
Hydroxide	(OH <sup>-1</sup> )	0	0
Sulfate	(SO <sub>4</sub> <sup>-2</sup> )	68.2	3280
Chloride	(Cl <sup>-1</sup> )	5390	191000

SCALING INDEX (positive value indicates scale)

<u>Temperature</u>	<u>Calcium</u>	<u>Calcium</u>
86°F      30°C	<u>Carbonate</u>	<u>Sulfate</u>
	1.1	-21

Unichem International

707 North Leech

P.O.Box 1499

Hobbs, New Mexico 88240

Company : Larry Squires  
Date : 12-01-1987  
Location: Office (on 11-25-1987)

Sample 1

Specific Gravity: 1.000  
Total Dissolved Solids: 477  
pH: 8.42  
IONIC STRENGTH: 0.012

<u>CATIONS:</u>		<u>me/liter</u>	<u>mg/liter</u>
Calcium	(Ca <sup>+2</sup> )	2.80	56.0
Magnesium	(Mg <sup>+2</sup> )	2.50	30.4
Sodium	(Na <sup>+1</sup> )	2.68	61.6
Barium	(Ba <sup>+2</sup> )	0.003	0.180

<u>ANIONS:</u>			
Bicarbonate	(HCO <sub>3</sub> <sup>-1</sup> )	1.60	97.6
Carbonate	(CO <sub>3</sub> <sup>-2</sup> )	1.20	36.0
Hydroxide	(OH <sup>-1</sup> )	0	0
Sulfate	(SO <sub>4</sub> <sup>-2</sup> )	0.947	45.5
Chloride	(Cl <sup>-1</sup> )	4.23	150

SCALING INDEX (positive value indicates scale)

	<u>Temperature</u>	<u>Calcium</u>	<u>Calcium</u>
86 °F	30 °C	<u>Carbonate</u>	<u>Sulfate</u>
		0.90	-18

Unichem International

707 North Leech

P.O.Box 1499

Hobbs, New Mexico 88240

Company : Larry Squires  
Date : 12-01-1987  
Location: Ranch House (on 11-25-1987)  
*SOURCE*

	<u>Sample 1</u>
Specific Gravity:	1.000
Total Dissolved Solids:	583
pH:	8.13
IONIC STRENGTH:	0.013

<u>CATIONS:</u>		<u>me/liter</u>	<u>mg/liter</u>
Calcium	(Ca <sup>+2</sup> )	3.33	66.7
Magnesium	(Mg <sup>+2</sup> )	4.27	51.8
Sodium	(Na <sup>+1</sup> )	1.45	33.4
Barium	(Ba <sup>+2</sup> )	0.002	0.150

<u>ANIONS:</u>			
Bicarbonate	(HCO <sub>3</sub> <sup>-1</sup> )	3.80	232
Carbonate	(CO <sub>3</sub> <sup>-2</sup> )	0	0
Hydroxide	(OH <sup>-1</sup> )	0	0
Sulfate	(SO <sub>4</sub> <sup>-2</sup> )	1.02	49.0
Chloride	(Cl <sup>-1</sup> )	4.23	150

SCALING INDEX (positive value indicates scale)

	<u>Temperature</u>	<u>Calcium</u>	<u>Calcium</u>
86°F	30°C	<u>Carbonate</u>	<u>Sulfate</u>
		0.81	-18

Hand Delivered

12/03/87  
fwp

# SALTY DOG, INC.

P. O. Box 774

Hobbs, New Mexico 88240

393-7544

November 28, 1987

New Mexico Environmental Improvement Division  
P. O. Box 968  
Santa Fe, New Mexico 87504-0968

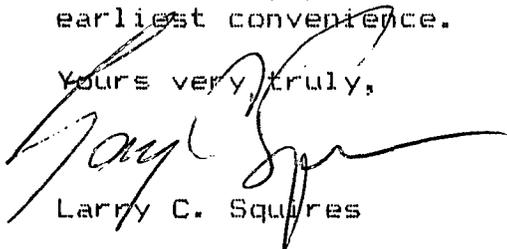
Attention: Mr. Kevin Lambert

Gentlemen:

Application for Discharge Plan Approval - In Situ Extraction Well -  
Salty Dog, Inc.

Pursuant to Water Quality Control Commission Regulations (WQCC 82-1), Salty Dog, Inc. respectfully requests approval for continued operation of our in situ salt extraction well, the Salty Dog Brine Well No. 1. The Part 5 Discharge Plan attached has been prepared in accordance with the suggested outline supplied by your office. Should you have any questions or require additional information, please contact Larry Squires of this office at your earliest convenience.

Yours very truly,



Larry C. Squires

Attachments

RECEIVED 11/30/87

November 25, 1987

Part 5 Discharge Plan  
Salty Dog Brine Well No. 1  
In Situ Salt Extraction Well

I. General Description

- A. Name of Facility: Salty Dog, Inc. PO Box 774, Hobbs, NM 88240.
- B. Location: Unit J, Sec. 5, T-19-S, R-36-E, Lea County, New Mexico.
- C. Facilities & Process Description: See original Discharge Permit - 325.
- D. Operational History: Well was completed in May 1979 and production of brine water at the same time. An injection rate of 2 bbl/min is capacity of the injection pump. Fresh water is circulated down the casing into the cavity and back up the hole in 2 3/8" tubing. The injection pressure is approximately 150# at beginning of circulation of water out of the tubing and increases to 300# at full capacity and maintains this pressure until it is shut in. The discharge pressure is about 40#. Snyder Ranches has a fresh water well approximately 100' from the injection well. This water well is used daily by residents and no evidence of contamination has been detected in the last 5 years. An analysis of this water is identified in this report as Sample #1. At installation of casing in 1979, cement was circulated to surface and pressure tested to 1000 psi and found to hold pressure.

II. Description of Facility

- A. Surface Facilities:
  - 1. See drawing attached
  - 2. See drawing attached
  - 3. See drawing attached
  - 4. See drawing attached
- B. Underground Facilities:
  - 1. See diagram in DP-325
  - 2. See Well Bore Sketch
  - 3. No stimulation
  - 4. Maximum average injection pressure 250 psi  
2 bbls/min.
  - 5. N/A
  - 6. N/A

### III. Site Characteristics

A. No unlined pits. N/A

B. Geology: The geologic formations penetrated by the well are detailed in DP-325. The Ogalalla is present from 60' to approx. 150'. No other water bearing formation is present. The "fracture" pressure of the Salado salt section is approximately 800 psi. The associated redbeds and Rustler anhydrite breakdown at slightly higher pressures.

C. Hydrology:

1. Fresh water zones: The Ogalalla is the only known aquifer in the area. As the Ogalalla is 1500 ft. above the top of the salt and is protected by casing string cemented to the surface, there is very little possibility of ground water being affected by injection operations.
2. There are no new wells in the area, other than the ones on the 1980 map of the DP-325.
3. See DP 325 - 1980
4. Depth to the Ogalalla is 60-70 ft. Water samples are supplied for the three wells in the area.
5. See sample #1 - analysis. Ogalalla water from sample #1.

### IV. Procedures to Protect Ground Water Quality

A. During Operation:

1. There are no abandoned wells in the area.
2. N/A
3. Mechanical Testing:
  - a. Pressure test casing 1000# after cement circulated to surface.
  - b. Annulus pressure monitored during operation - automatically kills if pressure gets to 500#.
4. Meters have been installed to measure injection volumes and return volumes.
5. Flow meters and pressures monitored daily.
6. See DP-325

7. See DP-325

8. Monitoring of groundwater: The nearby water well, at Snyder Ranch, located 100' to the west of the facilities, serves as the observation well. A water analysis is submitted in this report. Quality reports will be submitted periodically. Also, periodic samples will be taken from a well located approximately 3/4 of a mile northeast (Sample #2). This well will serve to indicate background levels of water quality.

9. See DP-325 Daily inspections are made by company employees.

10. Contingency Plans

a. spills/leaks: If a major spill or leak should occur, vacuum trucks would be used to remove any standing liquids immediately.

b. loss of mechanical integrity: In the event that a casing leak is discovered, operations will be suspended temporarily until the leak is repaired. In the extremely unlikely event that there is evidence of contamination of the Ogallala, appropriate corrective measures will be taken.

11. If there is a leak, spill or other unanticipated discharge of a significant amount of water contaminants on the surface or underground, the EID Ground Water Section will be notified within 48 hours.

B. Post-operational Commitments

1. Plugging bond has been submitted to your office.

2. Pond closure: Surface put back as it was and all salt removed from surface.

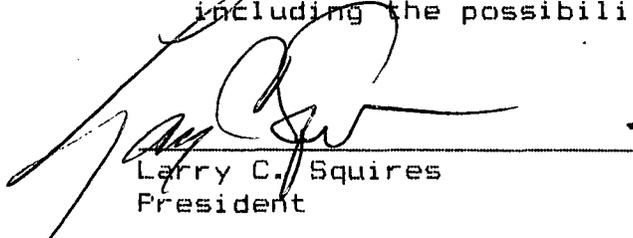
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CONTINGENCY PLAN  
VIII

V. Sign-off Requirement

Responsible official must certify as follows:

I certify under penalty of law that I have personally examined and am familiar with the information submitted in this document and all attachments and that, based on my inquiry of those individuals immediately responsible for obtaining the information. I am aware that there are significant penalties for submitting false information including the possibility of fine and imprisonment.



Larry C. Squires  
President

 natural  
resources  
engineering inc.

November 29, 1982

Energy and Minerals Department  
Oil Conservation Division  
P. O. Box 2088  
State Land Office Building  
Santa Fe, New Mexico 87501

Attention: Mr. Oscar Simpson

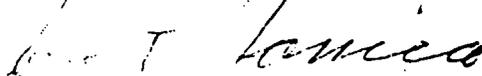
RE: Brunson and McKnight  
Brine Source Well  
Unit J, Sec. 5, T-19-S, R-36-E  
Lea County, NM

Dear Mr. Simpson:

In our request for the approval of an in-situ extraction operation sent to your office on November 9, 1982; one item was overlooked. We would like to bring this to your attention. Please note "Drawing #3 - Sheet 1 of 1", the overflow pit on this drawing is lined with a plastic liner in order to retain any collection of brine or run off from the brine loading station.

This information was not mentioned in our original letter. Will you please add this information to your file? We apologize for any inconvenience this may have caused.

Yours very truly,



Joe T. Janica, P.E.  
Agents for Brunson & McKnight

JTJ/lob

cc: N. Brunson  
file (2)



PROPOSED DISCHARGE PLAN  
Brunson and McKnight  
Brine Source Well  
Unit J, Sec. 5, T-19-S, R-36-E  
Lea County, NM

In response to "Water Quality Control Commission Regulations - Part 3, Sec. 106-C questions 1-8" the following answers are provided for your consideration:

1. Brine water produced from brine source well located in Unit J, Sec. 5, T-19-S, R-36-E, Lea County, New Mexico. Production is accomplished by displacing saturated brine water with fresh water being pumped into salt cavity. On demand this well produces approximately 70 to 90 gal. per min. of 10% per gallon brine water depending solely on displacement rate by fresh water. (See attachment "A" for brine water analysis)

2. Discharge of produced brine is approximately 2500' north of brine source well into a lined surface pit.

Existing fresh water wells within a one (1) mile radius will be monitored at regular intervals to assure operator that no contamination is taking place. There are no bodies of water existing within one mile of discharge and/or storage of brine. (See figures 1 & 2.)

3. Depth to ground water in this area is 75'±. These wells are numbered and water analysis for all are enclosed. (See attachment "A")

4. Flooding potential of site is very remote. The plastic lined surface pit has a built-in leak detection system installed in the bottom of the pit. It consists of four inch P.V.C. piping with holes drilled in the pipe. The pipe was installed in trenches 12" deep, then covered with pea gravel. Then the entire bottom of the pit was covered with sand. (See Detail "B" Drawing #2.) Plastic liner was installed over the sand base. The P.V.C. pipe system was manifolded. It exits on the west side of surface pit with a four (4) foot riser at the end. (See Drawing #2)

Should the plastic liner develop a leak, it can be detected by daily visual inspection of the riser.

In the event a dike should break, all drainage would be captured in a natural catch basin. It is located approximately 1200' south-southwest of the brine station. (See Topographic Map - Figure 3)

The spill can then be recovered by portable vacuum pumps to reduce danger of contamination of fresh water.

5. Samples of brine water can be obtained at discharge of source well, at discharge into surface pit from source well, and can be obtained downstream of centrifugal pump in line to loading station. Flow meters are located in the loading station.
6. Information for this question is not readily available.
7. See attached drawings (1, 2, and 3), Attachments B and C, and Well Bore Sketch.
8. See attached drawings (1, 2, and 3), Attachments B and C, and Well Bore Sketch.

RESULT OF WATER ANALYSES

LABORATORY NO. 11821  
 TO: Mr. Joe Janica SAMPLE RECEIVED 11-1-82  
P.O. Box 2188, Hobbs, NM RESULTS REPORTED 11-1-82

COMPANY Natural Resources Evaluation and LEASE Salty Dog #1  
Engineering Inc.  
 FIELD OR POOL  
 SECTION        BLOCK        SURVEY        COUNTY        STATE         
 SOURCE OF SAMPLE AND DATE TAKEN

- NO. 1 Raw water - taken from water well @ Snyder ranch house.
- NO. 2 Raw water - taken from water well @ Snyder ranch headquarters office.
- NO. 3 Raw water - taken from water supply well (Salty Dog #1).
- NO. 4 Brine water - taken from Salty Dog #1.

REMARKS:

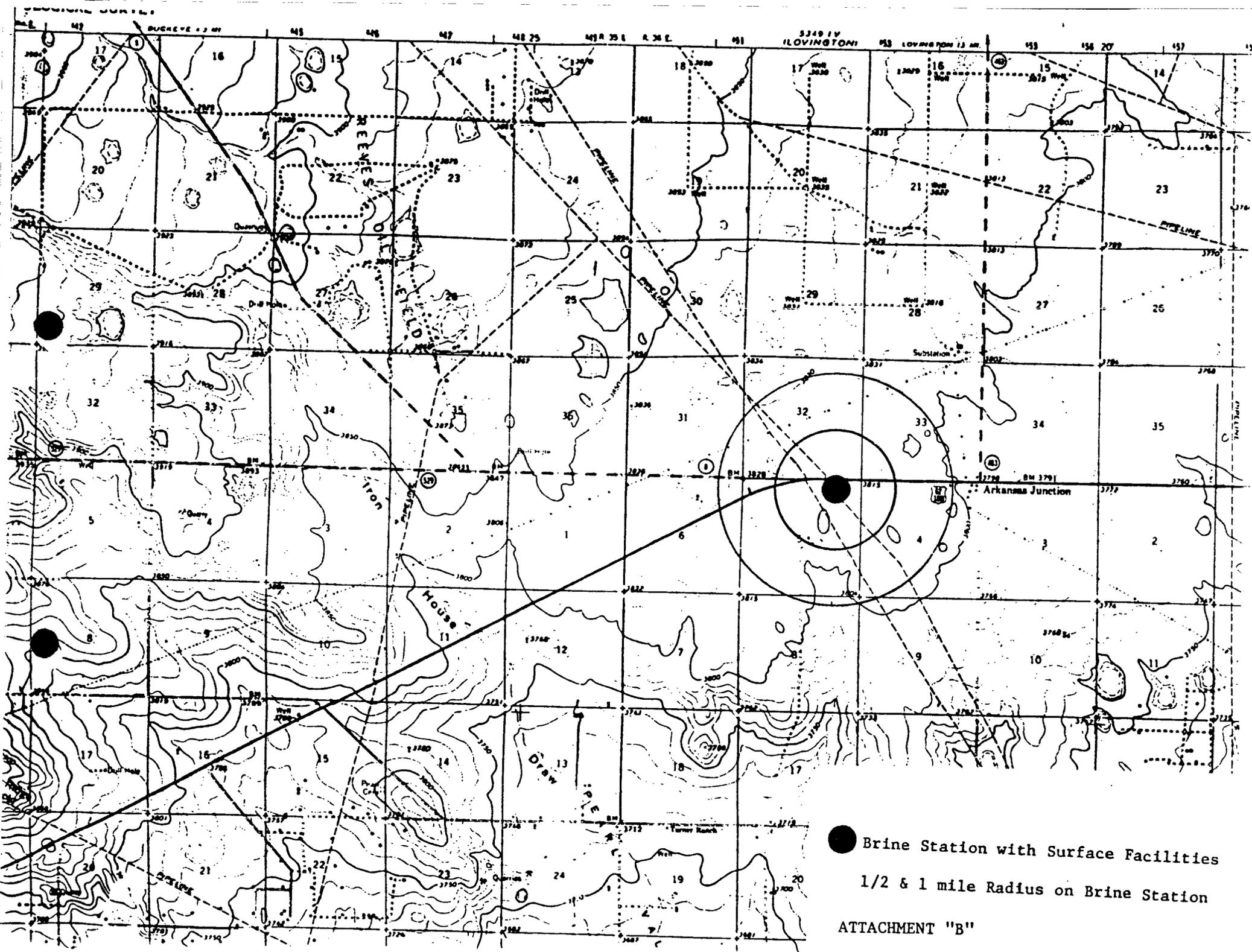
CHEMICAL AND PHYSICAL PROPERTIES				
	NO. 1	NO. 2	NO. 3	NO. 4
Specific Gravity at 60° F.	1.0014	1.0015	1.0020	1.2060
pH When Sampled				
pH When Received	7.35	7.48	7.47	8.00
Bicarbonate as HCO <sub>3</sub>	220	224	215	56
Supersaturation as CaCO <sub>3</sub>				
Undersaturation as CaCO <sub>3</sub>				
Total Hardness as CaCO <sub>3</sub>	216	228	320	5,650
Calcium as Ca	66	74	116	1,720
Magnesium as Mg	12	11	7	328
Sodium and/or Potassium	18	13	49	135,387
Sulfate as SO <sub>4</sub>	33	34	38	4,347
Chloride as Cl	28	27	149	209,506
Iron as Fe	0.13	0.21	2.5	0.42
Barium as Ba				
Turbidity, Electric				
Color as Pt				
Total Solids, Calculated	377	383	574	351,344
Temperature °F.				
Carbon Dioxide, Calculated				
Dissolved Oxygen, Winkler				
Hydrogen Sulfide	0.0	0.0	0.0	0.0
Resistivity, ohms/m at 77° F.	19.50	19.50	13.00	0.041
Suspended Oil				
Filtrable Solids as mg/l				
Volume Filtered, ml				

Results Reported As Milligrams Per Liter

Additional Determinations And Remarks The undersigned certifies the above to be true and correct to the best of his knowledge and belief.

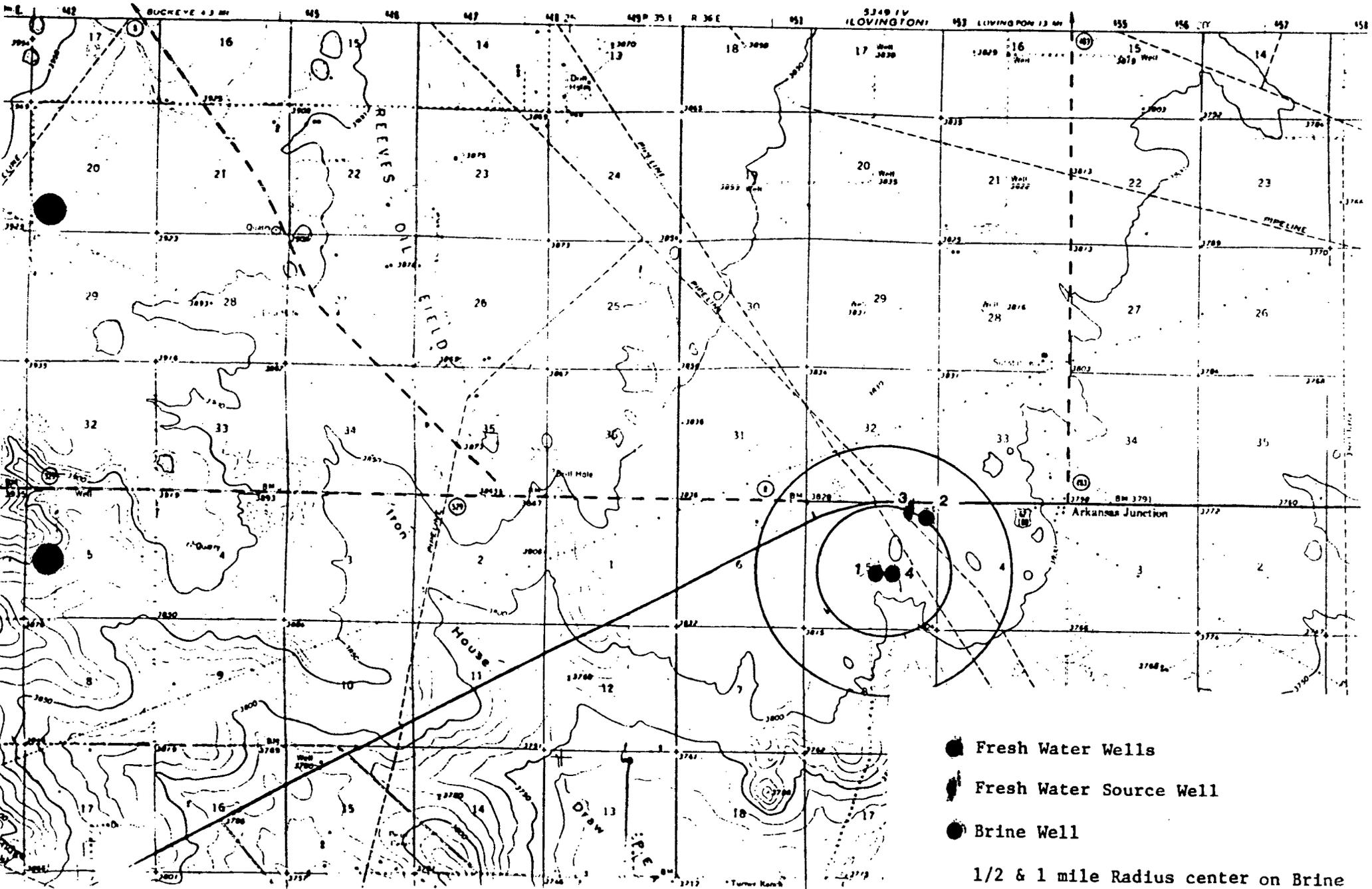
COPIES FOR  
 JMI

*Waylan C. Martin*  
 Waylan C. Martin, M. A.



● Brine Station with Surface Facilities  
1/2 & 1 mile Radius on Brine Station  
ATTACHMENT "B"

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY



- Fresh Water Wells
- Fresh Water Source Well
- Brine Well

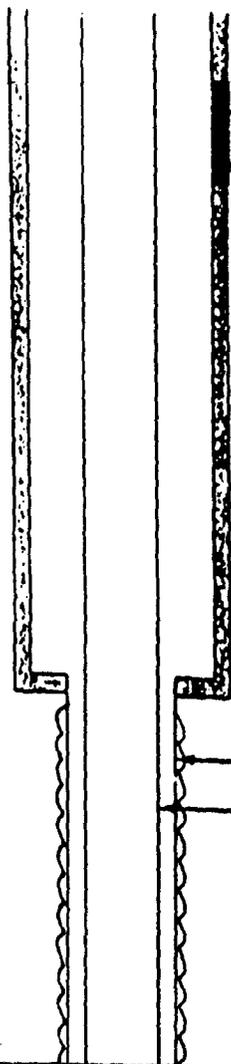
1/2 & 1 mile Radius center on Brine



NATURAL RESOURCES  
ENGINEERING INC.  
P.O. Box 2188 / 201 E Sanger  
Phone (505) 387-8319  
Tulsa New Mexico 88240

# WELL BORE SKETCH

OPERATOR/LEASE/WELL Brunson & McKnight Inc.-Brine Supply Well #1 DATE 11-9-82  
NRE JOB NUMBER NB01-001-001  
FIELD/POOL \_\_\_\_\_ / \_\_\_\_\_  
PLUG BACK DEPTH 2958' KB 3816 est. ELEVATION 3806'



Hole Size 12 1/4"

**SURFACES CASING:**

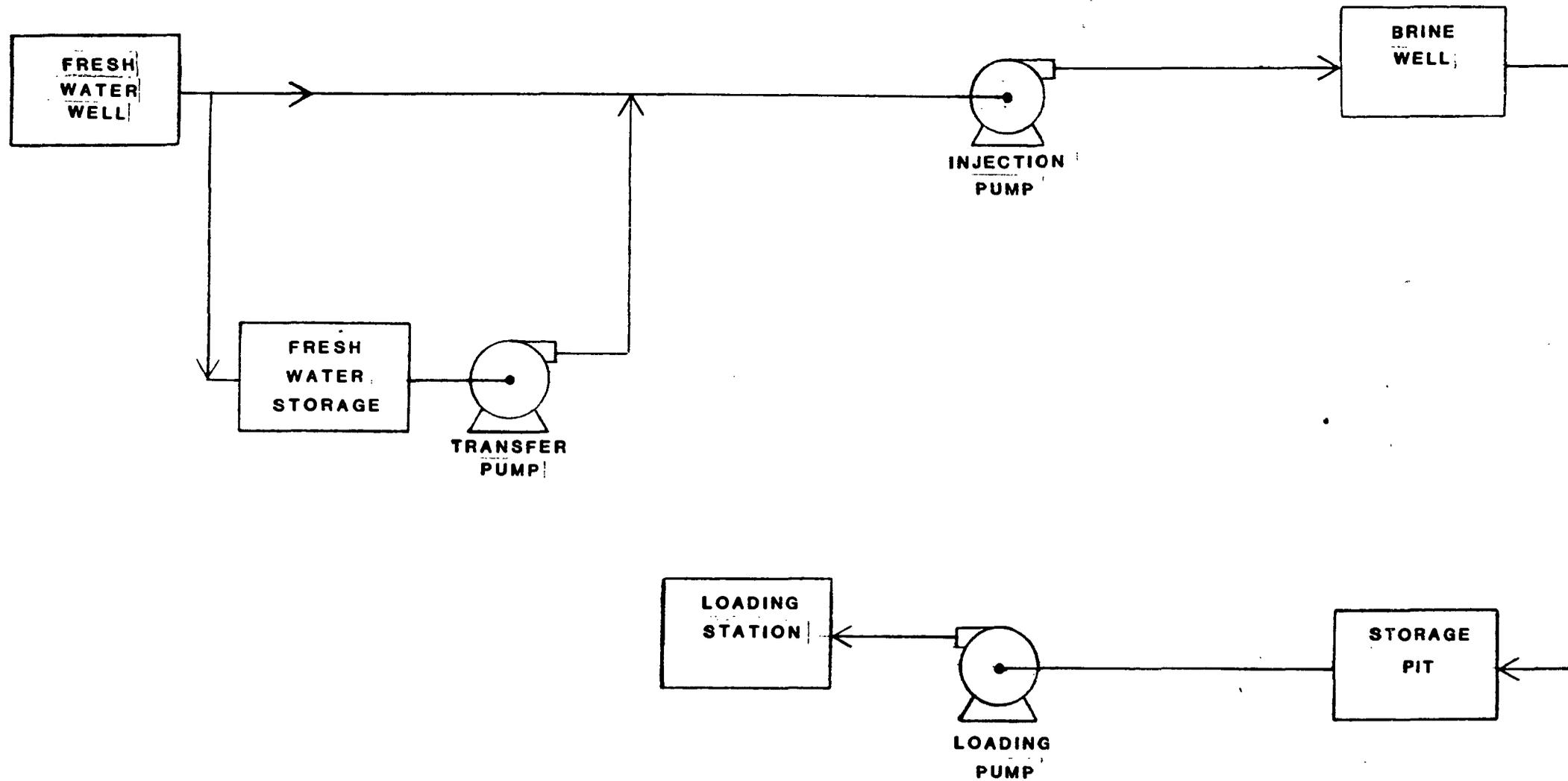
Size 8 5/8" Weight 24# & 32# Grade J-55  
Set at 1877' with 850 Sacks Cement  
Circulate 200 Sacks to Surface  
Remarks: \_\_\_\_\_

Hole Size 6 1/4"

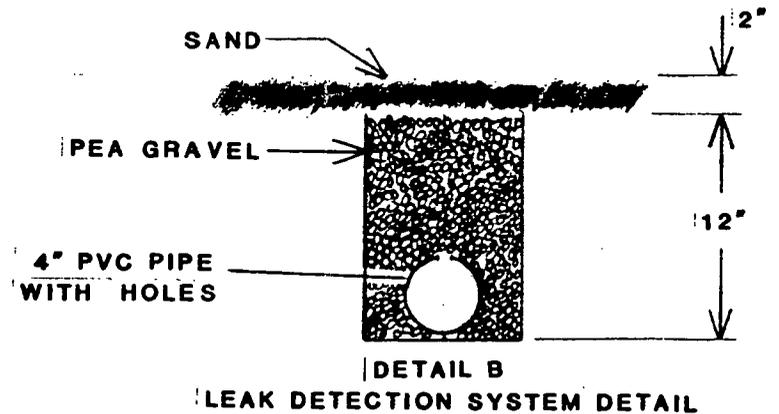
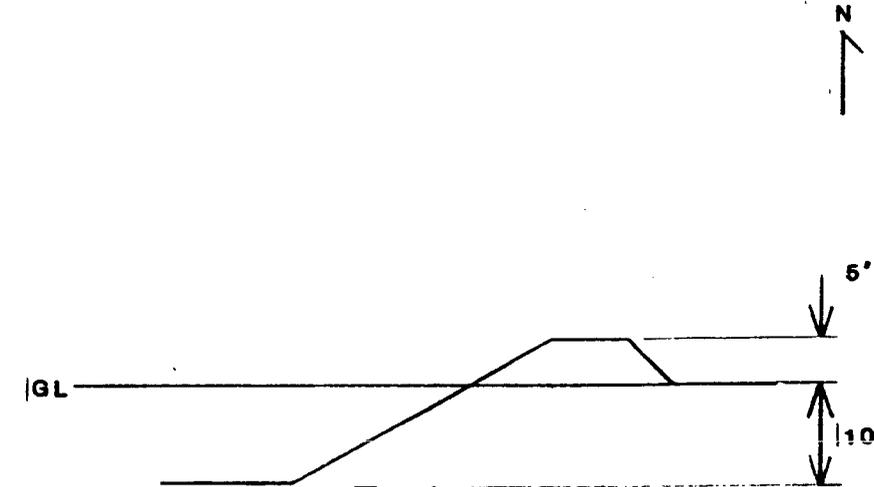
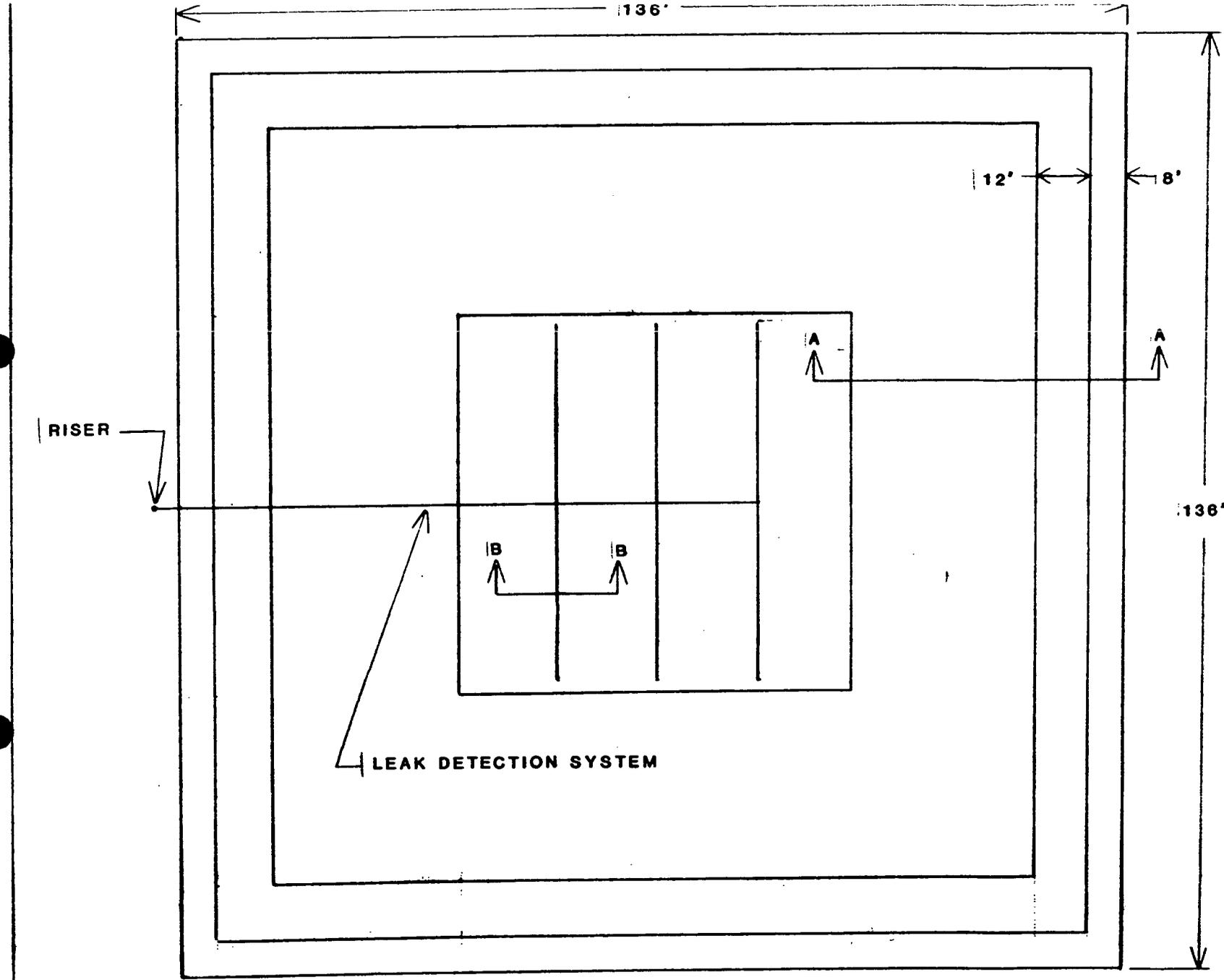
**PRODUCTION CASING: \***

Size \_\_\_\_\_ Weight \_\_\_\_\_ Grade \_\_\_\_\_  
Set at \_\_\_\_\_ with \_\_\_\_\_ Sacks Cement  
Cement Top: Calculated \_\_\_\_\_ Temperature Survey \_\_\_\_\_

\* Remarks: No production casing was run in this well.  
Completed open hole from 1877' to 2958' as a brine  
source well.



NOTES SCALE: NONE	NATURAL RESOURCES ENGINEERING INC	NB01-001-001
	BRINE SYSTEM SCHEMATIC	DRAWING NO 1
		SHEET 1 OF 1

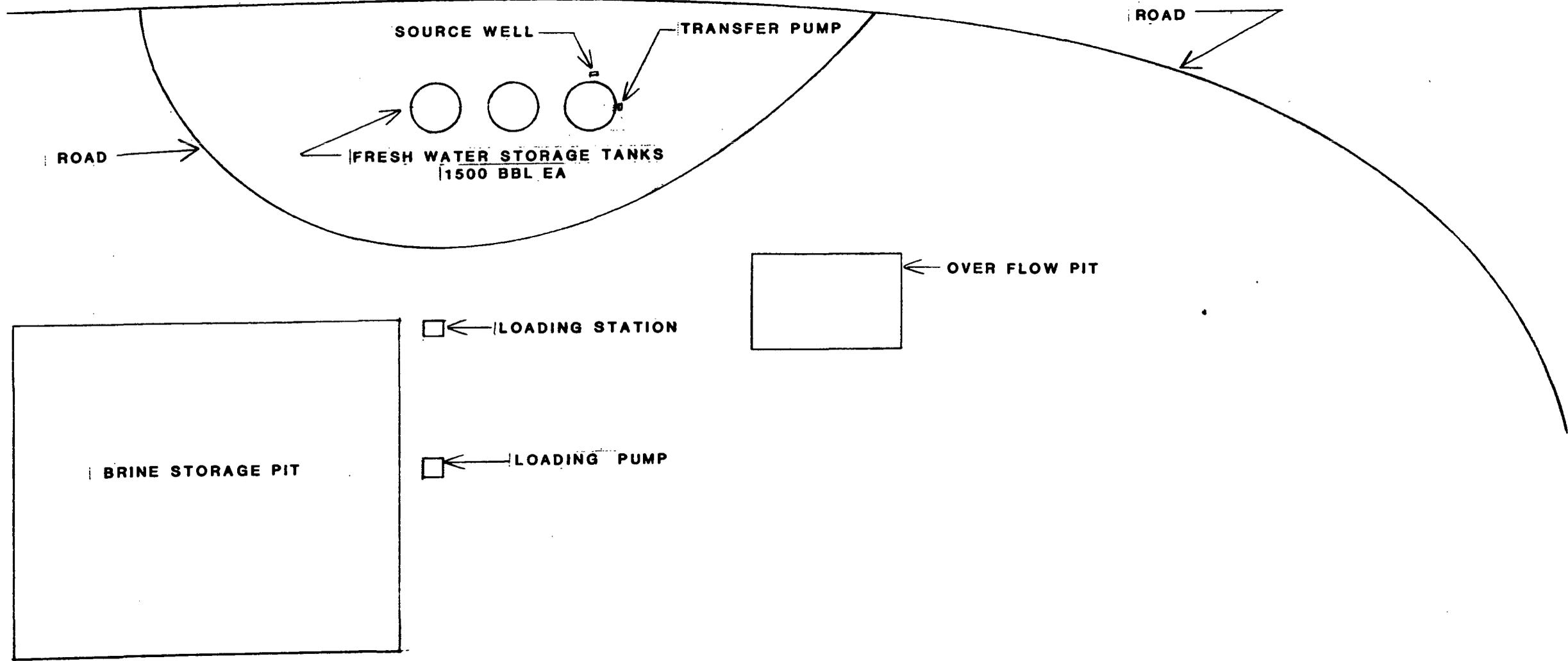


NOTES

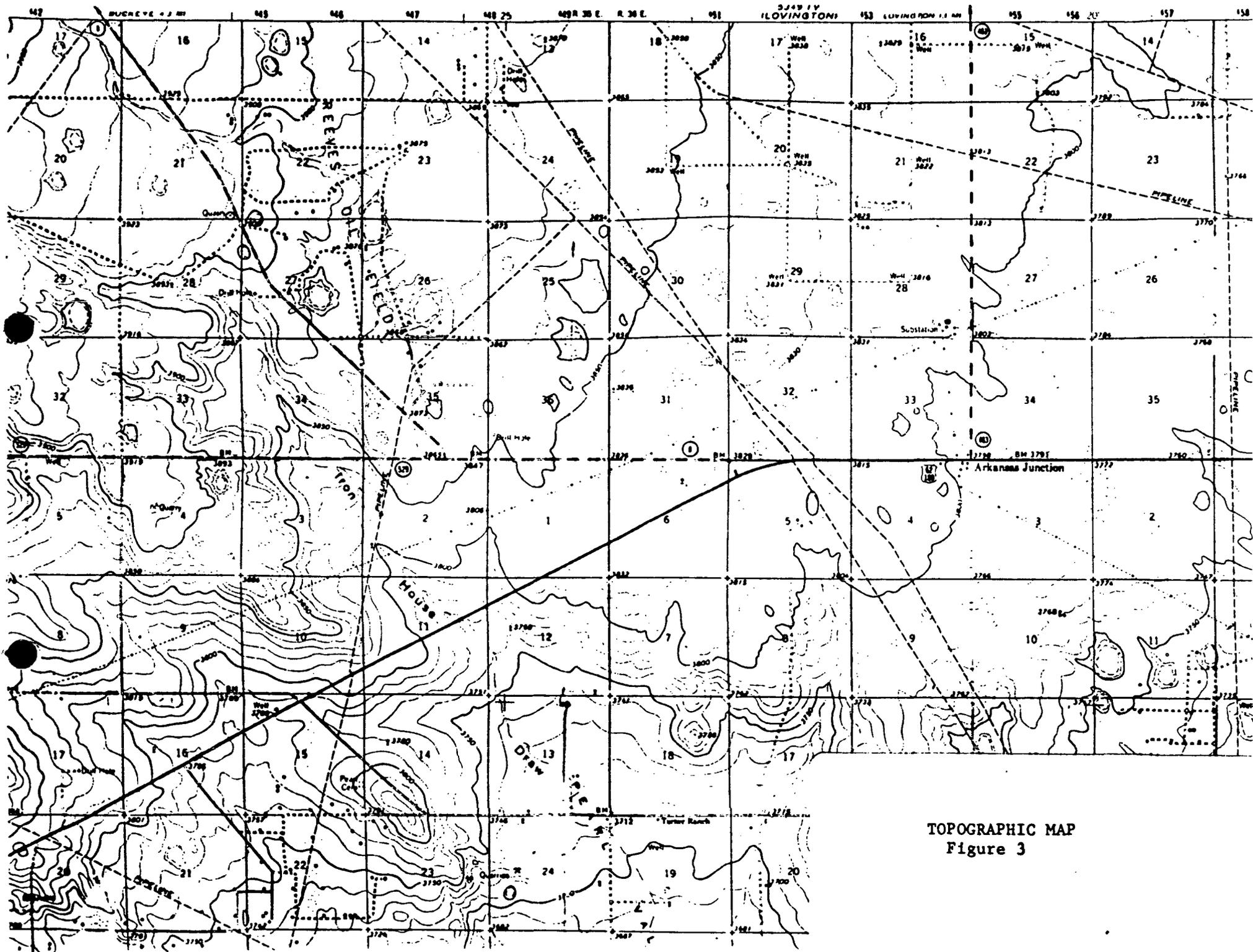
NATURAL RESOURCES ENGINEERING INC  
BRINE STORAGE PIT

NB01-001-001  
DRAWING NO  
2  
SHEET 1 OF 1

N ←



		NATURAL RESOURCES ENGINEERING INC	NB01-001-001
		BRINE STATION PLOT PLAN	DRAWING NO 3
			SHEET 1 OF 1



TOPOGRAPHIC MAP  
Figure 3



Post Office Box 968  
Santa Fe, New Mexico 87504-0968

GARREY CARRUTHERS  
Governor  
LARRY GORDON  
Secretary  
CARLA L. MUTH  
Deputy Secretary

P-484 024 474

Certified Mail

November 9, 1987

Larry Squires  
Salty Dog, Inc.  
P.O. Box 774  
Hobbs, New Mexico 88240

RE: Discharge Plan DP-325

Dear Mr. Squires:

The Environmental Improvement Division's (EID) Ground Water Bureau has completed review of the discharge plan DP-325 for the Salty Dog, Inc. in situ brine extraction well located in Lea County. EID has notified you in several letters (dated February 9, 1984, November 14, 1985, February 25, 1987, and June 30, 1987) that your discharge plan expiration date is December 18, 1987, and of your responsibility to submit a complete renewal application in ample time to avoid a lapse in your discharge plan. Also an outline was provided to you by letter dated February 25, 1987, to aid you in preparing your renewal application to meet the additional requirements of Part 5 of the New Mexico Water Quality Control Commission (WQCC) Regulations. However, the EID has not received any additional information required on your facility. Consequently the original discharge plan cannot be renewed in its present form. If you continue to operate, your facility will be in violation of the New Mexico Water Quality Act and the WQCC Regulations on December 19, 1987. Operating your facility after the expiration date can result in fines and penalties being assessed under applicable laws and regulations.

Please submit the specific and detailed information needed to meet Part 5 of WQCC Regulations before the expiration date of your discharge plan. Submitting the information prior to December 18, 1987, establishes the fact you wish to work in good faith towards attaining compliance with the regulations.

For your convenience please find enclosed the necessary regulations and forms for submitting your renewal application.

**RECEIPT FOR CERTIFIED MAIL**  
NO INSURANCE COVERAGE PROVIDED  
NOT FOR INTERNATIONAL MAIL  
(See Reverse)

U.S.G.P.O. 153-806

Sent to Larry Squires	
Street and No. Salty Dog, Inc.	
P.O. State and ZIP Code P.O. Box 774	
Post Office, New Mexico 88240	
Certified Fee	
Special Delivery Fee	

If you feel you need help you should retain a consultant to assist you in the preparation of your renewal application. The ultimate responsibility lies with you to provide the EID with sufficient information on whether your operation will meet the requirements of the regulations. The EID will inturn evaluate the information to determine if sufficient safeguards are in place to protect ground water and communicate what steps must be taken to satisfy the regulations.

If you have any questions, please contact Kevin Lambert of the EID staff at the above address and telephone number 827-2902. If you and your consultant would like to arrange a meeting with Mr. Lambert to discuss your discharge, please let him know.

Sincerely,



Ernest Rebuck  
Program Manager  
Ground Water Section

ER/KL/pv

cc: Garrison McCaslin, EID District IV, Roswell  
Roelf Ruffner, EID Field Office, Hobbs,

E I D B U C K S L I P

CHECK ONE:

LETTER TO LARRY Squires / Salty Dog Inc.  
for E. Rebeck signature

MEMO TO \_\_\_\_\_

PRESS RELEASE

OTHER

SUBJECT: Salty Dog Inc Brine Well Timely Renewal

DRAFTED BY: Kevin Lambert 11/9/87  
(Date)

CONCURRENCES:

NAME:	INITIAL	DATE REC'D	DATE APPROVED
<u>E Rebeck</u> Sect. Mgr.	<u>ER</u>	<u>11/9</u>	<u>11/10</u>
_____ Bur. Chief	_____	_____	_____
<u>Kirkland Jones</u> Dep. Dir.	_____	_____	_____
<u>Michael Burkhart</u> Director	_____	_____	_____

FINAL DECISION NEEDED BY ASAP BECAUSE dated  
letter  
(date)

COMMENTS BY DRAFTER OR REVIEWER(S):

This is the only brine operator to have not  
supplied EID w/ info on  
Part 5 of WACC. For your signature  
because it is important that we put some  
added pressure to get discharger into  
compliance

11/6/87 Salty Dog Inc / Larry Squires  
393-7544 RE: Brine Well Renewal  
1:25pm Not In Left Message  
I was returning his call of 8:45am

11/9/87 Salty Dog Inc / Larry Squires  
10:18am

1:49 pm Discussed w/ him what we need  
to continue our review of Plan and  
that is a complete Part 5 submitted

I informed him that we would  
be sending Regs & ~~Out~~ Outline  
to assist and that he needs to  
get us something ASAP. Also  
suggested he contact Bill Weber  
in Roswell for some assistance

Lewis

11/4/87

624-6046

11:25 AM

Bill Weber - Roswell EIP Office DP-325

RE: Salty Dog, Inc. DP Renewal

provide some assistance in  
maintaining dialogue and  
meeting WQCC Part V

Bill said OK

I will send WQCC Regs & In-Situ Extraction  
Outline plus copy DP-325

I will call Larry Squire and let him ~~know~~  
know that we need a great deal of specific  
information on your operation to gain compliance  
w/ Part 5 of WQCC

11/4/87

Larry C. Squire / Salty Dog Inc

393-7544

11:39 AM

Not In Left Message  
to Return Call

11/5/87

Larry Squire

8:23 AM

Not In but secretary ~~gave~~ gave me  
message from Larry stating "He has been  
awaiting my call to make arrangements to meet  
so that I can help w/ <sup>putting</sup> the ~~exchange~~ plan  
together".

Please have  
Mr Squire  
Call me

I told secretary that I need to talk directly  
w/ Mr Squire. I stated that I can only  
provide assistance and before any meeting  
I need some information.

FILE REVIEW

Permit No. ● P-325 Pass ● Fail \_\_\_\_\_  
 Well Class III Reviewer: Lambert  
 Operator Salty Dog, Inc <sup>BRUNSON & mcknight</sup> Date: 11/4/87  
 Well Name Brine Supply Well #1 State: NM  
 Well Location T19S R36E Sec 5 Agency: EID  
 Lease Name Unit 5 Drill Date: \_\_\_\_\_

CONSTRUCTION

	size	depth	cement (sacks)	calculated interval
Surface csg.	8 5/8"	1877'	850	
Intermediate csg		2958'		
Long string csg.	6 1/4"	<del>2958'</del>		
Tubing	2 7/8"	2887'		

Hole size 6 1/4"

Is construction adequate? ✓ yes \_\_\_\_\_ no

Packer required? \_\_\_\_\_ yes ✓ no

Packer depth \_\_\_\_\_

Total Depth 2958'

OCD Approved

HYDROLOGY

USDW Depth (10,000 mg/l) 60-70 ft.

Log Types? \_\_\_\_\_

Faults in area addressed? \_\_\_\_\_ yes X no

Chemical analysis, formation fluid included? X yes \_\_\_\_\_ no

Chemical analysis injected fluid included? X yes \_\_\_\_\_ no

Adequate confining layer? ? yes \_\_\_\_\_ no

Permitted injection pressure 280

Permitted injection rate 84 gpm

Does pressure and rate exceed allowable? \_\_\_\_\_

Type of injectant Fresh H<sub>2</sub>O

GENERAL INFORMATION

Plugging bond or financial assurance included?  yes  no  
Public notice included?  yes  no  
Hearing required?  yes  no  
Citizen comments addressed?  yes  no  
Workover, if yes put in general comments  yes  no

---

AREA OF REVIEW

Calculated \_\_\_\_\_ 1/4 mile  minimum State AOR \_\_\_\_\_  
Wells in AOR: \_\_\_\_\_ injection  production \_\_\_\_\_ abandoned  
Deficient wells: \_\_\_\_\_ construction \_\_\_\_\_ plugging  
Wells receiving CA: \_\_\_\_\_ injection \_\_\_\_\_ production \_\_\_\_\_ abandoned  
Were all wells addressed for CA?  yes  no  
If no, comments: \_\_\_\_\_

---

---

AOR landowners notified?  yes  no

---

Has well received (pressure test) MIT?  yes  no  
Date of most recent MIT \_\_\_\_\_  pass  fail  
Has absence of fluid movement been demonstrated?  yes  no  
Enforcement actions included? \_\_\_\_\_  yes  no  
If yes, comments: \_\_\_\_\_

---

---

Has well been a SNC?  yes  no  
Is all information in permit?  yes  no

Is permit issued properly?

yes  no

Citizen comments and investigations?

*WA*  yes  no

If yes, comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

PLUGGING AND ABANDONMENT

Properly Plugged?

yes  no

Cement Placement

Cement (sx)

\_\_\_\_\_ from \_\_\_\_\_ to \_\_\_\_\_

\_\_\_\_\_ from \_\_\_\_\_ to \_\_\_\_\_

\_\_\_\_\_ from \_\_\_\_\_ to \_\_\_\_\_

Required Placement

from \_\_\_\_\_ to \_\_\_\_\_

from \_\_\_\_\_ to \_\_\_\_\_

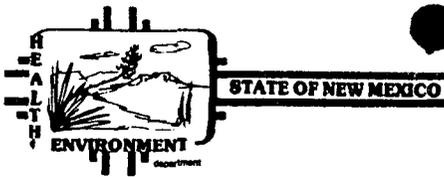
from \_\_\_\_\_ to \_\_\_\_\_

from \_\_\_\_\_ to \_\_\_\_\_

\_\_\_\_\_

GENERAL COMMENTS

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



# MEMORANDUM

DATE: 11/4/87

TO: William Weber, District IV Engineer, Roswell  
FROM: Kevin Lambert, Hydrologist UIC Program, Santa Fe  
SUBJECT: Salty Dog, Inc. DP-325 Renewal

Find enclosed a copy of DP-325, WQCC Regulations, and suggested outline for DP submittal for in situ extraction operation.

DP-325 is completely inadequate in present form to meet the additional requirements of Part 5 of WQCC regulations. Also I have reservations about the adequacy of the original DP proposed for meeting Part 3 of WQCC regulations which was approved by OCD. Whatever the reasons are it is time to get this discharger in compliance with the WQCC regulations for Part 3 (general requirements) and Part 5 (in-situ extraction well requirements). The outline provided is extremely complete and detailed regarding what information is required to obtain an approved DP for this particular operation. Therefore I would appreciate any assistance, with this discharger, you can provide so that compliance is achieved w/ the WQCC Regulations

Give me a call if you have any questions

Thanks Kevin

11/4/87

Salty Dog, Inc - Brunson & McKnight  
RE: DP Renewal under Part II



Review indicates no information of any substance has been submitted & possibly call

- Will write discharger to explain need to submit detailed information.

EID cannot evaluate without having the minimum requirements met providing a starting point ~~for~~ for additional specific information

- Discharger has been notified of Part II by EID on many occasions

- 1. EID letter 2/9/84 recd 2/13/84
- 2. Phone Memo 2/17/84
- 3. EID letter 4/14/85
- 4) EID letter 2/25/87 recd 3/2/87
- 5 " 6/30/87 received 7/2/87

See if Bill Weber can talk to this guy

Plan has not had PN put out since no information provided but original

- Will let EID District IV Engineer (Bill Weber) know and ask for assistance w/ ~~the~~ Mr Squires

- EID will work to establish and maintain constructive dialogue. However EID will not hesitate to take enforcement action if timely renewal & progress towards compliance is delayed unwarrantedly

# SALTY DOG, INC.

P. O. Box 774

Hobbs, New Mexico 88240

393-7544

*New  
Address*

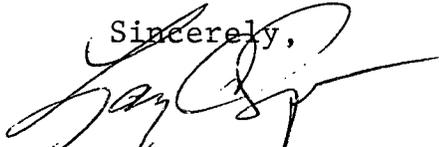
July 13, 1987

Kevin Lambert  
NM Health and Environment Dept.  
PO Box 968  
Santa Fe, NM 87504-0968

Dear Mr. Lambert,

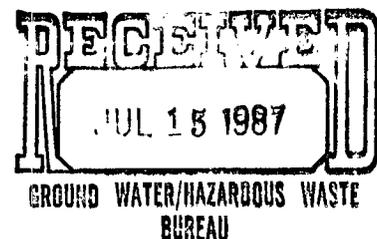
As I discussed with you on the telephone, we do want to renew our discharge plan DP-325. This is a brine supply well located 15 miles west of Hobbs on Hwy 62-180 called Salty Dog. You suggested that you might stop by my office in Hobbs at 703 E. Clinton, when you were in town and help me fill out the necessary papers. There have been no changes in our operation since the last plan was approved.

Sincerely,



Larry C. Squires

LCS/pn





Post Office Box 968  
Santa Fe, New Mexico 87504-0968

ENVIRONMENTAL IMPROVEMENT DIVISION

Michael J. Burkhardt  
Director

GARREY CARRUTHERS  
Governor

LARRY GORDON  
Secretary

CARLA L. MUTH  
Deputy Secretary

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

June 30, 1987

Salty Dog, Inc.  
Mr. Larry Squires  
P.O. Box 297  
Hobbs, New Mexico 88240

RE: Discharge Plan DP-325.

Dear Mr. Squires:

The New Mexico Environmental Improvement Division (EID) on December 18, 1982, approved discharge plan DP-325 for the discharging of brine in situ extraction well located in Lea County. According to our records the discharge plan approval will expire on December 18, 1987.

If you are still discharging at this facility and wish to continue discharging, you must request renewal of the discharge plan approval. You may request renewal by writing this office. Include in your letter a description of any changes you are planning to your operation which will affect the amount, quality or location of your discharge.

If you are no longer discharging, please notify this office so we may correct our records.

We look forward to your response. Pursuant to the WQCC regulations, it will require at least 60 to 90 days to process the application for renewal. Timely action on your part is necessary to avoid a lapse in your discharge plan, which would be a violation of the New Mexico Water Quality Act.

The person assigned to your discharge plan is Kevin Lambert, who you may contact at 827-2902, if you have any questions.

Sincerely,

Ernest C. Rebeck  
Program Manager  
Ground Water Section

ECR/mp

cc: Gary McCaslin, Manager, EID District IV, Roswell

P-573 875 600  
RECEIPT FOR CERTIFIED MAIL  
NO INSURANCE COVERAGE PROVIDED  
(NOT FOR INTERNATIONAL MAIL)  
(See Reverse)

U.S.G.P.O. 153-508	Sept to	Salty Dog, Inc.
	Street and No.	Mr. Larry Squires
	P.O. Station and ZIP Code	P.O. Box 297
	City, State and ZIP Code	Hobbs, New Mexico 88240
Certified Fee		



Post Office Box 968  
Santa Fe, New Mexico 87504-0968

GARREY CARRUTHERS  
Governor  
LARRY GORDON  
Secretary  
CARLA L. MUTH  
Deputy Secretary

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

February 25, 1987

Nolan Brunson  
Brunson and McKnight  
P.O. Box 197  
Hobbs, NM 88240

RE: Discharge Plan DP-325

Dear Mr. Brunson:

In the summer of 1983, the Water Quality Control Commission (WQCC) transferred its delegation of authority from the Oil Conservation Division (OCD) to the Environmental Improvement Division (EID) to administer discharge plans for brine extraction facilities. On December 18, 1982, the discharge plan DP-325 for the Salty Dog #2 brine station west of Hobbs located in Lea County was approved by the Director of the OCD. This discharge plan was required and submitted pursuant to WQCC Regulations and it was approved for a period of up to five years. The approval will expire on December 18, 1987.

If you are still discharging at this facility and wish to continue discharging, please submit your application for renewal of plan approval, including a complete Part 5 discharge plan amendment/renewal, as quickly as possible. The necessary forms for making those submissions are enclosed. Submitting your application in a timely fashion will aid the EID in processing your discharge plan prior to the expiration date. Also, please indicate whether you have made or intend to make any changes in your discharge.

Section 5-101.G. of the WQCC regulations assures that those who are in compliance with their approved discharge plan on the date of its expiration, and who submit a complete application for a discharge plan renewal at least 180 days before the expiration date, which in this case would be June 15, 1987, will remain in compliance until the application for discharge plan renewal has been approved or disapproved. Applications for renewals submitted after June 15, 1987 may result in a discharge not in compliance, if EID is not provided sufficient time to process the application. Therefore, the EID recommends you submit an application for discharge plan renewal which include and adequately address all of the information necessary for evaluation of a new discharge plan well in advance of June 15, 1987.

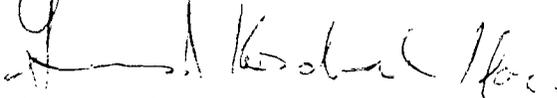
EQUAL OPPORTUNITY EMPLOYER

Nolan Brunson  
February 25, 1987  
Page 2

If you are no longer discharging and discharge plan renewal is not needed,  
please notify this office.

If you have any questions, please do not hesitate to contact me at the address  
listed on the letterhead or telephone number 827-2902.

Sincerely,



Kevin Lambert  
Hydrologist  
Ground Water Section/Underground  
Injection Control

KL:egr

Enclosures

cc: Garrison McCaslin, EID District IV Manager, Roswell

P 307 966 848

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED  
NOT FOR INTERNATIONAL MAIL

(See Reverse)

★ U.S.G.P.O. 1985-480-794

Sent to	Nolan Brunson
Street and No.	P.O. Box 197
P.O., State and ZIP Code	Hobbs, NM
Postage	\$
Certified Fee	
Special Delivery Fee	

BRINE STATION INSPECTION FORM

DATE 12/10 1986 EID INSPECTOR Lambert, Koschal  
FACILITY Salty Dog Inc #2 LOCATION Baker  
FACILITY REP ON SITE None COUNTY Hobbs  
LEA

DP-325

WELL OPERATION

WELL IS INJECTING: ? THROUGH ANNULUS ? THROUGH TUBING  
SOURCE OF FRESH WATER ?  
TRACE INJECTION/PRODUCTION LINES Buried Lines  
WELL HEAD PRESSURE \_\_\_\_\_ PSIG PUMP PRESSURE \_\_\_\_\_ PSIG  
LEAKS AROUND WELL OR PUMP None

STORAGE AREA

FOR PONDS:  
GENERAL LINER APPEARANCE Asphalon Lined Good Shape  
AMOUNT OF FREEBOARD ~ 1-2 ft  
ANY SIGN OF OVERFLOW OR LEAKS None  
LEAK DETECTION SYSTEM FLUIDS DRY

FOR TANKS:  
GENERAL APPEARANCE Good shape  
LABELED PLAINLY X YES — NO  
BERMED TO PREVENT RUNOFF X YES — NO  
CHECK CONTENTS TO ASSURE PROPER FLUID/LABLE MATCH \_\_\_\_\_

NUMBER OF TANKS FOR 3 BRINE 1 FRESH WATER 1  
1 out-of-service

LOADING AREA

PROPERLY GRADED AND BERMED TO CONTAIN SPILLAGE X YES — NO  
ANY EVIDENCE OF RECENT SPILLAGE — YES X NO  
DOES FACILITY HAVE A SPILL COLLECTION SYSTEM X YES — NO  
ANY EVIDENCE OF OIL SPILLING/DUMPING — YES X NO lined sump

MONITORING WELLS

DEPTH \_\_\_\_\_ FT STATIC WATER LEVEL \_\_\_\_\_ FT BELOW CASING  
SAMPLED THIS VISIT — YES — NO TEMP \_\_\_\_\_ Ec \_\_\_\_\_

COMMENTS Generally in good working order  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



TONEY ANAYA  
GOVERNOR

DENISE D. FORT  
DIRECTOR



STATE OF NEW MEXICO

ENVIRONMENTAL IMPROVEMENT DIVISION

P.O. Box 968, Santa Fe, New Mexico 87504-0968

(505) 984-0020

November 14, 1985

Nolan Brunson  
Brunson & McKnight  
P.O. Box 197  
Hobbs, New Mexico 88240

Re: DP-325

Dear Mr. Brunson:

I notified you by letter on April 4, 1985, that a surface inspection of the Salty Dog brine station on Highway 62-180 east of Hobbs had revealed several construction or operational details that are not permissible under the New Mexico Water Quality Control Commission regulations.

I inspected the facility again on November 11th and noted that two of these problems appear to have been corrected: there was no longer a crust of salt around the pumphouse and the emergency pit had an adequate freeboard. Thank you for addressing these problems. However, the third problem that I pointed out in my April 4th letter still remains: the channels delivering spillage to the emergency pond are unlined, and standing oily fluid was noted in some low spots. Please be prepared to correct this deficiency in a discharge plan amendment at the time that you apply for renewed approval of DP-325. As a reminder, your discharge plan for this facility expires December 18, 1987.

Sincerely,

Paige Grant Morgan  
Water Resource Specialist  
Ground Water Section

PGM/mp

cc: John Guinn, EID District IV, Roswell  
J.T. Janica, Natural Resources Engineering



MEMORANDUM OF MEETING OR CONVERSATION

Telephone

Personal

Time

8:40

Date

2/17/84

Originating Party

Larry Squires

Other Parties

Paige St.

Snyder Ranch, Lea County

Subject

- in response to my phone request yesterday for more information on his complaint about Trainer's operation.

Discussion

The locations of his wells & the pond referred to in his letter are:

well: in NW $\frac{1}{4}$  SW $\frac{1}{4}$  Sec 19 T19 R35

$\approx$  220' deep, used to fill 3 stock tanks adjacent to well & in 2 other pastures  $\approx$  1 mile away

well: in SE $\frac{1}{4}$  Sec 26 T19 R34

$\approx$  220' deep, also for stock watering  
both wells cased.

pond: caliche pit across the Hwy. fr Trainer's brine station, SW $\frac{1}{4}$  - Sec 25 T19 R34

catches rain water, holds for a long time

Conclusions or Agreements

I told him I needed this information to evaluate whether there was potential for groundwater damage from Trainer's operation.

He said Trainer should be shut down -

disclosed his <sup>(Squires)</sup> connection with Salty Dog.

As that connection, asked for an explanation

Distribution

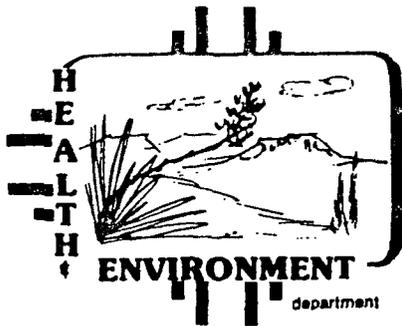
Trainer file  
Salty Dog file

Signed

Paige Grant

SEE OVER

CCB-  
of my letter to permitted brine wells  
about needing to prepare a Part V  
question of their <sup>d.p.</sup> permit when they  
come up for renewal. He asked for  
a copy of the outline of the brine  
well d.p. when ready.



STATE OF NEW MEXICO

ENVIRONMENTAL IMPROVEMENT DIVISION  
P.O. Box 968, Santa Fe, New Mexico 87504-0968  
(505) 984-0020

TONEY ANAYA  
GOVERNOR

ROBERT McNEILL  
SECRETARY

ROBERT L. LOVATO, M.A.P.A.  
DEPUTY SECRETARY

Steven Asher, Director

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

February 9, 1984

Nolan Brunson, President  
Brunson and McKnight  
P.O. Box 197  
Hobbs, NM 88240

Dear Mr. Brunson:

For your information, the responsibility for regulating brine extraction wells in the state of New Mexico was transferred in September, 1983 from the Oil Conservation Division (OCD) of the Energy and Minerals Department, to the Environmental Improvement Division (EID) of the Health and Environment Department.

The transfer will probably have no effect on your operation until 1986, when, if you plan to continue producing brine at your facility, you will need to start the process of applying for renewed approval of your discharge plan. Your present approval expires December 18, 1987, five years after the date the plan was approved.

At that time, you will need to prepare a discharge plan which includes the elements required under Section 5 as well as Section 3 of the Water Quality Control Commission (WQCC) Regulations (copy enclosed). Prior to December 20, 1982, a discharge plan consisted of only those elements listed in Section 3. Section 5 was added to the regulations in order to comply with federal Environmental Protection Agency (EPA) regulations to protect drinking water from pollution that might occur due to injection of fluids underground. The preparation of a Part 5 UIC application will require you to provide considerably more technical information than was needed for Part 3 discharge plan approval. It is for this reason that we recommend you begin to prepare your discharge plan renewal about eighteen months before the date that your current permit lapses. This should allow ample time for preparation, review, correction and final submittal of your new plan.

In the meantime, you are required to operate your facility in compliance with the standards of Section 3 of the WQCC Regulations. As time permits, we will

P 506 253 720

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—  
NOT FOR INTERNATIONAL MAIL

(See Reverse)

Sent to	
Nolan Brunson	
Street and No.	
P.O. Box 197	
P.O., State and ZIP Code	
Hobbs, NM	
Postage	\$

Mr. Brunson  
February 9, 1984  
Page 2

undertake a review of your present discharge plan and your field operation, to assure that it meets those standards.

If you have any questions or require further information, please contact me at the above address and telephone number (ext. 285).

Sincerely,



Paige Grant  
Hydrologist  
Ground Water Section

PG:egr

Enclosure

cc: John Guinn, EID District IV, Manager  
EID Field Office, Hobbs  
Joe Ramey, Director, OCD

msz



STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

BRUCE KING  
GOVERNOR

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-2434

December 18, 1982

Brunson and McKnight  
P. O. Box 297  
Hobbs, New Mexico 88240

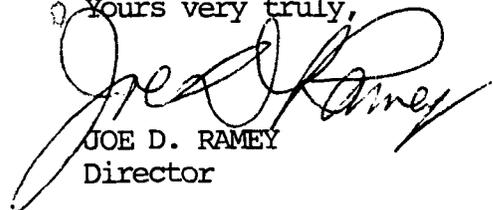
Re: *GWB-2* Discharge Plan

Gentlemen:

The discharge plan submitted for the brine production facility and in site extraction well located in Section 5, Township 19 South, Range 36 East, *NMPM*, Lea County, New Mexico, is hereby approved.

The discharge plan was submitted pursuant to section 3-106 of the Water Quality Control Commission regulations. It is approved pursuant to section 109. Please note subsections 3-109.E and 3-109.F which provide for possible future amendment of the plan. Please also be advised that the approval of this plan does not relieve you of liability should your operation result in actual pollution of surface or ground waters which may be actionable under other laws and/or regulations.

Yours very truly,

  
JOE D. RAMEY  
Director

JDR/jc

*Brunson + McKnight BSW #2*

NOTICE OF PUBLICATION

STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

SANTA FE, NEW MEXICO

Notice is hereby given that pursuant to New Mexico Water Quality Control Commission Regulations, the following proposed discharge plan has been submitted for approval to the Director of the Oil Conservation Division, P. O. Box 2088, State Land Office Building, Santa Fe, New Mexico 87501, telephone (505) 827-3260. (DP-325) SALTY DOG, INC., P. O. Box 297, Hobbs, New Mexico 88240, telephone (505) 393-7544, Larry Squires, requests approval of their discharge plan for their brine in situ extraction well and facility located in Section 5, Township 19 South, Range 36 East, NMPM, Lea County, New Mexico. Salty Dog Inc. injects water down their injection well to an underlying salt formation thereby dissolving the salt, forming a brine water solution with a total dissolved solids content of approximately 300,000 mg/L. Salty Dog Inc. extracts and sells the brine water solution to various companies for use in oil and gas production.

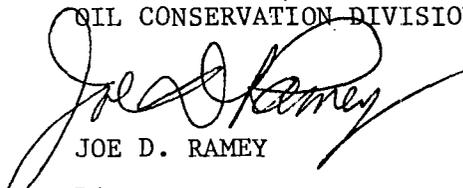
Any interested person may obtain further information from the Oil Conservation Division and may submit written comments to the Director of the Oil Conservation Division at the address given above. Prior to ruling on any proposed discharge plan or its modification, the Director of the Oil Conservation Division shall allow at least thirty (30) days after the date of publication of this notice during which comments may be submitted to him and a public hearing shall set forth the reasons why a hearing should be held. A hearing will be held if the Director determines there is significant public interest.

If no public hearing is held, the Director will approve or disapprove the proposed plan based on information available. If a public hearing is held, the Director will approve or disapprove the proposed plan based on information in the plan and information submitted at the hearing.

GIVEN Under the Seal of the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 12th day of November, 1982.

STATE OF NEW MEXICO

OIL CONSERVATION DIVISION

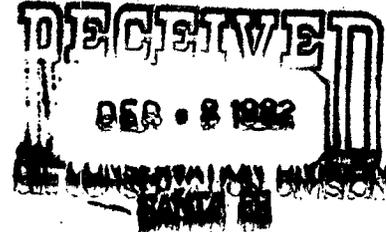
  
JOE D. RAMEY  
Director

S E A L



November 29, 1982

Energy and Minerals Department  
Oil Conservation Division  
P. O. Box 2088  
State Land Office Building  
Santa Fe, New Mexico 87501



Attention: Mr. Oscar Simpson

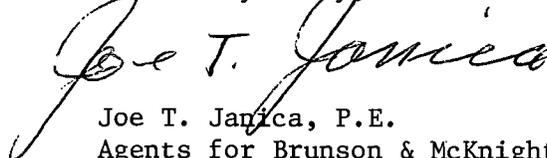
RE: Brunson and McKnight  
Brine Source Well  
Unit J, Sec. 5, T-19-S, R-36-E  
Lea County, NM

Dear Mr. Simpson:

In our request for the approval of an in-situ extraction operation sent to your office on November 9, 1982; one item was overlooked. We would like to bring this to your attention. Please note "Drawing #3 - Sheet 1 of 1", the overflow pit on this drawing is lined with a plastic liner in order to retain any collection of brine or run off from the brine loading station.

This information was not mentioned in our original letter. Will you please add this information to your file? We apologize for any inconvenience this may have caused.

Yours very truly,

  
Joe T. Janica, P.E.  
Agents for Brunson & McKnight

JTJ/lob

cc: N. Brunson  
file (2)

NOTICE OF PUBLICATION  
STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
SANTA FE, NEW MEXICO

Notice is hereby given that pursuant to New Mexico Water Quality Control Commission Regulations, the following proposed discharge plan has been submitted for approval to the Director of the Oil Conservation Division, P. O. Box 2088, State Land Office Building, Santa Fe, New Mexico 87501, telephone (505) 827-3260.

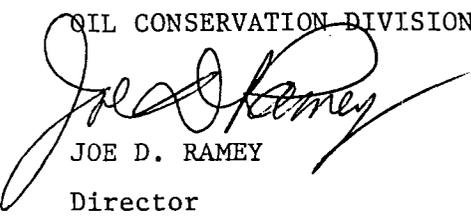
SALTY DOG, INC., P. O. Box 297, Hobbs, New Mexico 88240, telephone (505) 393-7544, Larry Squires, requests approval of their discharge plan for their brine in situ extraction well and facility located in Section 5, Township 19 South, Range 36 East, NMPM, Lea County, New Mexico. Salty Dog Inc. injects water down their injection well to an underlying salt formation thereby dissolving the salt, forming a brine water solution with a total dissolved solids content of approximately 300,000 mg/L. Salty Dog Inc. extracts and sells the brine water solution to various companies for use in oil and gas production.

Any interested person may obtain further information from the Oil Conservation Division and may submit written comments to the Director of the Oil Conservation Division at the address given above. Prior to ruling on any proposed discharge plan or its modification, the Director of the Oil Conservation Division shall allow at least thirty (30) days after the date of publication of this notice during which comments may be submitted to him and a public hearing shall set forth the reasons why a hearing should be held. A hearing will be held if the Director determines there is significant public interest.

If no public hearing is held, the Director will approve or disapprove the proposed plan based on information available. If a public hearing is held, the Director will approve or disapprove the proposed plan based on information in the plan and information submitted at the hearing.

GIVEN Under the Seal of the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 12th day of November, 1982.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
JOE D. RAMEY

Director



*Received 11-12-82*

November 9, 1982

Energy and Minerals Department  
Oil Conservation Division  
P.O. Box 2088  
State Land Office Building  
Santa Fe, New Mexico 87501

Attention: Mr. Oscar Simpson

RE: Brunson and McKnight  
Brine Source Well  
Unit J, Sec. 5, T-19-S, R-36-E  
Lea County, NM

Dear Mr. Simpson:

Please find attached a discharge plan for the Brunson and McKnight "Salty Dog" brine well located in Sec. 5, T-19-S, R-36-E of Lea County, NM. We are submitting this plan for your approval.

If any further information is needed, please contact me.

Yours very truly,

Joe T. Janica, P.E.  
Agents for Brunson & McKnight

JTJ/lob

Attachments (1)

cc: N. Brunson  
file (2)

ORIGINAL  
APPLICATION



# natural resources engineering inc.

## PROPOSED DISCHARGE PLAN

Brunson and McKnight  
Brine Source Well  
Unit J, Sec. 5, T-19-S, R-36-E  
Lea County, NM

In response to "Water Quality Control Commission Regulations - Part 3, Sec. 106-C questions 1-8" the following answers are provided for your consideration:

1. Brine water produced from brine source well located in Unit J, Sec. 5, T-19-S, R-36-E, Lea County, New Mexico. Production is accomplished by displacing saturated brine water with fresh water being pumped into salt cavity. On demand this well produces approximately 70 to 90 gal. per min. of 10\* per gallon brine water depending solely on displacement rate by fresh water. (See attachment "A" for brine water analysis)

2. Discharge of produced brine is approximately 2500' north of brine source well into a lined surface pit.

Existing fresh water wells within a one (1) mile radius will be monitored at regular intervals to assure operator that no contamination is taking place. There are no bodies of water existing within one mile of discharge and/or storage of brine. (See figures 1 & 2.)

3. Depth to ground water in this area is 75'±. These wells are numbered and water analysis for all are enclosed. (See attachment "A")

4. Flooding potential of site is very remote. The plastic lined surface pit has a built-in leak detection system installed in the bottom of the pit. It consists of four inch P.V.C. piping with holes drilled in the pipe. The pipe was installed in trenches 12" deep, then covered with pea gravel. Then the entire bottom of the pit was covered with sand. (See Detail "B" Drawing #2.) Plastic liner was installed over the sand base. The P.V.C. pipe system was manifolded. It exits on the west side of surface pit with a four (4) foot riser at the end. (See Drawing #2)

Should the plastic liner develop a leak, it can be detected by daily visual inspection of the riser.

In the event a dike should break, all drainage would be captured in a natural catch basin. It is located approximately 1200' south-southwest of the brine station. (See Topographic Map - Figure 3)

The spill can then be recovered by portable vacuum pumps to reduce danger of contamination of fresh water.

5. Samples of brine water can be obtained at discharge of source well, at discharge into surface pit from source well, and can be obtained downstream of centrifugal pump in line to loading station. Flow meters are located in the loading station.
6. Information for this question is not readily available.
7. See attached drawings (1, 2, and 3), Attachments B and C, and Well Bore Sketch.
8. See attached drawings (1, 2, and 3), Attachments B and C, and Well Bore Sketch.

RESULT OF WATER ANALYSES

LABORATORY NO. 11821  
 TO: Mr. Joe Janica SAMPLE RECEIVED 11-1-82  
P.O. Box 2188, Hobbs, NM RESULTS REPORTED 11-1-82

COMPANY Natural Resources Evaluation and LEASE Salty Dog #1  
Engineering Inc.  
 FIELD OR POOL \_\_\_\_\_  
 SECTION \_\_\_\_\_ BLOCK \_\_\_\_\_ SURVEY \_\_\_\_\_ COUNTY \_\_\_\_\_ STATE \_\_\_\_\_  
 SOURCE OF SAMPLE AND DATE TAKEN:

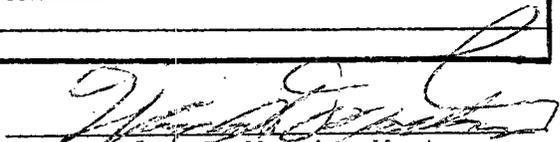
- NO. 1 Raw water - taken from water well @ Snyder ranch house.
- NO. 2 Raw water - taken from water well @ Snyder ranch headquarters office.
- NO. 3 Raw water - taken from water supply well (Salty Dog #1).
- NO. 4 Brine water - taken from Salty Dog #1.

REMARKS:

CHEMICAL AND PHYSICAL PROPERTIES				
	NO. 1	NO. 2	NO. 3	NO. 4
Specific Gravity at 60° F.	1.0014	1.0015	1.0020	1.2060
pH When Sampled				
pH When Received	7.35	7.48	7.47	8.00
Bicarbonate as HCO <sub>3</sub>	220	224	215	56
Supersaturation as CaCO <sub>3</sub>				
Undersaturation as CaCO <sub>3</sub>				
Total Hardness as CaCO <sub>3</sub>	216	228	320	5,650
Calcium as Ca	66	74	116	1,720
Magnesium as Mg	12	11	7	328
Sodium and/or Potassium	18	13	49	135,387
Sulfate as SO <sub>4</sub>	33	34	38	4,347
Chloride as Cl	28	27	149	209,506
Iron as Fe	0.13	0.21	2.5	0.42
Barium as Ba				
Turbidity, Electric				
Color as Pt				
Total Solids, Calculated	377	383	574	351,344
Temperature °F.				
Carbon Dioxide, Calculated				
Dissolved Oxygen, Winkler				
Hydrogen Sulfide	0.0	0.0	0.0	0.0
Resistivity, ohms/m at 77° F.	19.50	19.50	13.00	0.041
Suspended Oil				
Filtrable Solids as mg/l				
Volume Filtered, ml				

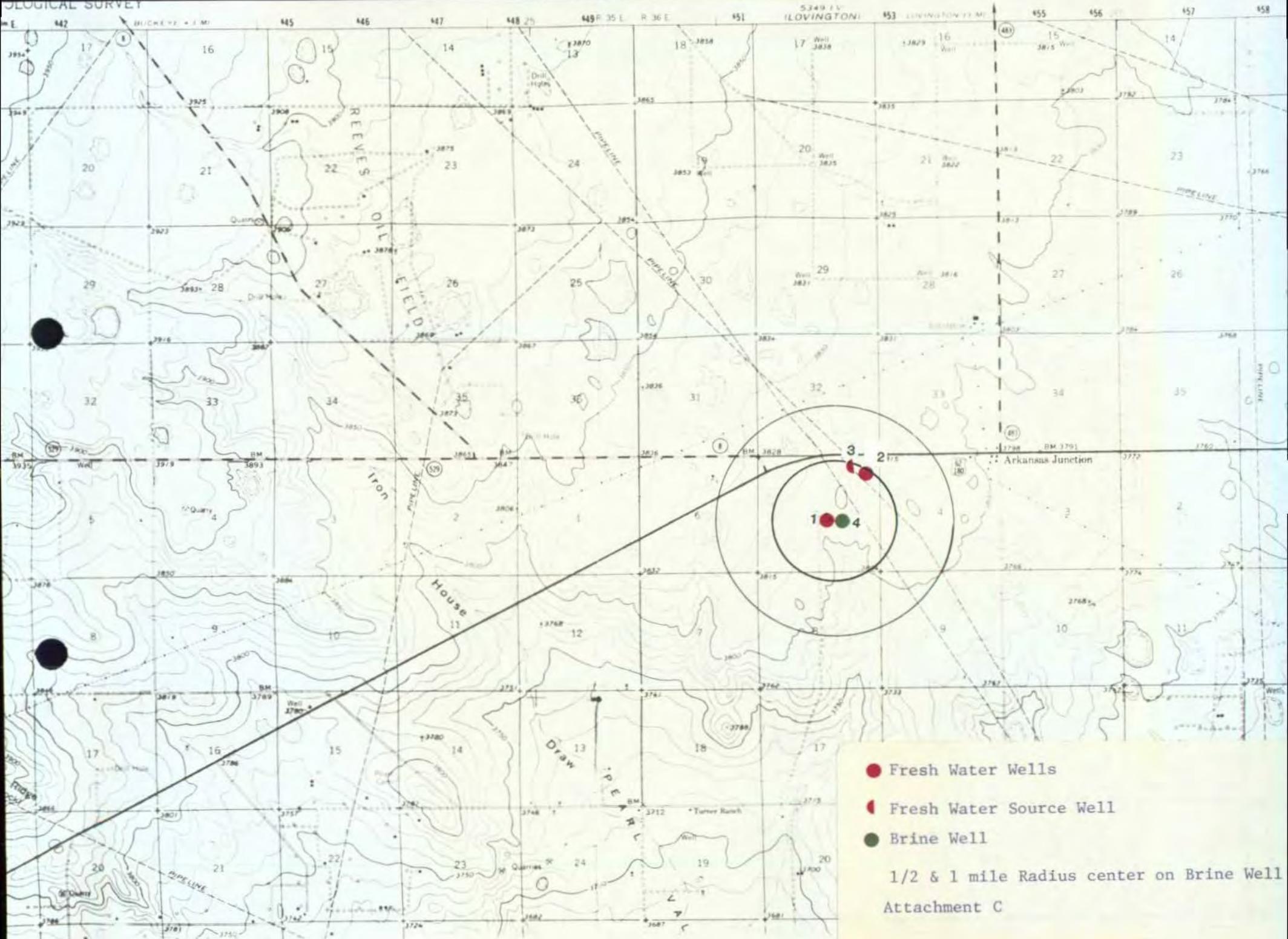
Results Reported As Milligrams Per Liter

Additional Determinations And Remarks The undersigned certifies the above to be true and correct to the best of his knowledge and belief.

  
 Waylan C. Martin, M. A.

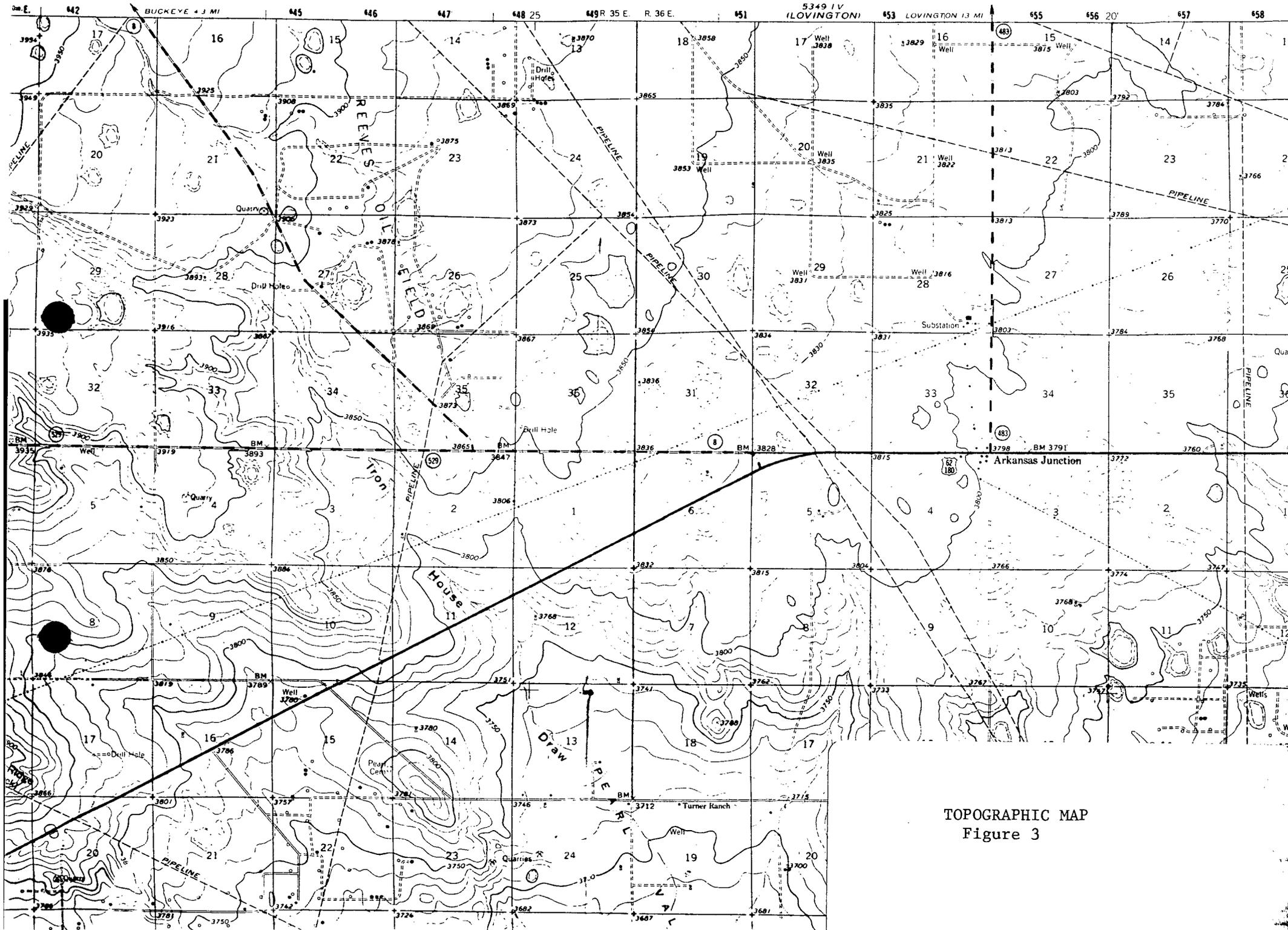
ATTACHMENT A



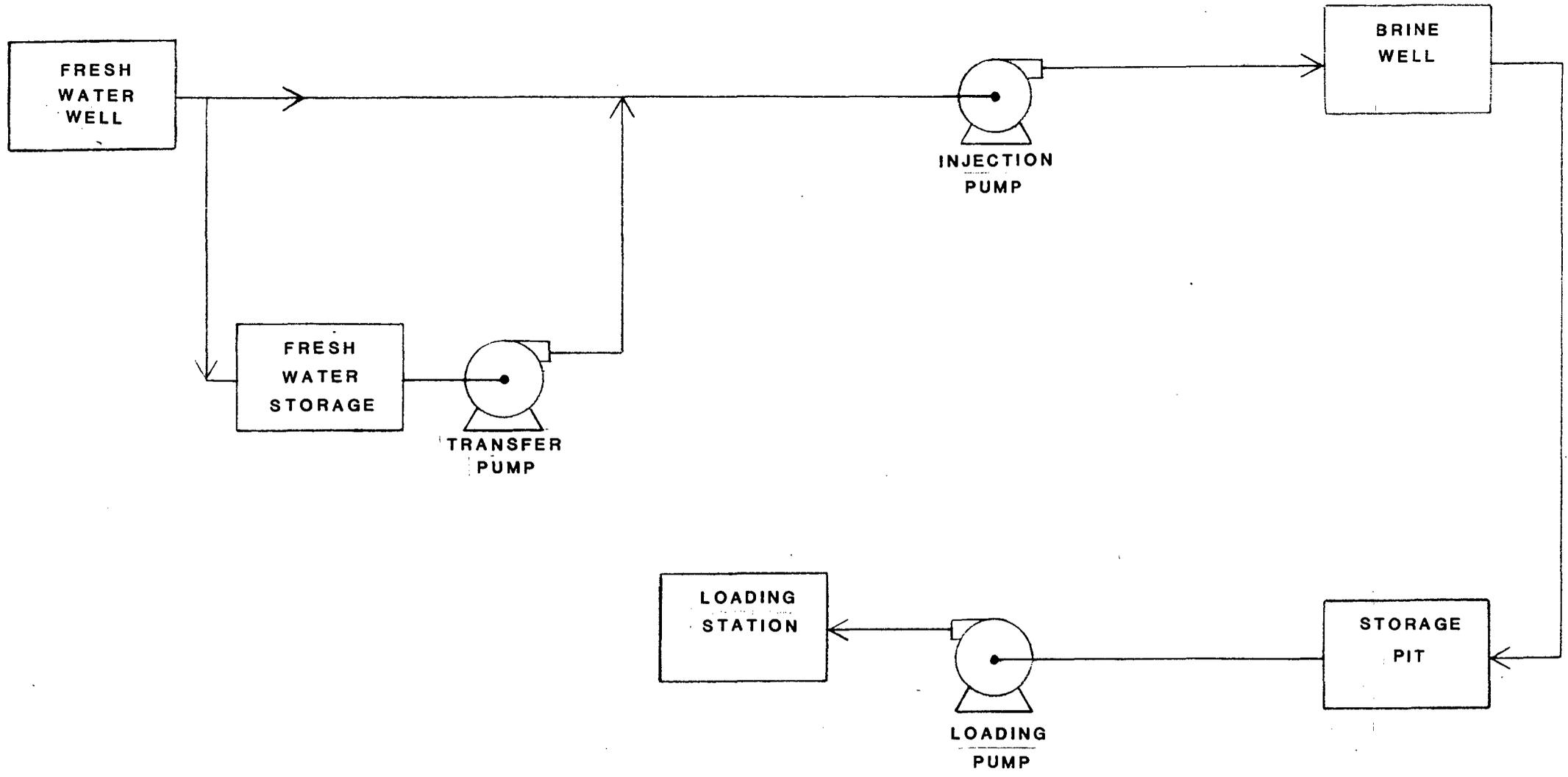


- Fresh Water Wells
- Fresh Water Source Well
- Brine Well

1/2 & 1 mile Radius center on Brine Well  
Attachment C



TOPOGRAPHIC MAP  
Figure 3



**NOTES**

SCALE: NONE

NATURAL RESOURCES ENGINEERING INC

BRINE SYSTEM SCHEMATIC

NB01-001-001

DRAWING NO

1  
SHEET 1 OF 1

136'

12'

RISER

A

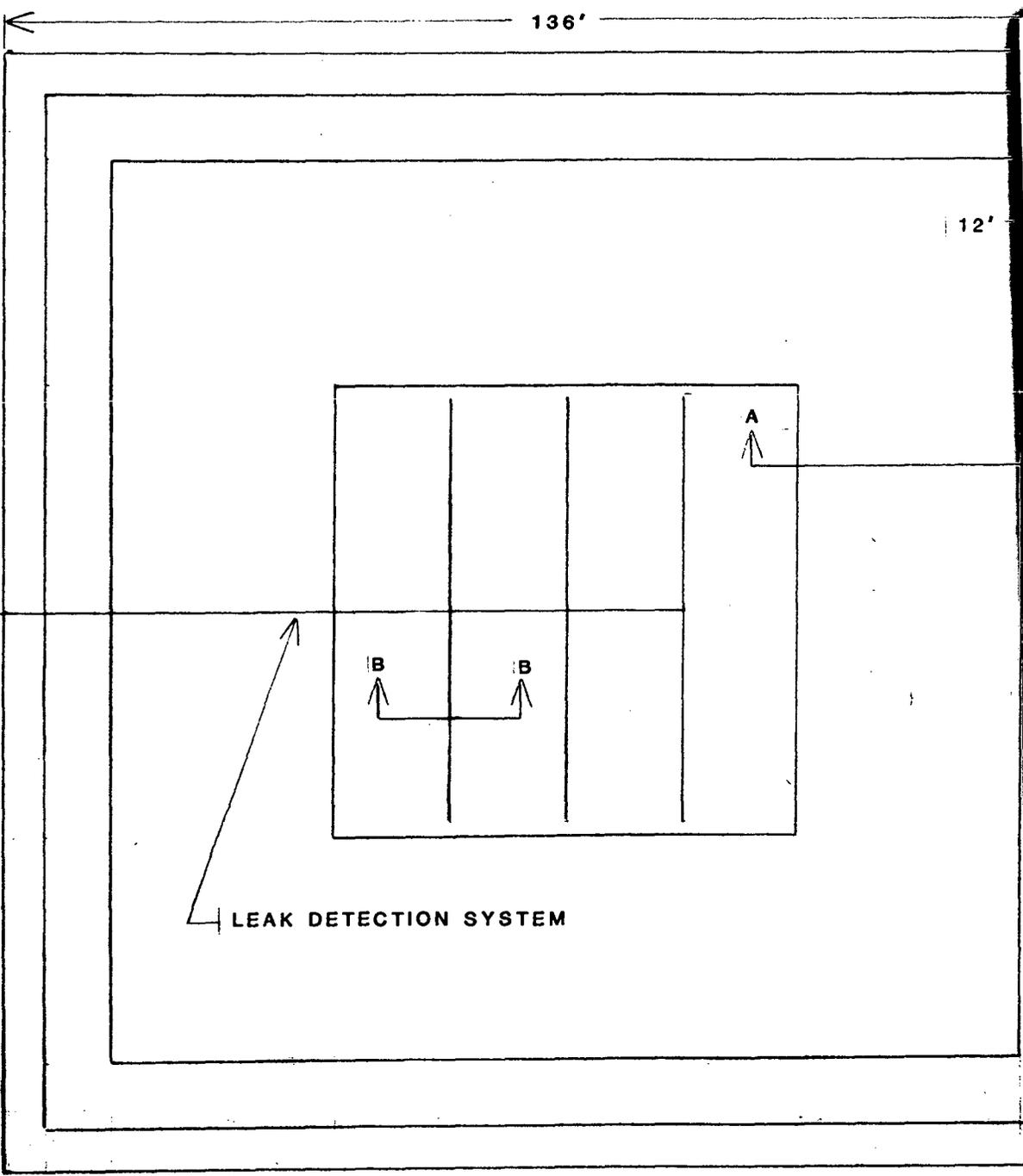
B

B

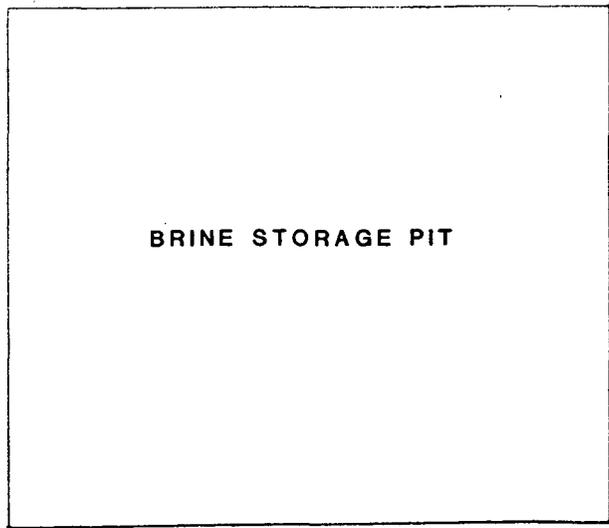
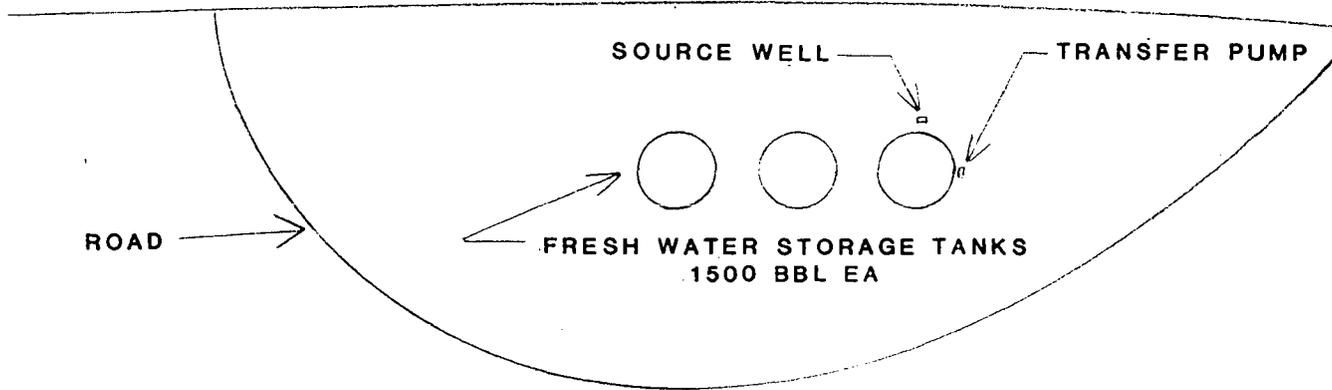
LEAK DETECTION SYSTEM

NOTES

NA  
BR

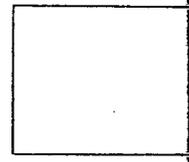


N ←



□ ← LOADING STATION

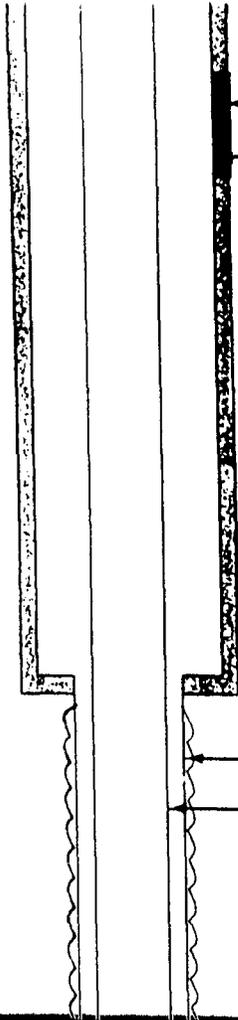
□ ← LOADING PUMP



NAT
B

## WELL BORE SKETCH

OPERATOR/LEASE/WELL Brunson & McKnight Inc.-Brine Supply Well #1 DATE 11-9-82  
 NRE JOB NUMBER NB01-001-001  
 FIELD/POOL \_\_\_\_\_ / \_\_\_\_\_  
 PLUG BACK DEPTH 2958' KB 3816 est. ELEVATION 3806'



Hole Size 12 1/4"

**SURFACES CASING:**

Size 8 5/8" Weight 24# & 32# Grade J-55  
 Set at 1877' with 850 Sacks Cement  
 Circulate 200 Sacks to Surface  
 Remarks: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Hole Size 6 1/4"

**PRODUCTION CASING: \***

Size \_\_\_\_\_ Weight \_\_\_\_\_ Grade \_\_\_\_\_  
 Set at \_\_\_\_\_ with \_\_\_\_\_ Sacks Cement  
 Cement Top: Calculated \_\_\_\_\_ Temperature Survey \_\_\_\_\_

\* Remarks: No production casing was run in this well.  
Completed open hole from 1877' to 2958' as a brine  
source well.



Salty Dog Hobbs DP-325

Dec-1988

Switch House (Brine storage in background)



Salty Dog - Hobbs DP-305

Dec. 1988

Spillage Collection Pond.



Salty Dog - Hobbs

DP-335

Dec - 1988

Old (unused) storage Tanks



Salty Dog - Hobbs  
Brine Storage Pond

DP-325

Dec - 1988



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RECEIVED WELLS

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