

BW - 21

**GENERAL
CORRESPONDENCE**

YEAR(S):

2007 → 1985

Chavez, Carl J, EMNRD

From: Chavez, Carl J, EMNRD
Sent: Wednesday, August 15, 2007 10:26 AM
To: 'rharrisnm@netscape.net'
Cc: Price, Wayne, EMNRD
Subject: RE: Local Hills Brine Well Discharge Plan Application (BW-21) & WQCC 20.6.2.3108 Public Notice Requirements for Admin. Completeness

Randall:

Ok. We need to make sure the site is restored in addition to the well being properly plugged and abandoned. Thanks.

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Dr., Santa Fe, New Mexico 87505
Office: (505) 476-3491
Fax: (505) 476-3462
E-mail: CarlJ.Chavez@state.nm.us
Website: <http://www.emnrd.state.nm.us/ocd/index.htm>
(Pollution Prevention Guidance is under "Publications")

From: rharrisnm@netscape.net [mailto:rharrisnm@netscape.net]
Sent: Wednesday, August 15, 2007 9:48 AM
To: Chavez, Carl J, EMNRD
Subject: Re: Local Hills Brine Well Discharge Plan Application (BW-21) & WQCC 20.6.2.3108 Public Notice Requirements for Admin. Completeness

Carl,

We I think we need to continue with the discharge plan. I am sending you today an application for a new Brine well located on the same property. I found a location that will work for you and us. Will send a C-103 to plug well #1 when we are approved for well #2.

Randall

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

From: Chavez, Carl J, EMNRD <CarlJ.Chavez@state.nm.us>
To: rharrisnm@netscape.net
Sent: Fri, 6 Jul 2007 9:48 am
Subject: Local Hills Brine Well Discharge Plan Application (BW-21) & WQCC 20.6.2.3108 Public Notice Requirements for Admin. Completeness

[Unable to display image]

Randy:

Hi. The application was lacking the WQCC Public Notice Information that I need in order to deem your application "administratively complete." Please take a look at the attached public notice requirements and information below to assist you in providing me with the information.

8/15/2007

The New Mexico Oil Conservation Division (NMOCD) has received your request and initial fee for your Class III Brine Well Discharge Plan Renewal. The review of your submittal is to determine if any additional information may be required before considering deeming the permit application administratively complete. The initial submittal has been determined to be **incomplete**.

Therefore, the NMOCD requests additional information. In accordance with Subsection A of 20.6.2.3108 NMAC of the revised New Mexico Water Quality Control Commission regulations (WQCC), "to be deemed administratively complete, an application shall provide all of the information required by Paragraphs (1) through (5) of Subsection F of 20.6.2.3108 NMAC and shall indicate, for department approval, the proposed locations and newspaper for providing notice required by Paragraphs (1) through (4) of Subsection B or Paragraph (2) of Subsection C of 20.6.2.3108 NMAC." Please provide the required information.

Please review the attached flow chart and regulatory language pertaining to the new WQCC public notice requirements for guidance. Once the application is deemed administratively complete, the revised WQCC notice requirements of 20.6.2.3108 NMAC must be satisfied and demonstrated to the NMOCD. NMOCD will provide public notice pursuant to the revised WQCC notice requirements of 20.6.2.3108 NMAC to determine if there is any public interest.

If you have any questions, please contact Carl Chavez or my staff at (505-476-3491).

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Dr., Santa Fe, New Mexico 87505
Office: (505) 476-3491
Fax: (505) 476-3462
E-mail: CarlJ.Chavez@state.nm.us
Website: <http://www.emnrd.state.nm.us/ocd/index.htm>
(Pollution Prevention Guidance is under "Publications")

Confidentiality Notice: This e-mail, including all attachments is for the sole use of the intended recipient (s) and may contain confidential and privileged information. Any unauthorized review, use, disclosure or distribution is prohibited unless specifically provided under the New Mexico Inspection of Public Records Act. If you are not the intended recipient, please contact the sender and destroy all copies of this message. -- This email has been scanned by the Sybari - Antigen Email System.

size=2 width="100%" align=center>

Check Out the new free AIM(R) Mail -- Unlimited storage and industry-leading spam and email virus protection.

This inbound email has been scanned by the MessageLabs Email Security System.

8/15/2007

Chavez, Carl J, EMNRD

From: Chavez, Carl J, EMNRD
Sent: Tuesday, October 30, 2007 8:22 AM
To: 'rharrisnm@netscape.net'
Cc: Price, Wayne, EMNRD
Subject: FW: BW-021 Loco Hills Water Disposal

Randy:

Regarding yesterday's msg. referencing BW-033 (this was the permit number designated for a new BW); however, as we discussed, the OCD will be working to process a new BW under the existing BW-021 permit for Loco Hills. Please disregard the msg. below. I have located your \$100 filing fee dated 8/1/06 and have prioritized it. Thanks.

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Dr., Santa Fe, New Mexico 87505
Office: (505) 476-3491
Fax: (505) 476-3462
E-mail: CarlJ.Chavez@state.nm.us
Website: <http://www.emnrd.state.nm.us/ocd/index.htm>
(Pollution Prevention Guidance is under "Publications")

From: Chavez, Carl J, EMNRD
Sent: Monday, October 29, 2007 4:23 PM
To: 'rharrisnm@netscape.net'
Cc: Price, Wayne, EMNRD
Subject: BW-033 Loco Hills

Randall:

As per Mr. Price's request that I "unfrustrate you," please send me a filing fee check made out to the "Water Quality Management Fund" in the amount of \$100. Please reference BW-033. At issuance of the final discharge plan, if issued, there will be another final fee of \$1,700 required to consummate the permit. Please send ASAP. Please contact me if you have questions. Thank you.

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Dr., Santa Fe, New Mexico 87505
Office: (505) 476-3491
Fax: (505) 476-3462
E-mail: CarlJ.Chavez@state.nm.us
Website: <http://www.emnrd.state.nm.us/ocd/index.htm>
(Pollution Prevention Guidance is under "Publications")

10/30/2007

Chavez, Carl J, EMNRD

From: Price, Wayne, EMNRD
Sent: Friday, October 05, 2007 12:14 PM
To: Chavez, Carl J, EMNRD
Subject: FW: LHWD Discharge plan

Please handle

From: Randall Harris [mailto:rharrisnm@aim.com]
Sent: Thursday, September 27, 2007 8:22 AM
To: Price, Wayne, EMNRD
Subject: LHWD Discharge plan

Wayne,

Does this look ok?

Randall

NOTICE

Renewal of Discharge Plan for Brine Extraction Facility
Loco Hills Water Disposal
P.O. Box 68
Loco Hills, NM 88255

Located one mile north of US 82 on CR 217 (Hagerman Cutoff)
1654 CR 217
Loco Hills, NM 88255

Brine water is produced from a well located on the property and is discharged in a lined bermed pond.

Volume is approximately 2500 barrels per day of 10# brine.

There is no fresh ground water within this area.

Comments and or request to be placed on the facility mailing list for future notices should be made to:

NMOCD
1220 south St. Francis Dr.
Santa Fe, NM 87505

Attn: Carl J. Chavez
(505) 476-3462

10/5/2007

Check Out the new free AIM(R) Mail -- Unlimited storage and industry-leading spam and email virus protection.

This inbound email has been scanned by the MessageLabs Email Security System.

10/5/2007



RECEIVED

2007 SEP 28 PM 1:31

May Westall Operating, Inc.

Independent Oil Producer
Post Office Box 4
Loco Hills, New Mexico 88255
PH. 505-677-2370 • FAX 505-677-2361

NMOCD
1220 S St Francis Dr
Santa Fe, NM 87505

Attn: Carl Chavez

Re: Loco Hills Water Disposal
Brine Well #2

Gentlemen:

The one half mile area of review for the captioned well that is required on the C-108 (Application For Authorization To Inject) is to great of an area. A brine well circulates fluids under relative low pressure 50-200 psi, while a injection or disposal well forces fluid pressurizing the formation.

In the Brine Well #1 on this same lease, sonar mapping of the salt cavity was preformed after sixteen years of use. The maximum radius was only 178.4 feet. So a more reasonable area of review would be somewhere less than 500'.

The closest well to the proposed Brine Well #2 is the "COG ETZ Unit #109 at 481'. As stated in the C-108 the 8 5/8" surface set at 520' was circulated with cement and the 5 1/2" production casing set at 3305' was cemented with 360 sxs. This well should pose no foreseeable problems for a brine well at the proposed location.

Respectfully submitted,

Randall L. Harris
Geologist

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-101
May 27, 2004

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit to appropriate District Office

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address Loco Hills Water Disposal P.O. Box 68 Loco Hills, NM 88255		² OGRID Number	
		³ API Number 30 - 015 - 36119	
⁴ Property Code	⁵ Property Name Brine Well		⁶ Well No. 2
⁹ Proposed Pool 1		¹⁰ Proposed Pool 2	

7 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	16	17 S	30 E		1453	South	221	West	Eddy

8 Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Additional Well Information

¹¹ Work Type Code N	¹² Well Type Code M	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3667'
¹⁶ Multiple NO	¹⁷ Proposed Depth 1020'	¹⁸ Formation SALT	¹⁹ Contractor Circle Diamond Drilling	²⁰ Spud Date ASAP
Depth to Groundwater None		Distance from nearest fresh water well 2 miles		Distance from nearest surface water 5 miles
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 20_mils thick Clay <input type="checkbox"/> Pit Volume: 250_bbls Drilling Method: Closed-Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

21 Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12 1/4"	8 5/8"	32	620	500	Circulated
7 7/8"					

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Drill with fresh water to 100' below top of salt (T/Salt est 520') Set casing circulate cement.
Drill out to base of salt est. 1020'

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input checked="" type="checkbox"/> , a general permit <input type="checkbox"/> or an (attached) alternative OCD-approved plan <input type="checkbox"/> .		OIL CONSERVATION DIVISION	
Printed name: Randall Harris		Approved by: <i>Wayne Price</i>	
Title: Geologist		Title: ENVL BUREAU CHIEF	
E-mail Address: rharrisnm@aim.com		Approval Date: 2/15/08 Expiration Date: 8/15/08	
Date: 9/20/07 Phone: 505.677.2370		Conditions of Approval Attached <input checked="" type="checkbox"/>	

DISTRICT I
1625 N. FRENCH DR., HOBBES, NM 86240

State of New Mexico
Energy, Minerals and Natural Resources Department

DISTRICT II
1301 W. GRAND AVENUE, ARTESHA, NM 88210

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

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87506

OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code	Pool Name
Property Code	Property Name BRINE WELL	Well Number 2
OGRID No.	Operator Name LOCO HILLS WATER DISPOSAL	Elevation 3667'

Surface Location

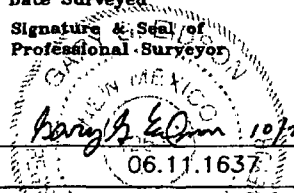
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	16	17-S	30-E		1453	SOUTH	221	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>GEODETIC COORDINATES NAD 27 NME Y=666265.5 N X=607201.0 E LAT.=32.831164° N LONG.=103.984334° W</p>				<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p>
<p>SURVEYOR CERTIFICATION</p> <p>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 belief.</p> <p>OCTOBER 15, 2006</p> <p>Date Surveyed _____ JR</p> <p>Signature & Seal of Professional Surveyor  10/27/06</p> <p>Certificate No. GARY EDSON 12841 RONALD J. EDSON 3239</p>				

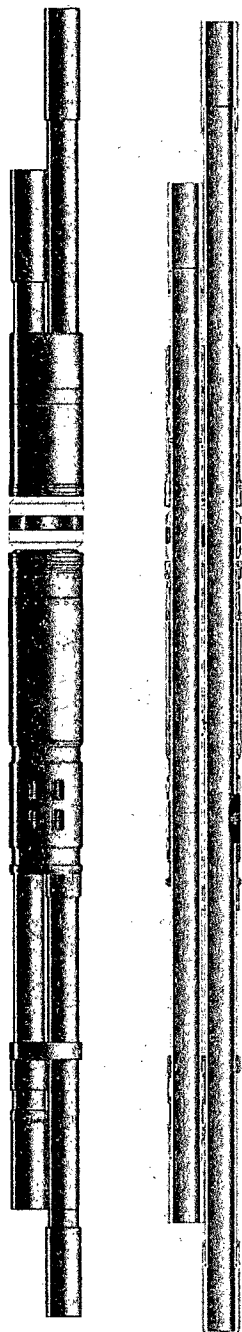
C.O.G. ETZ # 109

666' 481' 221' 1453' 1650'

Hydro-12 Hydraulic-Set Dual-String Packer

Schlumberger

Hydro-12 hydraulic-set dual-string packer.



The Hydro-12* dual-string, hydraulic-set, double-grip, retrievable production packer is designed to be set from either the long or the short string. The Hydro-12 packer can be run in stacked dual installations or above almost any type of single-string packer. The unique design allows the packer to be set without tubing manipulation, and both mandrels are free to rotate for ease of makeup. In addition, the short string does not move during setting, which simplifies tubing space out. Orientation of the string is done by using an optional locking mechanism.

The packer is set by plugging the tubing below the setting ports in the packer and applying pressure to the setting string. Common plugging devices include pump out plugs, pressure trip subs, or blanking plugs. The bidirectional slips anchor the packer in the casing, keeping the packer from moving upward or downward in response to differential pressure or tubing movement. This packer is suitable for applications requiring installation of the wellhead prior to packer setting since no tubing manipulation or movement is required.

The Hydro-12 packer is released by straight upward pull on either the short or long string or simultaneously on both strings until the packer's primary shear pin value is exceeded. When releasing the packer, the primary and secondary mandrel movement is simultaneous. This feature permits the use of electrical submersible pump cable feed-through systems.

Applications

- Vertical, deviated, or horizontal wellbores
- Dual production strings

Benefits

- Packer may be set after the wellhead is installed.
- Elimination of mandrel movement during setting facilitates the use of this packer in electrical submersible pump installations.
- Rig time is saved by the simultaneous running of tubing strings.

Features

- Can be set by the short or long string.
- No tubing manipulation is required to set the packer.
- No mandrel movement occurs during setting.
- Simultaneous mandrel movement occurs while releasing the packer.
- One-piece mandrel is designed with premium connections.
- Setting is not affected by tubing weight below the packer.
- Both mandrels are free to rotate.
- May be run with dual strings simultaneously.
- Tubing may be pulled without disturbing the packer.
- Mechanical locks prevent premature setting.

Chavez, Carl J, EMNRD

From: Chavez, Carl J, EMNRD
Sent: Friday, September 07, 2007 9:56 AM
To: 'rharrisnm@netscape.net'
Cc: Price, Wayne, EMNRD; Gum, Tim, EMNRD
Subject: BW-21 Renewal Application
Attachments: Renewal WQCC Notice Regs.pdf; PN Flow Chart.20.6.2renewal.pdf

Mr. Harris:

Pursuant to our brine well conversation today, please submit the following:

- 1) A new C-101 with a deeper depth into the salt formation (e-mail or fax us info. on the packer design based on the C-108 schematic of the well construction).
- 2) A revised portion of the C-108 based on the new C-101 information, i.e., schematic, etc.
- 3) Discharge plan renewal application with public notice criteria for a renewal application administratively complete designation.
 - a. Along with this application, include a letter with rationale for a 500 ft. AOR for nearby wells that are unsealed across the salt formation.

We will review the C-101 and likely approve the location and designate a new API# for the well through our Artesia District Office. Once we deem the application administratively complete, we will follow the public notice requirements of the attachments.

Please contact me if you have questions. Thank you.

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Dr., Santa Fe, New Mexico 87505
Office: (505) 476-3491
Fax: (505) 476-3462
E-mail: CarlJ.Chavez@state.nm.us
Website: <http://www.emnrd.state.nm.us/ocd/index.htm>
(Pollution Prevention Guidance is under "Publications")

Chavez, Carl J, EMNRD

From: Chavez, Carl J, EMNRD
Sent: Thursday, September 06, 2007 4:54 PM
To: 'rharrisnm@netscape.net'; 'rhaarrisnm@aim.com'
Cc: Gum, Tim, EMNRD
Subject: New Brine Well Discharge Plan (BW-33)
Attachments: New and Mod WQCC Notice Regs.pdf; PN Flow Chart.20.6.2new and mods.pdf

**Re: New Brine Well Discharge Plan Application
 Loco Hills Disposal Co.
 Loco Hills, New Mexico**

Dear Mr. Harris:

The New Mexico Oil Conservation Division (NMOCD) has received Loco Hills Disposal Co.'s C-101 to drill a new brine well, C-108 application for authorization to inject on August 17, 2007. The NMOCD notices that you did not include a brine well discharge application (http://www.emnrd.state.nm.us/ocd/documents/DP_BEF.pdf) with your submittal along with a \$100 filing fee. There is also a \$1,700 fee for a 5-year permit, which may be remitted to the OCD upon receipt of the final permit for signature. In addition, upon inspection of the public notice in the C-108, the NMOCD notices a date of November 8, 2006 on the public notice. The public notice FSL and FWL do not correspond to the C-101 for the new brine well. Perhaps this notice was for the existing brine well (BW-21) that will be plugged and abandoned after the new brine well is completed and operational. Loco Hills Disposal Co. cannot rely on this public notice for the new brine well. The NMOCD notices that the public notice does not include a Spanish version, which is required by the WQCC Public Notice requirements, 20.6.2.3108 NMAC (see attachments for new brine well discharge plans and minimum items to include with your discharge plan application) in order to deem the new discharge plan application and other submittal items administratively complete.

The review of the submittal is to determine if any additional information may be required before considering deeming the permit application administratively complete. The initial submittal has been determined to be incomplete based on the above.

Therefore, the NMOCD requests additional information, i.e., public notice information for a new application, a discharge plan application with items addressed, etc. In accordance with Subsection A of 20.6.2.3108 NMAC of the revised New Mexico Water Quality Control Commission regulations (WQCC), "to be deemed administratively complete, an application shall provide all of the information required by Paragraphs (1) through (5) of Subsection F of 20.6.2.3108 NMAC and shall indicate, for department approval, the proposed locations and newspaper for providing notice required by Paragraphs (1) through (4) of Subsection B or Paragraph (2) of Subsection C of 20.6.2.3108 NMAC." Please provide the required information.

Please review the attached flow chart and regulatory language pertaining to the new WQCC public notice requirements for guidance. Once the application is deemed administratively complete, the revised WQCC notice requirements of 20.6.2.3108 NMAC must be satisfied and demonstrated to the NMOCD. NMOCD will provide public notice pursuant to the revised WQCC notice requirements of 20.6.2.3108 NMAC to determine if there is any public interest.

If you would like to discuss submittal items and other concerns based on your submittal, please contact me at (505) 476-3491. Thank you for your cooperation during this brine well discharge permit review.

Sincerely,

Carl J. Chavez, CHMM
 New Mexico Energy, Minerals & Natural Resources Dept.
 Oil Conservation Division, Environmental Bureau

2/22/2008

1220 South St. Francis Dr., Santa Fe, New Mexico 87505
Office: (505) 476-3491
Fax: (505) 476-3462
E-mail: CarlJ.Chavez@state.nm.us
Website: <http://www.emnrd.state.nm.us/ocd/index.htm>
(Pollution Prevention Guidance is under "Publications")

Chavez, Carl J, EMNRD

From: rharrisnm@netscape.net**Sent:** Wednesday, August 15, 2007 9:48 AM**To:** Chavez, Carl J, EMNRD**Subject:** Re: Local Hills Brine Well Discharge Plan Application (BW-21) & WQCC 20.6.2.3108 Public Notice Requirements for Admin. Completeness

Carl,

We I think we need to continue with the discharge plan. I am sending you today an application for a new Brine well located on the same property. I found a location that will work for you and us. Will send a C-103 to plug well #1 when we are approved for well #2.

Randall

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

From: Chavez, Carl J, EMNRD <CarlJ.Chavez@state.nm.us>

To: rharrisnm@netscape.net

Sent: Fri, 6 Jul 2007 9:48 am

Subject: Local Hills Brine Well Discharge Plan Application (BW-21) & WQCC 20.6.2.3108 Public Notice Requirements for Admin. Completeness

[Unable to display image]

Randy:

Hi. The application was lacking the WQCC Public Notice Information that I need in order to deem your application "administratively complete." Please take a look at the attached public notice requirements and information below to assist you in providing me with the information.

The New Mexico Oil Conservation Division (NMOCD) has received your request and initial fee for your Class III Brine Well Discharge Plan Renewal. The review of your submittal is to determine if any additional information may be required before considering deeming the permit application administratively complete. The initial submittal has been determined to be **incomplete**.

Therefore, the NMOCD requests additional information. In accordance with Subsection A of 20.6.2.3108 NMAC of the revised New Mexico Water Quality Control Commission regulations (WQCC), "to be deemed administratively complete, an application shall provide all of the information required by Paragraphs (1) through (5) of Subsection F of 20.6.2.3108 NMAC and shall indicate, for department approval, the proposed locations and newspaper for providing notice required by Paragraphs (1) through (4) of Subsection B or Paragraph (2) of Subsection C of 20.6.2.3108 NMAC." Please provide the required information.

Please review the attached flow chart and regulatory language pertaining to the new WQCC public notice requirements for guidance. Once the application is deemed administratively complete, the revised WQCC notice requirements of 20.6.2.3108 NMAC must be satisfied and demonstrated to the NMOCD. NMOCD will provide public notice pursuant to the revised WQCC notice requirements of 20.6.2.3108 NMAC to determine if there is any public interest.

If you have any questions, please contact Carl Chavez or my staff at (505-476-3491).

2/22/2008

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Dr., Santa Fe, New Mexico 87505
Office: (505) 476-3491
Fax: (505) 476-3462
E-mail: CarlJ.Chavez@state.nm.us
Website: <http://www.emnrd.state.nm.us/ocd/index.htm>
(Pollution Prevention Guidance is under "Publications")

Confidentiality Notice: This e-mail, including all attachments is for the sole use of the intended recipient (s) and may contain confidential and privileged information. Any unauthorized review, use, disclosure or distribution is prohibited unless specifically provided under the New Mexico Inspection of Public Records Act. If you are not the intended recipient, please contact the sender and destroy all copies of this message. -- This email has been scanned by the Sybari - Antigen Email System.

Check Out the new free AIM(R) Mail -- Unlimited storage and industry-leading spam and email virus protection.

This inbound email has been scanned by the MessageLabs Email Security System.

Price, Wayne, EMNRD

From: Price, Wayne, EMNRD
Sent: Wednesday, July 26, 2006 8:15 AM
To: 'Randy Harris (rharrisnm@netscape.net)'
Cc: Gum, Tim, EMNRD
Subject: Brine well BW-21 permit has expired
Contacts: Randy Harris
Attachments: DP_BEf.rtf

Dear Randy:

Please complete the attached form and submit with a \$100 filing fee made out to the Water Quality Management fund. In addition, please make arrangements to pressure test your brine well and cavern using nitrogen during the week of August 14, 2006. Sufficient nitrogen shall be placed in the well to displace all of the water to below the casing shoe. The test pressure shall be 300 psig held for 4 hours. The nitrogen shall be injected at approximately formation temperature i.e. 60 F. A pressure gauge and recently calibrated pressure recording chart shall be provided on the casing. The pressure recorder shall be calibrated for a maximum range of 500 psig and a 500 psig chart shall be used. The clock on the recorder shall be set at 8 or 12 hours.

Please note, it is the responsibility of the operator to make sure test pressures will not fracture or damage the salt formation. OCD used a conservative frac gradient of .7 psi/ft x 456 feet = 319 psi. If the operator is concerned about the proposed test pressure please notify OCD immediately.

Please submit the brine well renewal application within 10 days and notify this office 3 working days in advance of the test so OCD may witness.



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

April 24, 2007

Mr. James R. Maloney
Vice President
Loco Hills Water Disposal Co.
P.O. Box 68
Loco Hills, NM 88255

Re: **\$6,045 Single-Well Cash Bond**
Loco Hills Water Disposal Co., Principal
Bank of America, Depository – Account No. 910 000 8505 1533
Loco Hills Brine – 600' FSL and 230' FWL
Section 16, Township 17 South, Range 30 East,
Eddy County, New Mexico

Dear Mr. Maloney:

The New Mexico Oil Conservation Division hereby approves the above-captioned single-well cash bond.

Sincerely,

DAVID K. BROOKS
Assistant General Counsel

DKB/dp

cc: Oil Conservation Division – Artesia, NM

Bank of America, N.A.
500 N. Main
Roswell, NM 88201



P.R. Patton & Associates

505/622-9106

Petroleum Bldg./ Roswell, N.M 88201

Consulting Engineers

February 28, 2002

Mr. Wayne Price
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

RE: Ground Subsidence Monitoring
Discharge Plan BW-021 Brine Well
Loco Hills Water Disposal Company
Eddy County, NM

Dear Mr. Price:

Please be advised that we have established a subsidence monitoring program for the above captioned brine well. It consists of three points, located as follows:

1. The Brine well itself, the reference point of which is the top of the uppermost flange of the wellhead. This should not be disturbed irrespective of any workover procedures undertaken. Initial elevation datum in feet is 0.00 (assigned)
2. The near benchmark, which is the top of the southeast deadman anchor, located 65 feet south and 32 feet east of the brine well. This point is well protected from disturbance, anchored 10 feet in the ground, and will not move except with the underlying ground. Reference elevation datum in feet is 0.27, relative to the brine well.
3. The Far benchmark, which is the top of the nipple to the south wing valve on the casinghead of the Mack Energy Corporation's McIntyre "DK" Federal Well No. 12, located at 990FSL, 330FEL, Sec. 17, T17S, R30E. Reference elevation datum is 7.96 feet, relative to the brine well MP and is now fixed as the permanent benchmark datum.

It is anticipated that these benchmarks will be revisited on a periodic basis to ascertain the amount and rate of subsidence occurring at the brine well.

If you have any questions, please do not hesitate to call.

Sincerely,

P.R. Patton, PE/LS

CC: Loco Hills Water Company



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

August 14, 2001

Lori Wrotenberg

Director

Oil Conservation Division

CERTIFIED MAIL

RETURN RECEIPT NO. 5357 7652

Mr. James R. Maloney
Loco Hills Water Disposal Company
P.O. Box 68
Loco Hills, New Mexico 88255

Re: Ground Subsidence Monitors
Discharge Plan BW-021 Brine Well
Loco Hills Water Disposal Company
Eddy County, New Mexico

Dear Mr. Maloney:

Per your request, please find enclosed technical information pertaining to Ground Subsidence Monitors. OCD presently does not have a standard for such installations. In order to assist you OCD is hereby extending your deadline for plan submittals as required in the "Discharge Plan Approval Conditions" until January 31, 2002 when your first annual report is due. Please make sure Loco Hills Water Disposal Company addresses all of the deadlines mentioned in the approval conditions.

Please be advised that NMOCD granting of this extension does not relieve Loco Hills Water Disposal Company of responsibility should their operations pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD approval does not relieve Loco Hills Water Disposal Company of responsibility for compliance with any other federal, state, or local laws and/or regulations.

If you have any questions please do not hesitate to contact me at 505-476-3487 or E-mail at WPRICE@state.nm.us.

Sincerely,

Wayne Price-Pet. Engr. Spec.

cc: OCD Artesia Office

Attachments-2

DISTRICT II
811 South First, Artesia NM 88210

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

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, NM 87505

WELL API NO.

5. Indicate Type of Lease
STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name:

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)

1. Type of Well:

Oil Well ☐ Gas Well ☐ Other BRINE

2. Name of Operator

Loco Hills BRINE Company

3. Address of Operator

P.O. Box 68 Luna Hills, NM 8255

4. Well Location

Unit letter M : 600 feet from the SOUTH line and 230 feet from the WEST line

Section 16 Township 17 S Range 30 E NMPM EDD4 County _____

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

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐

TEMPORARILY ABANDON ☐ CHANGE PLANS ☐

PULL OR ALTER CASING ☐ MULTIPLE ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☒ ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐ PLUG AND

CASING TEST AND CEMENT JOB ☐

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. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

1/5/01 RUN 404' 5 1/2" 15.5# J-55 CSNG SET IN RETAINER PACKER SHO
CMT W/ 100 SXS CLASS "C" NEAT. BUMP PLUG @ 2:14 PM CIRC 30 SXS TO PT

1/8/01 PRESSURE TEST CSNG 300# 4hrs NO BLEED OFF
DRILL OUT PLUG

1/9/01 TAG FILL @ 523 WORK THROUGH RETAG SEVERAL TIMES - 1/18/01

1/14/01 SPOT 75 SXS PLUG @ 523 TAG CMT @ 520

1/16/01 SPOT 200 SXS PLUG @ 520 TAG CMT @ 518

1/19/01 SPOT 375 SXS PLUG @ 518 TAG CMT @ 425

1/22/01 DRILL OUT TO 674'

RECEIVED
FEB 12 2001

123 456 789 1011 1213 141517
FEB 2001
RECEIVED
OCD - ARTESIA

FEB 13 2001

Environmental Bureau
Oil Conservation Division

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

SIGNATURE

TITLE Grasscut

DATE 1/30/01

Type or print name

SD 5-67 7-2370 Telephone No.

(This space for State use)

APPROVED BY Mrs. Sturtevant
Conditions of approval, if any:

TITLE Field Rep. II

DATE 2/6/2001

FAX: (505) 396-5812

D & L

Meters & Instrument Service, Inc.

710 S. Commercial Street P.O. Box 1621 Lovington, NM 88260

Invoice #

71727

Lease:

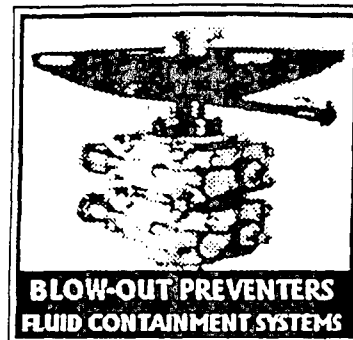
Well #:

Order # **By Bobby Schoolcraft**

Sold To: Hughes Hot Oil Service

Address: PO Box 68

City: Loco Hills, NM 88255

[illegible]

Work Performed By

Authorized By

Sub-Total	61.83
-----------	-------

Tax	3.79
-----	------

Total	65.62
-------	-------

Price, Wayne

From: Stubblefield, Mike
Sent: Tuesday, January 02, 2001 9:08 AM
To: Anderson, Roger
Cc: Price, Wayne
Subject: REPAIR OPERATIONS RAY WESTALL BRINE SUPPLY WELL

1/2/2001

ROGER,

PER OUR CONVERSATION THIS MORNING.
THE BRINE WELL WILL HAVE 5.5" METAL
CASING RAN AND CEMENTED AT 415'.
AND MIT WILL BEEN RAN ON THE CASING
BEFORE THE SHOE IS DRILLED OUT.
THIS MIT WILL BE A MIN. OF 300# PSI
FOR 30 MINUTES TEST PERIOD.
THERE WILL BE A BRINE CARVERN SURVEY
RAN USING NITROGEN GAS BEFORE THE WELL
IS PLACED BACK IN SERVICE.
ALSO A SONIC SURVEY OF CARVERN IS
REQUIRED PER WAYNE.
I HAVE TALKED TO RANDY HARRIS THIS MORNING
AND THE CASING WILL BE RAN AND CEMENTED THURSDAY.
A PACKER SHOE WITH DV PORTS WILL BE RAN ON SHOE JOINT.

MIKE S.

1103 SUNDRY NOTICES AND REPORTS ON WELLS (Form C-103)

Form C-103 is a dual purpose form to be filed with the appropriate District Office Division to obtain Division approval prior to commencing certain operations and also to report various completed operations. [1-1-65...2-1-96]

1103.A. Form C-103 as a Notice of Intention

(1) Form C-103 shall be filed in TRIPLICATE by the operator and approval obtain from the Division prior to:

(a) Effecting a change of plans from those previously approved on Form C-101 or Form C-103.

(b) Altering a drilling well's casing program or pulling casing or otherwise altering an existing well's casing installation.

(c) Temporarily abandoning a well.

(d) Plugging and abandoning a well.

(e) Performing remedial work on a well which, when completed, will affect the original status of the well. (This shall include making new perforations in existing wells or squeezing old perforations in existing wells, but is not applicable to new wells in the process of being completed nor to old wells being deepened or plugged back to another zone when such recompletion has been authorized by an approved Form C-101, Application for Permit to Drill, Deepen, or Plug Back, nor to acidizing, fracturing, or cleaning out previously completed wells, nor to installing artificial lift equipment.)

[1-1-65...2-1-96]

(2) In the case of well plugging operations, the Notice of Intention shall include a detailed statement of the proposed work, including plans for shooting and pulling casing, plans for mudding, including weight of mud, plans for cementing, including number of sacks of cement and depths of plugs, and the time and date of the proposed plugging operations. If not previously filed, a complete log of the well on Form C-105 (See Rule 1105) shall accompany the Notice of Intention to plug the well; the bond will not be released until this is complied with. [1-1-65...2-1-96]

1103.A. Form C-103 as a Subsequent Report

(1) Form C-103 as a subsequent report of operations shall be filed in accordance with the section of this rule applicable to the particular operation being reported. [1-1-65...2-1-96]

(2) Form C-103 is to be used in reporting such completed operations as:

(a) Commencement of drilling operations

(b) Casing and cement test

(c) Altering a well's casing installation

(d) Temporary abandonment

(e) Plug and Abandon

(f) Plugging back or deepening

(g) Remedial work

(h) Installation of artificial lifting equipment

(i) Change of operator of a drilling well

(j) Such other operations which affect the original status of the well but which are not specifically covered herein.

[1-1-65]

1103.C. Information to be entered on Form C-103, Subsequent Report, for a particular operation is as follows:

Report of Commencement of Drilling Operations. Within ten days following the commencement of drilling operations, the operator of the well shall file a report thereof on Form C-103 in TRIPLICATE. Such report shall indicate the hour and the date the well was spudded.

[1-1-65...2-1-96]

1103.D. Report of Results of Test of Casing and Cement Job; Report of Casing Alteration

A report of casing and cement test shall be filed by the operator of the well within ten days following the setting of each string of casing or liner. Said report shall be filed in TRIPLICATE on Form C-103 and shall present a detailed description of the test method employed and the results obtained by such test, and any other pertinent information required by Rule 107. The report shall also indicate the top of the cement and the means by which such top was determined. It shall also indicate any changes from the casing program previously authorized for the well. [1-1-65...2-1-96]

1103.E. Report of Temporary Abandonment

A report of temporary abandonment of a well shall be filed by the operator of the well within thirty days following completion of the work. The report shall be filed in TRIPLICATE and shall present a detailed account of the work done on the well, including location and type of plugs used, if any, and status of surface and downhole equipment, and any other pertinent information relative to the overall status of the well. [1-1-65...2-1-96]

1103.F. Report on Plugging of Well

A report of plugging operations shall be filed by the operator of the well within 30 days following completion of plugging operations on any well. Said report shall be filed in TRIPLICATE on Form C-103 and shall include the date the plugging operations were begun and the date the work was completed, a detailed account of the manner in which the work was performed including the depths and lengths of the various plugs set, the nature and quantities of materials employed in the plugging operations including the weight of the mud used, the size and depth of all casing left in the hole, and any other pertinent information. (See Rules 201-204 regarding plugging operations.) [1-1-65...2-1-96]

No plugging report will be approved by the Division until the pits have been filled and the location levelled and cleared of junk. It shall be the responsibility of the operator to contact the appropriate district office of the Division when the location has been so restored in order to arrange for an inspection of the plugged well and the location by a Division representative. [1-1-65...2-1-96]

1103.G. Report of Remedial Work

A report of remedial work performed on a well shall be filed by the operator of the well within 30 days following completion of such work. Said report shall be filed in QUADRUPPLICATE on Form C-103 and shall present a detailed account of the work done and the manner in which such work was performed; the daily production of oil, gas, and water both prior to and after the remedial operation; the size and depth of shots; the quantity of and, crude, chemical or other materials employed in the operation, and any other pertinent information. Among the remedial work to be reported on Form C-103 are the following:

(a) Report on shooting, fluid fracturing or chemical treatment of a previously completed well

(b) Report of squeeze job

(c) Report on setting of liner or packer

(d) Report of installation of pumping equipment or gas lift facilities

(e) Report of any other remedial operations which are not specifically covered herein.

[1-1-65...2-1-96]

1103.H. Report on Deepening or Plugging Back Within the Same Pool

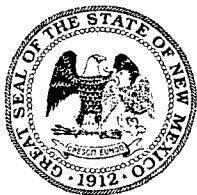
A report of deepening or plugging back shall be filed by the operator of the well within 30 days following completion of such operations on any well. Said report shall be filed in QUADRUPPLICATE on Form C-103 and shall present a detailed account of work done and the manner in which such work was performed. If the well is recompleted in the same pool, it shall also report the daily production of oil, gas, and water both prior to and after recompletion. If the well is recompleted in another pool, Forms C-101, C-102, C-104 and C-105 must be filed in accordance with Rules 1101, 1102, 1104 and 1105. [1-1-65...2-1-96]

1103.I. Report of Change of Operator of a Drilling Well

A report of change of ownership shall be filed by the new operator of any drilling well within ten days following actual transfer of ownership or responsibility. Said report shall be filed in TRIPLICATE on Form C-103 and shall include the name and address of both the new operator and the previous operator, the effective date of the change of ownership or responsibility, and any other pertinent information. No change in the operator of a drilling well will be approved by the Division unless the new operator has an approved bond in accordance with Rule 101. (Form C-104 shall be used to report transfer of operator of a completed well; see Rule 1104.) [1-1-65...2-1-96]

1103.J. Other Reports on Wells

Reports on any other operations which affect the original status of the well but which are not specifically covered herein shall be submitted to the Division on Form C-103, in TRIPLICATE, by the operator of the well ten days following the completion of such operation. [1-1-65...2-1-96]



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

March 13, 2007

Mr. James Maloney
Loco Hills Brine Company
P.O. Box 68
Loco Hills, New Mexico 88255

Re: Loco Hills Brine Company Discharge Plan (BW-21)
Single-Well Cash Plugging Bond for "Brine Water #001" (API# 30-015-32068)
UL:M 16-17S-30E, Eddy County

Dear Mr. Maloney:

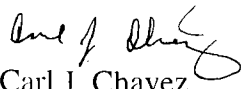
The New Mexico Oil Conservation Division (OCD), Environmental Bureau verbally contacted you on February 16, 2007, to request a Single-Well Cash Plugging Bond (Form O&G SCB) for the above brine well.

Based on our review of the submitted bond, the OCD notices several fields where data is absent, i.e., Form O & G SCB "Well Depth" and the OCD also requires the account number in the "Assignment of Cash Collateral Deposit (Form O&G CBA)."

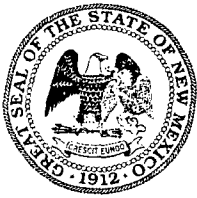
Consequently, please find enclosed your submitted bonds that need to be amended. All information needs to be correct before our Attorney can sign-off.

Please contact me at (505-476-3491) or E-mail carlj.chavez@state.nm.us if you have questions.
Thank you.

Sincerely,


Mr. Carl J. Chavez
Environmental Engineer

xc: OCD District Office



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

March 2, 2007

Mr. James Maloney
Loco Hills Brine Company
P.O. Box 68
Loco Hills, New Mexico 88255

Re: Loco Hills Brine Company Discharge Plan (BW-21)
Single-Well Cash Plugging Bond for "Brine Water #001" (API# 30-015-32068)
UL:M 16-17S-30E, Eddy County

Dear Mr. Maloney:

The New Mexico Oil Conservation Division (OCD), Environmental Bureau verbally contacted you on February 16, 2007, to request a Single-Well Cash Plugging Bond (Form O&G SCB) for the above brine well.

Based on our review of the submitted bond, the OCD notices several fields where data is absent, and the OCD also requires an "Assignment of Cash Collateral Deposit (Form O&G CBA)."

Consequently, please find enclosed your submitted bond that needs to be corrected with a copy of the Assignment of Cash Collateral Deposit Form that need to be resubmitted to the OCD. Please submit the corrected cash bond along with a completed Assignment of Cash Collateral Deposit Form, signed by both you and the bank to the OCD.

Please contact me at (505-476-3491) or E-mail carlj.chavez@state.nm.us if you have questions. Thank you.

Sincerely,

Mr. Carl J. Chavez
Environmental Engineer

xc: OCD District Office

STATE OF NEW MEXICO
Energy, Minerals and Natural Resources Department
Oil Conservation Division

FEB 28 2007

Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

BOND NO. _____
(Issued by OCD)

WELL DEPTH _____
AMOUNT OF BOND _____

Note: Bond Amount is \$5,000 plus \$1.00 per foot of projected depth for a proposed well or the measured depth of an existing well for Chaves, Eddy, Lea, McKinley, Rio Arriba, Roosevelt, Sandoval and San Juan counties ONLY. For ALL OTHER counties, the amount is \$10,000 plus \$1.00 per foot.

SINGLE-WELL CASH PLUGGING BOND

Loco Hills Brine Co ("OPERATOR"), a(n)
(Name of Operator)
Company - Loco Hills Water Disposal Company organized in the State of
(Individual (If dba, must read - Example: John Doe dba ABC Services), Corporation, Partnership, Limited Liability Company,
Etc.) New Mexico, and authorized to do business in the State of New Mexico, whose mailing address is
P.O. Box 68 Loco Hills, NM 88425 is hereby firmly bound to the Oil Conservation
Division of the Energy, Minerals and Natural Resources Department (or successor agency) of the State of New Mexico
("the DIVISION"), in the sum of \$6,045.00 Dollars (Six thousand forty five dollars) upon the following conditions:

OPERATOR desires to drill a well, or to acquire or operate an existing well, or does own or operate an existing well the depth of which does not exceed 1045 feet, to prospect for and/or produce oil or gas, carbon dioxide gas, helium gas or brine minerals or an injection or other service well in the State of New Mexico, the particular identification and footage location of said well being as follows:

Brine (well name), API No. 30-0 _____, located 600 feet
from the South (North/South) line and 230 feet from the West (East/West) line in
Section 16, Township 17 S, Range 30 E, NMPM. Eddy County, New Mexico.

OPERATOR has deposited on behalf of the DIVISION the sum of Six thousand forty five Dollars (\$6,045.00), with Frank & America ("FINANCIAL INSTITUTION") in the account indicated on, and subject to the terms of, the Assignment attached to this bond. OPERATOR pledges this sum as financial assurance that it or its successors or personal representatives will cause the above-described well to be properly plugged and abandoned if dry, or when no longer productive or useful for other beneficial purpose, in accordance with all applicable rules and orders of the DIVISION, including but not limited to Division Rules 101 [19.15.3.101 NMAC] and 202 [19.15.4.202 NMAC], as the same now exist or may be hereafter amended. If OPERATOR does not properly plug and abandon said well, upon order of the DIVISION after notice and hearing, this bond may be forfeited to the DIVISION, as provided in NMSA 1978 Section 70-2-14.B, as amended. If the principal sum of this bond is less than the actual cost incurred by the DIVISION in plugging and abandoning said well in accordance with Rules 101 and 202 and any other applicable rules or orders, OPERATOR, its successors, heirs or personal representatives, shall be liable under the provisions of NMSA 1978, Sections 70-2-14 or 70-2-38, as amended, (as applicable) for such deficiency, and the DIVISION may initiate action as provided in said statutes to recover the same.

If OPERATOR or its successors, heirs, personal representatives or assigns shall cause the above-described well to be properly plugged and abandoned in accordance with all applicable rules and orders of the DIVISION, as above described, this obligation shall be null and void, and the principal sum of the deposit securing this bond shall be released to OPERATOR or to its successors, heirs, or personal representatives, upon written request.

Loco Hills Brine Co
PRINCIPAL
By James R. Maloney
Signature
Title

Return to: Oil Conservation Division
1220 South Saint Francis
Santa Fe, NM 87505

INDIVIDUAL ACKNOWLEDGMENT:

(If dba, must read - Example: John Doe dba ABC Services)

State of New Mexico
County of CHAVES.

This instrument was acknowledged before me on this 23 day of February,
2007, by James R Maloney
(Individual Operator)

SEAL

My Commission Expires:
3/23/2008



OFFICIAL SEAL
SYLVIA J CASAREZ
NOTARY PUBLIC
STATE OF NEW MEXICO

My Commission Expires: 3/23/2008

Sylvia Casarez
Notary Public

ACKNOWLEDGMENT FOR CORPORATION, PARTNERSHIP OR LIMITED LIABILITY COMPANY:

State of New Mexico
County of CHAVES.

This instrument was acknowledged before me on this 23 day of February, 2007
by James R Maloney, Vice President
(Name of Person Signing Document) (Title)
Loco Hills Water Disposal Co Bama
(Name of Operator)

SEAL

My Commission Expires:
3/23/2008



OFFICIAL SEAL
SYLVIA J CASAREZ
NOTARY PUBLIC
STATE OF NEW MEXICO

My Commission Expires: 3/23/2008

Sylvia Casarez
Notary Public

APPROVED BY:

Oil Conservation Division of New Mexico

By _____

Date _____

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C
Effective 1-1-

All distances must be from the outer boundaries of the Section.

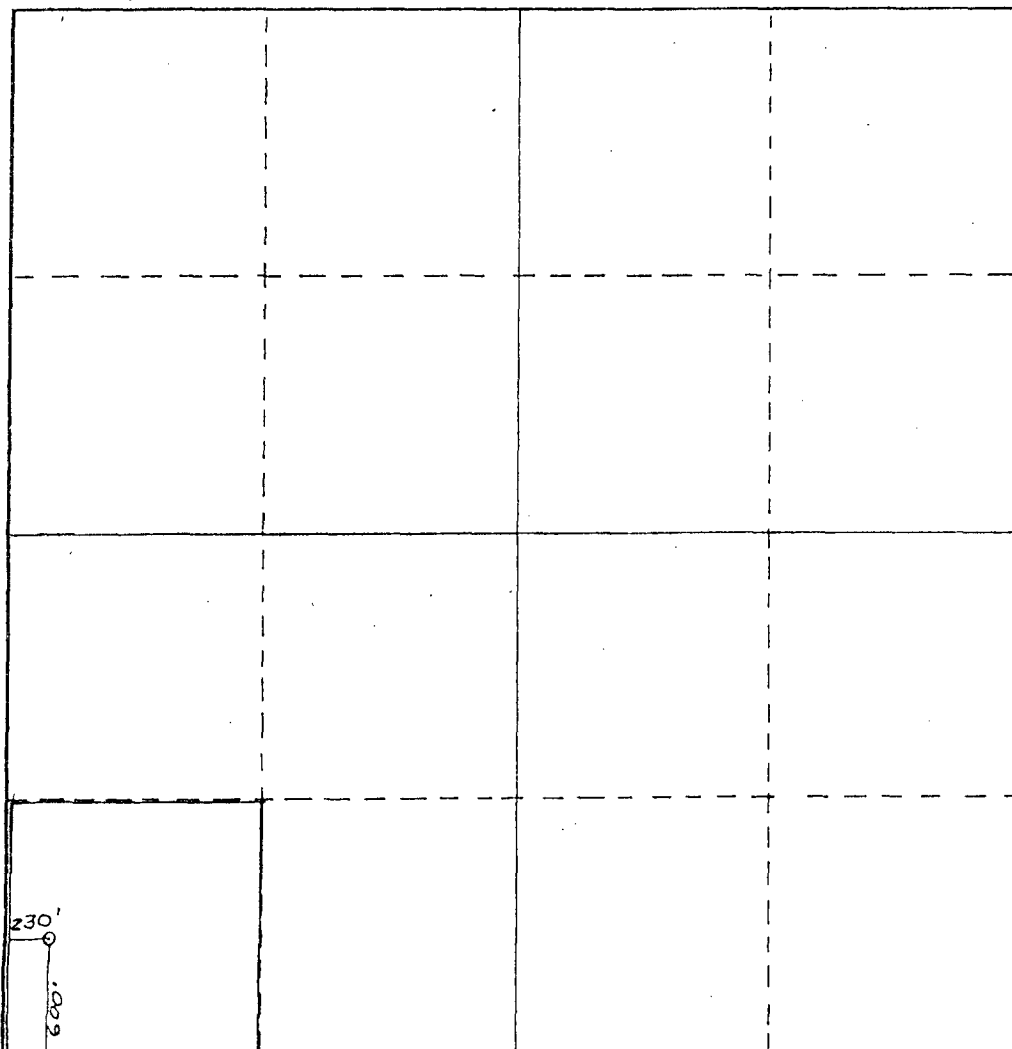
Operator LOCO HILLS BRINE CO.		Lease LOCO HILLS BRINE CO. STATE		Well No. 1
Unit & Letter M	Section 16	Township 17 South	Range 30 East	County Eddy
Act Val Footage Location of Well: 600 feet from the South line and 230 feet from the West line				
Ground Level Elev. 3655.	Producing Formation	Pool	Dedicated Acreage: 40 Ac	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. 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.) _____

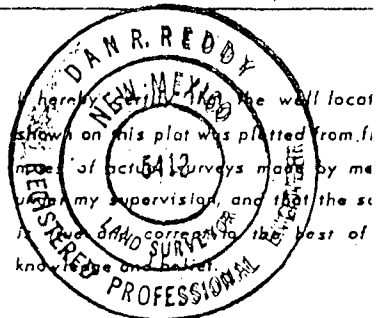
No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

Name
[Signature]
Position
Operator
Company
Loco Hills Brine Co.
Date
6-12-85



Date Surveyed
May 14, 1985
Registered Professional Engineer and/or Land Surveyor

[Signature]
Certificate No.
NM PE&LS NO. 5412

Eddy

Sec 16 T R SW¹/₄ SW¹/₄ NW¹/₄ SW¹/₄
 17S 30E

Act: 600 FT South line

230 FT West line

Drill to 1045

Hegwer & Drilling Co

8/12/85

I NV 70

Carl,

This seems to be your bond.

They do not have the well name and no API No. If this is a new drill then the districts issue the API.

**There registration is inactive
And they have the bond name wrong on the bond.**

You will have to write them and let them know and send back the bond.

There is no assignment of cash collateral from the bank signed and notarized.

New Search

LOCO HILLS BRINE COMPANY

SCC Number: **1252881**
Tax & Revenue Number: **02017029007**
Incorporation Date: **JANUARY 21, 1985, in NEW MEXICO**
Corporation Type: **DOMESTIC PROFIT**
Corporation Status: **INACTIVE DUE TO REVOKED & BEYOND APPEAL PERIOD**
Good Standing:
Purpose: **PRODUCE, MINE AND SELL SALT AND BRINE**

CORPORATION DATES

Taxable Year End Date: 10/31/91
Filing Date:
Expiration Date:

SUPPLEMENTAL POST MARK DATES

Supplemental:
Name Change:
Purpose Change:
Agent Resigned:

MAILING ADDRESS

P.O. BOX 68 LOCO HILLS , NEW MEXICO 88255

PRINCIPAL ADDRESS

COUNTY RD. 217 LOCO HILLS NEW MEXICO 88255

PRINCIPAL ADDRESS (Outside New Mexico)

Chavez, Carl J, EMNRD

To: Chavez, Carl J, EMNRD**Subject:** Loco Hills Water Disposal Class III Well (BW-021)

Note to File:

Wayne Price asked me to contact Loco Hills Water Disposal to obtain an original bond for this Class III Brine Well. I contacted Mr. James Maloney of Loco Hills Water Disposal to inform him that we are lacking an one-well original plugging and abandonment bond for the brine well. I was calling to speak with Randy Harris, since his phone number was not working. Mr. Harris's phone number is (505) 677-2370. I informed Mr. Maloney that we need a brine well plugging bond in the amount of at least \$5,000. In addition, I informed him that based on the New Rule 101 Regulations that have come into effect that on Jan. 1, 2008, all bonds will need to comply with the Rule 101 Regs. However, for Class I and III Wells, regulated under the WQA and WQCC, the Environmental Bureau requires an estimated amount for the actual plugging/abandonment of the well to compare against the Rule 101 bond provisions effective Jan. 1, 2008. The Environmental Bureau will require the higher of the amounts of Rule 101 and the estimate for their bond. However, they could choose to submit a \$5,000 Bond in the interim of the Jan. 1, 2008 effective date of the Rule 101 Provisions. I asked him to contact me back with date for submittal of the bond, since he did not know how long it would take to provide it to the OCD.

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Dr., Santa Fe, New Mexico 87505
Office: (505) 476-3491
Fax: (505) 476-3462
E-mail: CarlJ.Chavez@state.nm.us
Website: <http://www.emnrd.state.nm.us/ocd/>
(Pollution Prevention Guidance is under "Publications")

2/16/2007

Chavez, Carl J, EMNRD

From: Chavez, Carl J, EMNRD
Sent: Wednesday, February 14, 2007 11:42 AM
To: 'nmontgomery@pioneerbnk.com'
Subject: BW-021 Loco Hills Brine Company Bond & Financial Assurance \$5,000

Ms. Montgomery:

Please find attached a copy of the bond in our files (BW-021). According to our records, this bond is held by Pioneer Savings in Roswell.

I am requesting the duplicate original version of the bond for our files. Please contact me if you have questions. Thanks in advance for your assistance in this matter.

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Dr., Santa Fe, New Mexico 87505
Office: (505) 476-3491
Fax: (505) 476-3462
E-mail: CarlJ.Chavez@state.nm.us
Website: <http://www.emnrd.state.nm.us/ocd/>
(Pollution Prevention Guidance is under "Publications")

Chavez, Carl J, EMNRD

From: Athanites, Mary [MATHANIT@travelers.com]
Sent: Thursday, February 15, 2007 3:15 PM
To: Chavez, Carl J, EMNRD
Subject: Loco Hills Water Disposal

Randy Athanites
(505) 677-3270

Carl,

Ann forwarded your message to me. You were looking for duplicate original of this bond. The bond was originally written in 1985 thru Reliance Insurance Company. Reliance merged with Travelers in 2001. Reliance Insurance was downgraded and we changed the Surety Company on their bonds to Travelers Casualty and Surety Company of America (and changed the bond number to fit into our systems).

All the copies I have are signed copies and I can not recreate the documents (because Reliance no longer exists, I have no Powers, Paper w/ name). I have scanned and attached the copies of my bond and riders on file. The two riders are very difficult to read because they were done on colored paper.

The first dated June 20, 1991 changed the name from: Loco Hills Brine Co. to Brine Co. Loco Hills Water Disposal.

The second dated September 10, 1991 changed the name from: Loco Hills Brine Co. to Loco Hills Water Disposal Company

I apologize but this is the best we can do to duplicate these old Reliance Bonds.

The bond remains active. Please let me know if you need anything further.

Thanks,

Mary

<<loco_.pdf>>

Mary Athanites

Bond & Financial Products

PO Box 173713

Denver, CO 80217

720-200-8401

Fax: 720-200-8398

=====
This communication, together with any attachments hereto or links contained herein, is for the s

=====
The St. Paul Travelers e-mail system made this annotation on 02/15/07, 17:14:40.

2/15/2007



SURETY BOND RIDER

TO: State of New Mexico
State Land Office
PO BOX 1148, Santa Fe, New Mexico 87504-1148

RE: Bond Principal: Loco Hills Water Disposal Co.
Obligee: State of New Mexico, State Land Office
Surety Co: Reliance Insurance Company
Surety Bond Number: B0577447
Bond Amount: \$1,000.00
Type of Bond: Reclamation-Environmental (Coal)

The purpose of this Rider is to:

☒ **CHANGE BOND NUMBER**

Upon execution of this Surety Bond Endorsement by all parties hereto, surety bond number B0577447 is changed to 019 S 103604075 BCM.

☒ **CHANGE SURETY COMPANY**

Effective April 01, 2001, Travelers Casualty and Surety Company of America ("Travelers") replaces Reliance Insurance Company ("Reliance") as surety on the above referenced bond and, accordingly, agrees to be bound by the terms of the above-referenced bond and to perform all of Reliance's obligations thereunder as if the above-referenced bond had originally been issued by Travelers. The termination of liability under the Reliance bond is a condition precedent to the change of surety. Upon execution of this Surety Bond Endorsement by all parties hereto, Reliance shall have no further obligation or liability under the above-referenced bond.

☐ **CONTINUATION CERTIFICATE**

This certificate extends the life of the bond to _____. It is executed upon the express condition that the surety's liability under said bond, together with this and all previous continuation certificates, shall not be cumulative and shall in no event exceed the amount specifically set forth in said bond or any existing certificate changing the amount of said bond.

Signed, sealed and dated April 10, 2001.

Travelers Casualty and Surety Company of America

BY Deanna M. Robichaud
Deanna M. Robichaud Attorney-in-Fact

COPY

S-53530 6/00

Travelers Casualty and Surety Company of America, Hartford, Connecticut 06183
Travelers Casualty and Surety Company, Hartford, Connecticut 06183
Farmington Casualty Company, Hartford, Connecticut 06183

Please direct any questions or correspondence to: Travelers Bond, 7600 East Orchard Rd., Suite 330, Greenwood Village, Co 80111



RELIANCE INSURANCE COMPANY
PHILADELPHIA, PENNSYLVANIA
UNITED PACIFIC INSURANCE COMPANY
FEDERAL WAY, WASHINGTON
PLANET INSURANCE COMPANY
FEDERAL WAY, WASHINGTON

RIDER

To be attached to and form a part of

Type of Bond: Change of Name of Principal

Bond No. 072-17

executed by _____, as Principal,

and by _____ INSURANCE COMPANY, as Surety,

in favor of James R. Maloney

and dated 11-15-71

In consideration of the premium charged for the attached bond, it is hereby agreed to change:

Change the name of the principal to read:

From: James R. Maloney, CO.

To: James R. Maloney, JR., CO.

The attached bond shall be subject to all its agreements, limitations and conditions except as herein expressly modified.

This rider is effective 11-15-71

Signed and Sealed James R. Maloney, JR.

Principal James R. Maloney, JR.

By: James R. Maloney J.P.
Title

INSURANCE COMPANY

By: Martha Croissant
Attorney-in-Fact

RIDER ACCEPTED (Please sign duplicate of this Rider and return to Surety)

By: James R. Maloney, JR.

Date 11-15-71

Reliance Insurance Companies

RELIANCE INSURANCE COMPANY
PHILADELPHIA, PENNSYLVANIA

UNITED PACIFIC INSURANCE COMPANY
FEDERAL WAY, WASHINGTON

PLANET INSURANCE COMPANY
FEDERAL WAY, WASHINGTON

RIDER

To be attached to and form a part of

Type of Bond: 100% BOND FOR THE PURPOSE OF GUARANTEEING THE

Bond No. 1007 74 45

executed by JOHN D. HILL, JR., as Principal,

and by RELIANCE INSURANCE COMPANY, as Surety,

in favor of THE BOARD OF DIRECTORS OF THE

and dated APRIL 1, 1962

In consideration of the premium charged for the attached bond, it is hereby agreed to change:

CHANGE THE NAME OF THE PRINCIPAL

From: JOHN D. HILL, JR.

To: JOHN D. HILL, JR. & ASSOCIATES, INC.

The attached bond shall be subject to all its agreements, limitations and conditions except as herein expressly modified.

This rider is effective APRIL 1, 1962

Signed and Sealed APRIL 1, 1962

Principal JOHN D. HILL, JR. & ASSOCIATES, INC.

By: John D. Hill, Jr. Title President
* add name change 7-12-71
TO: JOHN D. HILL, JR. & ASSOCIATES, INC.

By: John D. Hill, Jr. Attorney-in-Fact

RIDER ACCEPTED (Please sign duplicate of this Rider and return to Surety)

By: John D. Hill, Jr.

Date APRIL 1, 1962



NEW MEXICO STATE LAND OFFICE

BOND FOR PERFORMANCE OF MINERAL LEASE

NO. B57 74 47

Know All Men By These Presents:

That Loco Hills Brine Company as
Principal, and Reliance Insurance Company

a corporation organized, existing and doing business under and by virtue of the laws of the state of N. M.,
and authorized to do business in the State of New Mexico, as Surety:

In Obligation 1: Are held and firmly bound unto the State of New Mexico, for the use and benefit of the Commissioner of Public Lands in the sum of 1,000.00 Dollars,
for the purpose named in WHEREAS 1 and CONDITION 1 below, for the payment of which, well and truly to be made, we bind ourselves, our heirs, successors and assigns, and each and every one of them and us jointly and severally firmly by these presents;

And, in Obligation 2: Are held and firmly bound unto the State of New Mexico, for the use and benefits of holders of State purchase contracts or holders of deeds for state lands, with minerals reserved, in the further sum of \$500.00 (\$ 500.00) Dollars for the payment of which, well and truly to be made, we bind ourselves, our heirs, successors and assigns, and each and every one of them and us jointly and severally, firmly by these presents.

Signed with our hands and sealed with our seals, this April 1, 1985

The conditions of the foregoing obligations are such that:

WHEREAS 1, the said principal has entered into a mining lease with the State of New Mexico through its Commissioner of Public Lands, said lease being designated in the Office of the Commissioner of Public Lands as salt

Mining Lease #20375 the original of which is in the files of the State Land Office.

CONDITION 1:

NOW, THEREFORE, if the said principal in all respects shall comply with all and singular the terms, provisions and conditions of the said lease;

THEN, THEREFORE, obligation 1 shall be null and void; otherwise and in default of complete compliance with any and all of said obligations the same shall remain in full force and effect.

WHEREAS 2, all or part of the lands embraced in said lease has been leased for surface purposes or sold, with minerals reserved to the State of New Mexico to a purchaser who holds either a limited patent from the State of New Mexico or a state purchase contract, entitling the holder of said contract to such limited patent upon complete payment, as shown by the official records of the Commissioner of Public Lands;

CONDITION 2:

AND, FURTHER, if the said principal in all respects shall make good and sufficient recompense, satisfaction and/or payment unto the holder, or his successors in interest of any said surface lease, state purchase contract or any said limited patent for State Lands for all damages to the livestock, water, crops or tangible improvements on such lands as may be suffered by such holder, or his successors in interest, by reason of such mining development, use or occupancy of such lands by the said lessee, or principal, during the entire period of such mining operations; or for such damages as a court of competent jurisdiction may determine and fix in any action brought on this bond.

THEN, THEREFORE, Obligation 2 shall be null and void; otherwise and in default of complete compliance with any and all of said obligations, the same shall remain in full force and effect.

The intentions of the parties hereto are in effect the creation of two bonds with the same parties and same date but with different obligations and conditions, in one instrument, for the sake of simplicity and convenience, as much as though such undertakings were actually separate bonds; the fulfillment or release of one obligation does not release the other and two obligations exist only when a sum is named in both obligations. When no sum is named, in Obligation 2, that part of this instrument pertaining to Obligation 2 is to be disregarded.

COUNTERSIGNED BY:

Resident Agent

, New Mexico

STATE OF ~~NEW MEXICO~~ COLORADO

COUNTY OF Arapahoe

On this 25th day of April before me personally appeared Marsha Crawford to me known to be the person described in and who executed the foregoing instrument and acknowledged that he executed the same as his free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the day and year in this certificate first above written.

My Commission expires

My Commission Expires 1-6-86

Loco Hills Brine Company

Principal

Ray Westfall

Principal

President

Principal

By Marsha Crawford

Surety

Bonding/Attorney-in-Fact

Don F. Hill

Notary Public

STATE OF _____

COUNTY OF _____

On this _____ day of _____ before me appeared _____
to me personally known; who, being by me duly sworn, did say that he is _____ of
_____ and that the seal affixed to said instrument is the corporate seal of
said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its board
of directors and the said _____ acknowledged said instrument to be the free act
and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the day and year in this certificate first above writ-
ten.

My Commission expires: _____

Notary Public

Price, Wayne, EMNRD

From: Price, Wayne, EMNRD
Sent: Wednesday, July 26, 2006 8:15 AM
To: 'Randy Harris (rharrisnm@netscape.net)'
Cc: Gum, Tim, EMNRD
Subject: Brine well BW-21 permit has expired
Contacts: Randy Harris
Attachments: DP_BEF.rtf

Dear Randy:

Please complete the attached form and submit with a \$100 filing fee made out to the Water Quality Management fund. In addition, please make arrangements to pressure test your brine well and cavern using nitrogen during the week of August 14, 2006. Sufficient nitrogen shall be placed in the well to displace all of the water to below the casing shoe. The test pressure shall be 300 psig held for 4 hours. The nitrogen shall be injected at approximately formation temperature i.e. 60 F. A pressure gauge and recently calibrated pressure recording chart shall be provided on the casing. The pressure recorder shall be calibrated for a maximum range of 500 psig and a 500 psig chart shall be used. The clock on the recorder shall be set at 8 or 12 hours.

Please note, it is the responsibility of the operator to make sure test pressures will not fracture or damage the salt formation. OCD used a conservative frac gradient of .7 psi/ft x 456 feet = 319 psi. If the operator is concerned about the proposed test pressure please notify OCD immediately.

Please submit the brine well renewal application within 10 days and notify this office 3 working days in advance of the test so OCD may witness.

7/26/2006



P.R. Patton & Associates

505/622-9106

Petroleum Bldg. / Roswell, N.M. 88201

Consulting Engineers

February 28, 2002

Mr. Wayne Price
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

RE: Ground Subsidence Monitoring
Discharge Plan BW-021 Brine Well
Loco Hills Water Disposal Company
Eddy County, NM

Dear Mr. Price:

Please be advised that we have established a subsidence monitoring program for the above captioned brine well. It consists of three points, located as follows:

1. The Brine well itself, the reference point of which is the top of the uppermost flange of the wellhead. This should not be disturbed irrespective of any workover procedures undertaken. Initial elevation datum in feet is 0.00 (assigned)
2. The near benchmark, which is the top of the southeast deadman anchor, located 65 feet south and 32 feet east of the brine well. This point is well protected from disturbance, anchored 10 feet in the ground, and will not move except with the underlying ground. Reference elevation datum in feet is 0.27, relative to the brine well.
3. The Far benchmark, which is the top of the nipple to the south wing valve on the casinghead of the Mack Energy Corporation's McIntyre "DK" Federal Well No. 12, located at 990FSL, 330FEL, Sec. 17, T17S, R30E. Reference elevation datum is 7.96 feet, relative to the brine well MP and is now fixed as the permanent benchmark datum.

It is anticipated that these benchmarks will be revisited on a periodic basis to ascertain the amount and rate of subsidence occurring at the brine well.

If you have any questions, please do not hesitate to call.

Sincerely,

P.R. Patton, PE/LS

CC: Loco Hills Water Company



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

August 14, 2001

Lori Wrotenbery

Director

Oil Conservation Division

CERTIFIED MAIL

RETURN RECEIPT NO. 5357 7652

Mr. James R. Maloney
Loco Hills Water Disposal Company
P.O. Box 68
Loco Hills, New Mexico 88255

Re: Ground Subsidence Monitors
Discharge Plan BW-021 Brine Well
Loco Hills Water Disposal Company
Eddy County, New Mexico

Dear Mr. Maloney:

Per your request, please find enclosed technical information pertaining to Ground Subsidence Monitors. OCD presently does not have a standard for such installations. In order to assist you OCD is hereby extending your deadline for plan submittals as required in the "Discharge Plan Approval Conditions" until January 31, 2002 when your first annual report is due. Please make sure Loco Hills Water Disposal Company addresses all of the deadlines mentioned in the approval conditions.

Please be advised that NMOCD granting of this extension does not relieve Loco Hills Water Disposal Company of responsibility should their operations pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD approval does not relieve Loco Hills Water Disposal Company of responsibility for compliance with any other federal, state, or local laws and/or regulations.

If you have any questions please do not hesitate to contact me at 505-476-3487 or E-mail at WPRICE@state.nm.us.

Sincerely,

Wayne Price-Pet. Engr. Spec.

cc: OCD Artesia Office

Attachments-2

FAX: (505) 396-5812

D & L

Meters & Instrument Service, Inc.

Invoice #

71727

Lease:

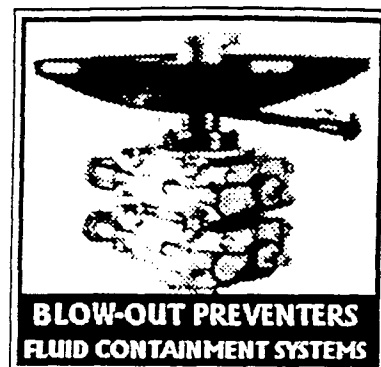
Well #:

Order # **By Bobby Schoolcraft**

Sold To: Hughes Hot Oil Service

Address: PO Box 68

City: **Loco Hills, NM 88255**



Minimum Days	Day Out	Day In	Total Days	Description	Unit Price	Total Price
	08/03/00			Shop Labor to Repair and Recalibrate One 1000# Pressure Recorder	40.00	40.00
			1	4828530 Pen Lifter Assembly	19.83	19.83
			1	Environmental Charge	2.00	2.00
<p>THESE INVOICES CAME TO OIL CONSERVATION DIVISION IN ARTESIA MISTAKE. 2-6-01</p> <p>RECEIVED OCD - ARTESIA</p> <p>RECEIVED FEB 13 2001 Environmental Bureau Oil Conservation Division</p> <p>POSTED</p>						
				Labor	40.00	BOP Rent
				Parts	19.83	Oth. Rent
				Mileage		FCS Serv.
				Miscellaneous		Env. Chg. 2.00
						Discount

Work Performed By

Authorized By

Sub-Total	61.83
-----------	-------

Tax	3.79
-----	------

Total	65.62
-------	-------

2040 South Pacheco
Santa Fe, NM 87505

5. Indicate Type of Lease
STATE ☒ FEE ☐

7. Lease Name or Unit Agreement Name:

8. Well No.

9. Pool name or Wildcat

Section 16 Township 17 S Range 30 E NMPM EDD4 County _____

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

OTHER: ☐ OTHER: ☐

Environmental Bureau
Oil Conservation Division

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

SIGNATURE [Signature] TITLE Director DATE 1/30/01

Type or print name Raymond Harris SDC 672-2371 Telephone No.

(This space for State use)

APPROVED BY mae Sturges TITLE Field Rep. II DATE 2/6/2001

Conditions of approval, if any:



1103 SUNDRY NOTICES AND REPORTS ON WELLS (Form C-103)

Form C-103 is a dual purpose form to be filed with the appropriate District Office and Division to obtain Division approval prior to commencing certain operations and also to report various completed operations. [1-1-65...2-1-96]

1103.A. Form C-103 as a Notice of Intention

(1) Form C-103 shall be filed in TRIPLICATE by the operator and approval obtain from the Division prior to:

- (a) Effecting a change of plans from those previously approved on Form C-101 or Form C-103.
- (b) Altering a drilling well's casing program or pulling casing or otherwise altering an existing well's casing installation.
- (c) Temporarily abandoning a well.
- (d) Plugging and abandoning a well.

(e) Performing remedial work on a well which, when completed, will affect the original status of the well. (This shall include making new perforations in existing wells or squeezing old perforations in existing wells, but is not applicable to new wells in the process of being completed nor to old wells being deepened or plugged back to another zone when such recompletion has been authorized by an approved Form C-101, Application for Permit to Drill, Deepen, or Plug Back, nor to acidizing, fracturing, or cleaning out previously completed wells, nor to installing artificial lift equipment.)

[1-1-65...2-1-96]

(2) In the case of well plugging operations, the Notice of Intention shall include a detailed statement of the proposed work, including plans for shooting and pulling casing, plans for mudding, including weight of mud, plans for cementing, including number of sacks of cement and depths of plugs, and the time and date of the proposed plugging operations. If not previously filed, a complete log of the well on Form C-105 (See Rule 1105) shall accompany the Notice of Intention to plug the well; the bond will not be released until this is complied with. [1-1-65...2-1-96]

1103.A. Form C-103 as a Subsequent Report

(1) Form C-103 as a subsequent report of operations shall be filed in accordance with the section of this rule applicable to the particular operation being reported. [1-1-65...2-1-96]

(2) Form C-103 is to be used in reporting such completed operations as:

- (a) Commencement of drilling operations
- (b) Casing and cement test
- (c) Altering a well's casing installation
- (d) Temporary abandonment
- (e) Plug and Abandon
- (f) Plugging back or deepening
- (g) Remedial work
- (h) Installation of artificial lifting equipment
- (i) Change of operator of a drilling well
- (j) Such other operations which affect the original status of the well but which are not specifically covered herein.

[1-1-65]

1103.C. Information to be entered on Form C-103, Subsequent Report, for a particular operation is as follows:

Report of Commencement of Drilling Operations. Within ten days following the commencement of drilling operations, the operator of the well shall file a report thereof on Form C-103 in TRIPLICATE. Such report shall indicate the hour and the date the well was spudded.

[1-1-65...2-1-96]

1103.D. Report of Results of Test of Casing and Cement Job; Report of Casing Alteration

A report of casing and cement test shall be filed by the operator of the well within ten days following the setting of each string of casing or liner. Said report shall be filed in TRIPLICATE on Form C-103 and shall present a detailed description of the test method employed and the results obtained by such test, and any other pertinent information required by Rule 107. The report shall also indicate the top of the cement and the means by which such top was determined. It shall also indicate any changes from the casing program previously authorized for the well. [1-1-65...2-1-96]

1103.E. Report of Temporary Abandonment

A report of temporary abandonment of a well shall be filed by the operator of the well within thirty days following completion of the work. The report shall be filed in TRIPLICATE and shall present a detailed account of the work done on the well, including location and type of plugs used, if any, and status of surface and downhole equipment, and any other pertinent information relative to the overall status of the well. [1-1-65...2-1-96]

1103.F. Report on Plugging of Well

A report of plugging operations shall be filed by the operator of the well within 30 days following completion of plugging operations on any well. Said report shall be filed in TRIPLICATE on Form C-103 and shall include the date the plugging operations were begun and the date the work was completed, a detailed account of the manner in which the work was performed including the depths and lengths of the various plugs set, the nature and quantities of materials employed in the plugging operations including the weight of the mud used, the size and depth of all casing left in the hole, and any other pertinent information. (See Rules 201-204 regarding plugging operations.) [1-1-65...2-1-96]

No plugging report will be approved by the Division until the pits have been filled and the location levelled and cleared of junk. It shall be the responsibility of the operator to contact the appropriate district office of the Division when the location has been so restored in order to arrange for an inspection of the plugged well and the location by a Division representative. [1-1-65...2-1-96]

1103.G. Report of Remedial Work

A report of remedial work performed on a well shall be filed by the operator of the well within 30 days following completion of such work. Said report shall be filed in QUADRUPLICATE on Form C-103 and shall present a detailed account of the work done and the manner in which such work was performed; the daily production of oil, gas, and water both prior to and after the remedial operation; the size and depth of shots; the quantity of and, crude, chemical or other materials employed in the operation, and any other pertinent information. Among the remedial work to be reported on Form C-103 are the following:

- (a) Report on shooting, fluid fracturing or chemical treatment of a previously completed well
- (b) Report of squeeze job
- (c) Report on setting of liner or packer
- (d) Report of installation of pumping equipment or gas lift facilities
- (e) Report of any other remedial operations which are not specifically covered herein.

[1-1-65...2-1-96]

1103.H. Report on Deepening or Plugging Back Within the Same Pool

A report of deepening or plugging back shall be filed by the operator of the well within 30 days following completion of such operations on any well. Said report shall be filed in QUADRUPLICATE on Form C-103 and shall present a detailed account of work done and the manner in which such work was performed. If the well is recompleted in the same pool, it shall also report the daily production of oil, gas, and water both prior to and after recompletion. If the well is recompleted in another pool, Forms C-101, C-102, C-104 and C-105 must be filed in accordance with Rules 1101, 1102, 1104 and 1105. [1-1-65...2-1-96]

1103.I. Report of Change of Operator of a Drilling Well

A report of change of ownership shall be filed by the new operator of any drilling well within ten days following actual transfer of ownership or responsibility. Said report shall be filed in TRIPLICATE on Form C-103 and shall include the name and address of both the new operator and the previous operator, the effective date of the change of ownership or responsibility, and any other pertinent information. No change in the operator of a drilling well will be approved by the Division unless the new operator has an approved bond in accordance with Rule 101. (Form C-104 shall be used to report transfer of operator of a completed well; see Rule 1104.) [1-1-65...2-1-96]

1103.J. Other Reports on Wells

Reports on any other operations which affect the original status of the well but which are not specifically covered herein shall be submitted to the Division on Form C-103, in TRIPLICATE, by the operator of the well ten days following the completion of such operation. [1-1-65...2-1-96]

Price, Wayne

From: Stubblefield, Mike
Sent: Tuesday, January 02, 2001 9:08 AM
To: Anderson, Roger
Cc: Price, Wayne
Subject: REPAIR OPERATIONS RAY WESTALL BRINE SUPPLY WELL

1/2/2001

ROGER,

PER OUR CONVERSATION THIS MORNING.
THE BRINE WELL WILL HAVE 5.5" METAL
CASING RAN AND CEMENTED AT 415'.
AND MIT WILL BEEN RAN ON THE CASING
BEFORE THE SHOE IS DRILLED OUT.
THIS MIT WILL BE A MIN. OF 300# PSI
FOR 30 MINUTES TEST PERIOD.
THERE WILL BE A BRINE CARVERN SURVEY
RAN USING NITROGEN GAS BEFORE THE WELL
IS PLACED BACK IN SERVICE.
ALSO A SONIC SURVEY OF CARVERN IS
REQUIRED PER WAYNE.
I HAVE TALKED TO RANDY HARRIS THIS MORNING
AND THE CASING WILL BE RAN AND CEMENTED THURSDAY.
A PACKER SHOE WITH DV PORTS WILL BE RAN ON SHOE JOINT.

MIKE S.

NM OIL CONSERVATION DEPT

WELL LOG # brine well #1

REMOVED FROM FILE

BW 021. **BOX**

NUMBER 33

RETURNED TO CUSTOMER

Price, Wayne

From: Stubblefield, Mike
Sent: Friday, December 22, 2000 4:24 PM
To: Anderson, Roger
Cc: Price, Wayne
Subject: 12/20/2000 RETEST ON RAY WESTALL BRINE SUPPLY WELL

12/20/2000

ROGER,

RAY WESTALL RIGGED UP ON THE BRINE SUPPLY WELL
TODAY.

A LOCKSET TENSION PACKER WAS RAN IN WELLBORE
AND SET AT 405'. 7" CASING SHOE AT 420'.

THE HOLE WAS LOADED USING 12 BBLS OF FRESHWATER.
THE CASING WOULD NOT PRESSURE UP PAST 40# PUMPING
.25 BPM.

THE PACKER WAS RESET AT 374'.

THE CASING WOULD NOT PRESSURE UP PAST 40# PUMPING
AT .25 BPM.

OPERATOR THINKS PACKER WAS NOT SEALING OFF
ALLOWING WATER TO BE PUMPED BY PACKER?

DONNY MATHEWS THEN DECIDED TO RUN A COUPLE JOINTS
OF TUBING BACK INTO WELL AND START ATTEMPTING TO
PRESSURE UP ON ENTIRE BRINE CARVERN USING FRESHWATER
BEING ADDED.

OPERATOR WILL NOTIFY O.C.D WHEN READY TO RETEST



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Oil Conservation Division
District II

811 South First Street, Artesia, NM 88210
Phone: (505) 748-1283 • Fax (505) 748-9720
<http://www.emnrd.state.nm.us>

FAX COVERSHEET

TO: Jack Ford 827-8177

DATE: 12/28/2000

FROM: Mike Stubblefield

Number of Pages (including Coversheet): 11

Message (if any): _____

If you have any trouble with this transmission, please call (505) 748-1283.

COMPUTALOG

GS400

MULTI SENSOR
MULTI ARM CALIPER
40 ARM

COMPANY RAY NESTALL

WELL BRINE WELL # 1

FIELD

CNTY EDDY

STATE NM

COMPANY RAY NESTALL

WELL BRINE WELL NO. 1

FIELD

COUNTY EDDY

STATE N.M.

LOCATION:

N/A

OTHER SERVICES:

CBL/GR
CRANE UNIT

SEC. N/A

TYP. N/A

RGE N/A

PERM. DATUM GROUND LEVEL

LOG MEASURED FROM 0 FT. ABOVE PERMANENT DATUM
DRILLING MEASURED FROM KELLY BUSHINGELEV. K.B. N/A
D.F. N/A
G.L. N/A

DATE 12/27/00

RUN NO. ONE

DEPTH DRILLER

DEPTH LOGGER 433'

BTM. LOG INTERVAL 427'

TOP LOG INTERVAL 0'

OPEN HOLE SIZE

TYPE FLUID BRINE

DENS. VISC. N/A

MAX. REC. TEMP. °F N/A

EST. CEMENT TOP CIRC. TO SURF

TIME WELL READY ON ARRIVAL

TIME LOGGER ON BTM. SEE LOG

EQUIP. NO. 4631

LOCATION HOBS

RECORDED BY OLIYAS

WITNESSED BY RANDY HARRIS

BOREHOLE RECORD

RUN NO.

BIT

FROM

TO

SIZE

WGT.

FROM

TO

TUBING RECORD

CASING RECORD

SIZE

WT/FT

GRADE

TYPE JOINT

TOP

BOTTOM

SURFACE STRING 7"

SURF.

420'

PROD. STRING

LINER

FOLD

ALL INTERPRETATIONS ARE OPINIONS BASED ON INFERENCES FROM ELECTRICAL OR OTHER MEASUREMENTS AND WE CANNOT AND DO NOT GUARANTEE THE ACCURACY OR CORRECTNESS OF ANY INTERPRETATION, AND WE SHALL NOT, EXCEPT IN THE CASE OF GROSS OR WILLFULL NEGLIGENCE ON OUR PART, BE LIABLE OR RESPONSIBLE FOR ANY LOSS, COSTS, DAMAGES, OR EXPENSES INCURRED OR SUSTAINED BY ANYONE RESULTING FROM ANY INTERPRETATION MADE BY ANY OF OUR OFFICERS, AGENTS OR EMPLOYEES. THESE INTERPRETATIONS ARE ALSO SUBJECT TO OUR GENERAL TERMS AND CONDITIONS SET OUT IN OUR CURRENT PRICE SCHEDULE.

REMARKS:

NO CORRECTION MADE-WIRELINE DEPTH ONLY

* FOUND BOTTOM OF CASING AT 419'. USED GROUND LEVEL FOR ZERO POINT.-

* POSSIBLE HOLE AT 63' FROM SURFACE *

MSC:10B

THANK YOU!!!!

v.10.05.99

VERSION: 1.84

MAIN PASS

42106MSC1

FINISH DEPTH: 0.4 FEET
RECOMPUTEDDIRECTION: UP
DATE: 12/27/2000
TIME: 18:24

DATE: 12/27/2000

TIME: 16:52

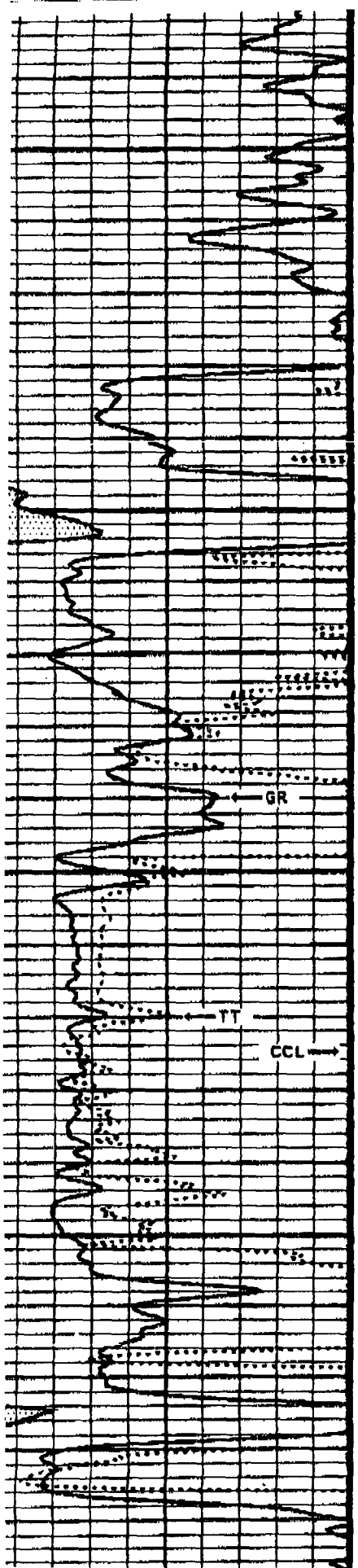
MODE: RECOMPUTE

CASING WALL

P. 07

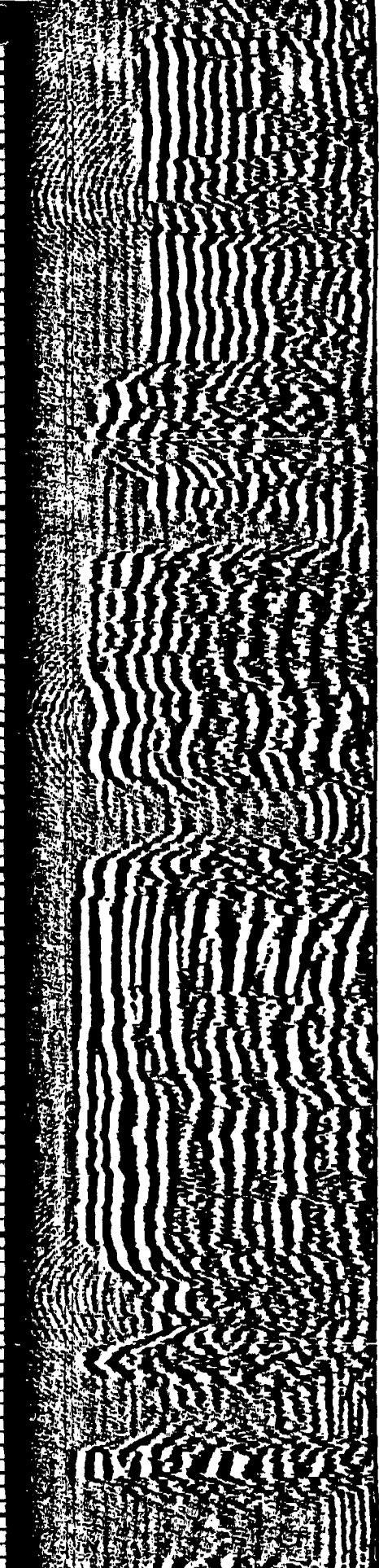
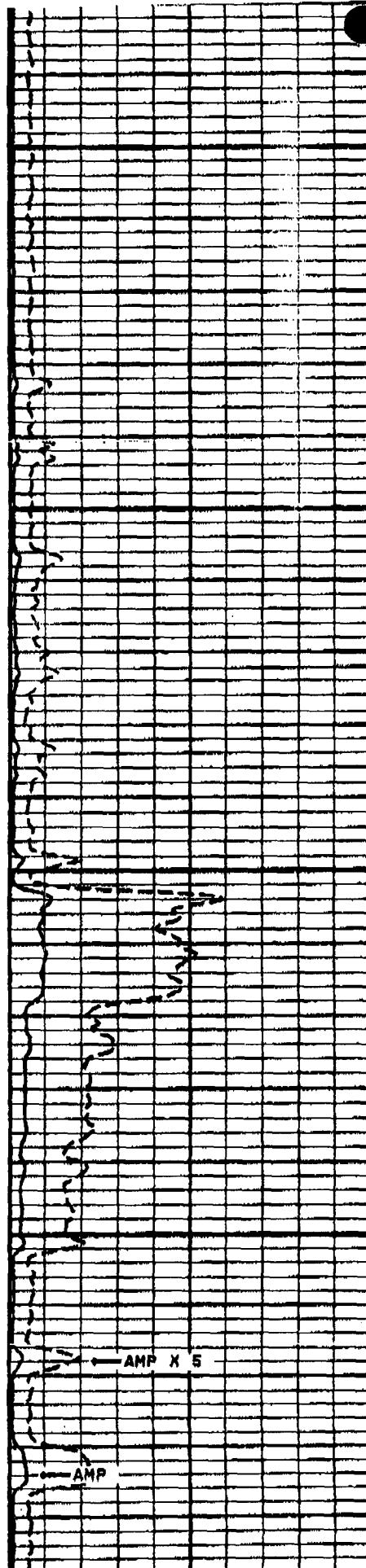
FAX NO. 15057489720

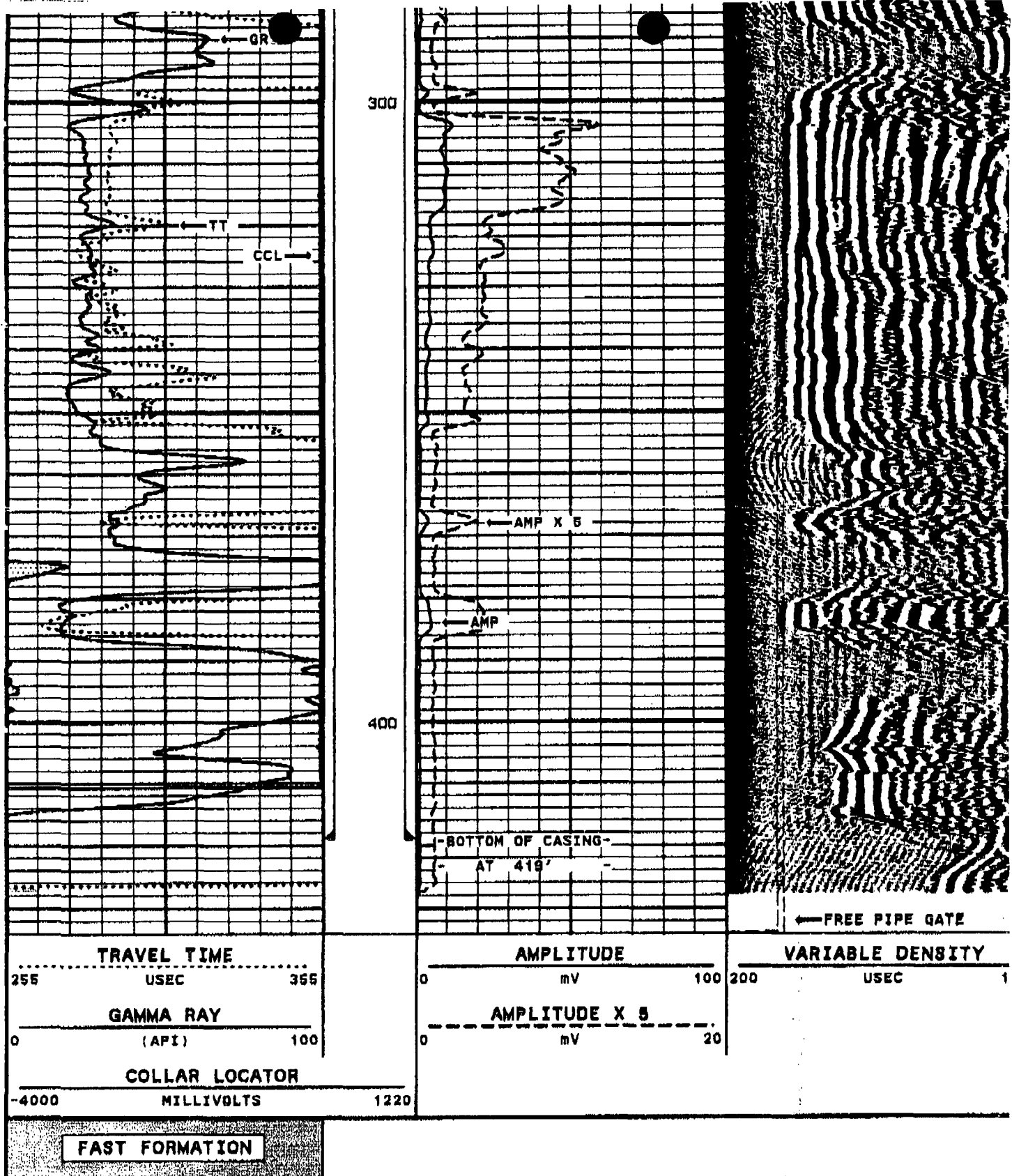
DEC-28-2000 THU 03:45 PM OCD DISTRICT 11



200

300





START DEPTH: 416.8 FEET
RECOMPUTED DATE: 12/27/2000

DIRECTION: UP
TIME: 17:02

DATE: 12/27/2000

TIME: 18:30

MODE: RECOMPUTE

42106CBL1

MAIN PASS

GR: 153 CCL: 152

THANK YOU!!!!

V.10.05.99

VERSION: 1.54

MAIN PASS

42106CBL1

FINISH DEPTH: -23.9 FEET DIRECTION: UP DATE: 12/27/2000 TIME: 18:44 MODE: RECOMPUTE
 RECOMPUTED - DATE: 12/27/2000 TIME: 17:08

FAST FORMATION

COLLAR LOCATOR

4000 MILLIVOLTS 1220

GAMMA RAY

(API) 100

TRAVEL TIME

55 USEC 355

AMPLITUDE X 5

0 mV 20

AMPLITUDE

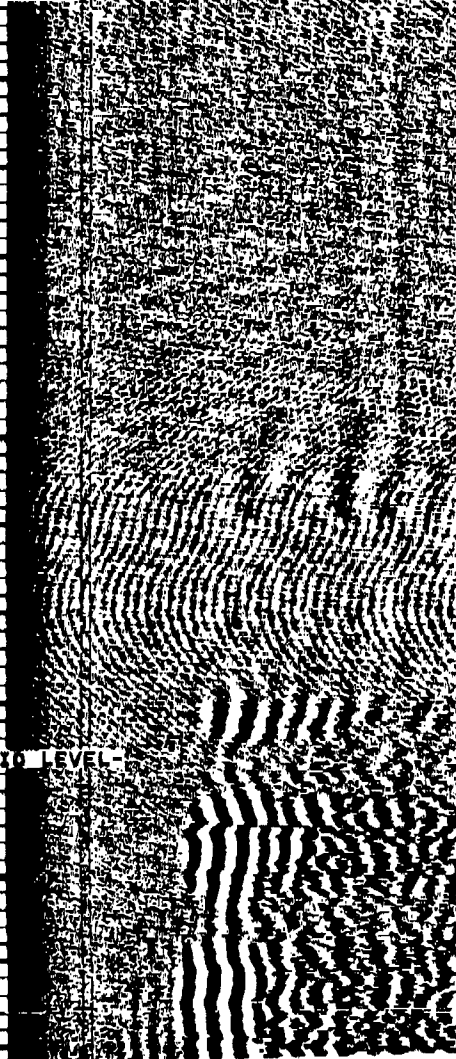
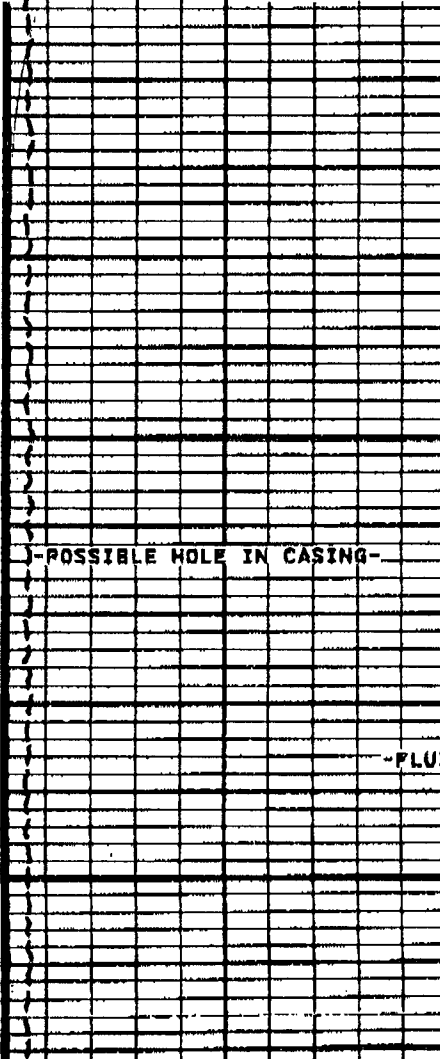
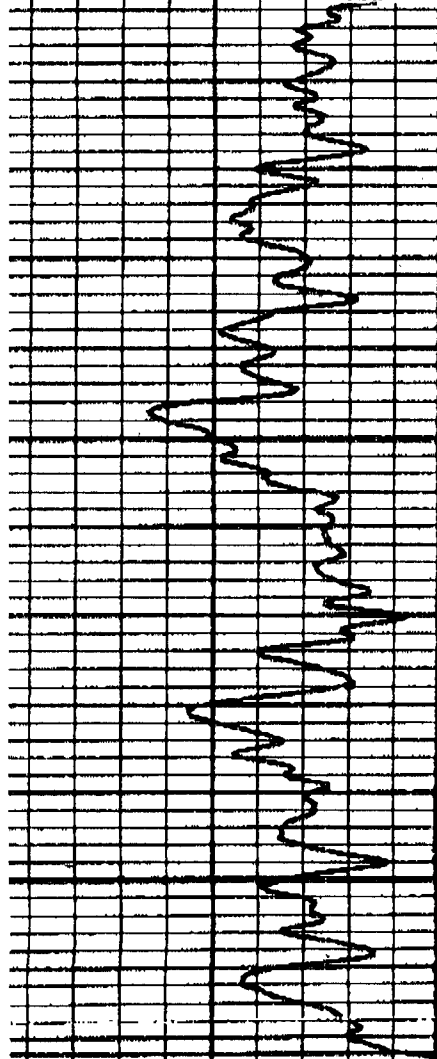
0 mV 100

VARIABLE DENSITY

200 USEC 1200

(CCL) AMP X 5

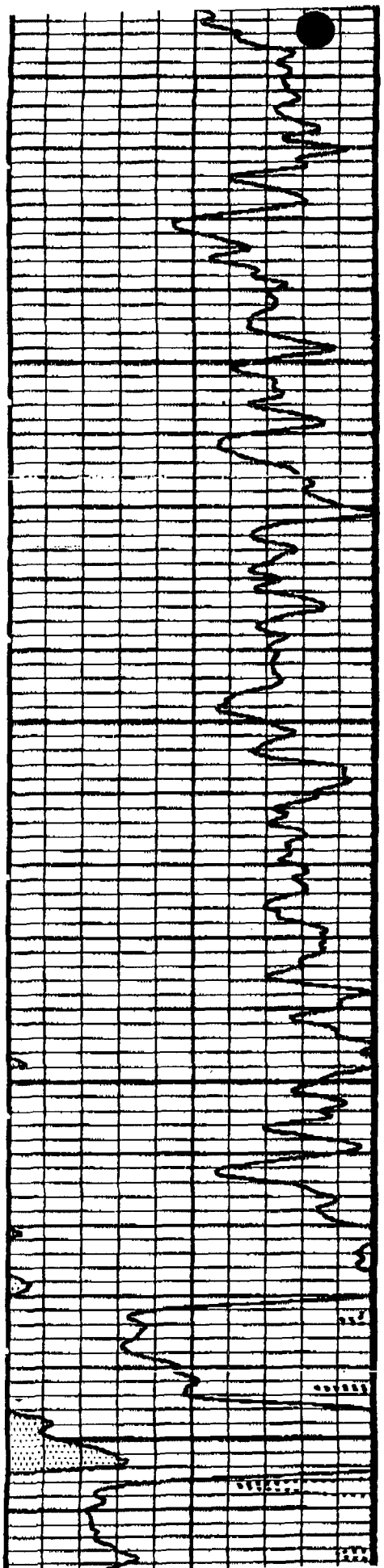
FREE PIPE GATE



-POSSIBLE HOLE IN CASING-

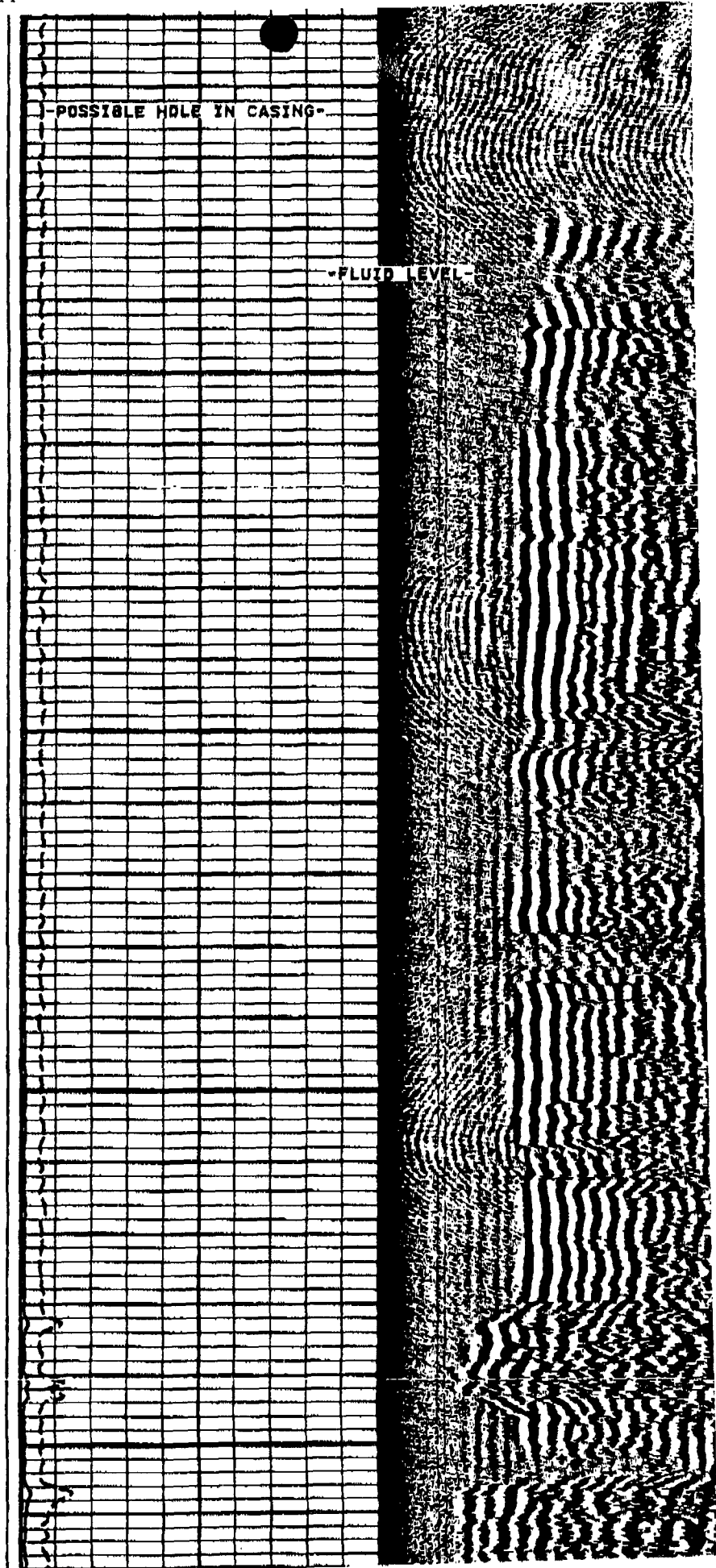
-FLUID LEVEL-

100



100

200



COMPUTALOG

GS400

ACOUSTIC CEMENT BOND

GAMA RAY

CCL

FOLD

COMPANY RAY WESTALL

WELL BRINE WELL # 1

FIELD

CNTY EDDY

STATE NM

COMPANY RAY WESTALL

WELL BRINE WELL NO. 1

FIELD

COUNTY EDDY

STATE N.M.

LOCATION:

N/A

OTHER SERVICES:

MSC

CRANE UNIT

SEC. N/A

TMP. N/A

RGE N/A

PERM. DATUM GROUND LEVEL

LOG MEASURED FROM 0 FT. ABOVE PERMANENT DATUM

DRILLING MEASURED FROM KELLY BUSHING

ELEV. N/A

ELEV.: K.B. N/A

D.F. N/A

G.L. N/A

DATE 12/27/00

RUN NO. ONE

DEPTH DRILLER

DEPTH LOGGER

BTM. LOG INTERVAL

TOP LOG INTERVAL

OPEN HOLE SIZE

TYPE FLUID

DENS.

VISC.

MAX. REC. TEMP. °F

EST. CEMENT TOP

TIME WELL READY

TIME LOGGER ON BTM.

EQUIP. NO.

LOCATION

RECORDED BY

WITNESSED BY

BOREHOLE RECORD

RUN NO.

BIT

FROM

TO

SIZE

MGT.

TUBING RECORD

FROM

TO

Casing Record

SIZE

WT/FT

GRADE

TYPE JOINT

SURFACE STRING 7"

PROT. STRING

PROD. STRING

LINER

TOP SURF.

BOTTOM 420'

ALL INTERPRETATIONS ARE OPINIONS BASED ON INFERENCES FROM ELECTRICAL OR OTHER MEASUREMENTS AND WE CANNOT AND DO NOT GUARANTEE THE ACCURACY OR CORRECTNESS OF ANY INTERPRETATION, AND WE SHALL NOT, EXCEPT IN THE CASE OF GROSS OR WILLFULL NEGLIGENCE ON OUR PART, BE LIABLE OR RESPONSIBLE FOR ANY LOSS, COSTS, DAMAGES, OR EXPENSES INCURRED OR SUSTAINED BY ANYONE RESULTING FROM ANY INTERPRETATION MADE BY ANY OF OUR OFFICERS, AGENTS OR EMPLOYEES. THESE INTERPRETATIONS ARE ALSO SUBJECT TO OUR GENERAL TERMS AND CONDITIONS SET OUT IN OUR CURRENT PRICE SCHEDULE.

REMARKS:

NO CORRECTION MADE-WIRELINE DEPTH ONLY

* FOUND BOTTOM OF CASING AT 418'. USED GROUND LEVEL FOR ZERO POINT.-

SBT:135

GR:153 CCL:152

THANK YOU!!!!

V.10.05.99

VERSION: 1.64

MAIN PASS

42106CBL1

FINISH DEPTH: -23.8 FEET DIRECTION: UP DATE: 12/27/2000 TIME: 18:44 MODE: RECOMPUTE
 RECOMPUTED DATE: 12/27/2000 TIME: 17:08

FAST FORMATION

ALL INTERPRETATIONS ARE OPINIONS BASED ON INFERENCES FROM ELECTRICAL OR OTHER MEASUREMENTS AND WE CANNOT AND DO NOT GUARANTEE THE ACCURACY OR CORRECTNESS OF ANY INTERPRETATION, AND WE SHALL NOT, EXCEPT IN THE CASE OF GROSS OR WILLFULL NEGLIGENCE ON OUR PART, BE LIABLE OR RESPONSIBLE FOR ANY LOSS, COSTS, DAMAGES, OR EXPENSES INCURRED OR SUSTAINED BY ANYONE RESULTING FROM ANY INTERPRETATION MADE BY ANY OF OUR OFFICERS, AGENTS OR EMPLOYEES. THESE INTERPRETATIONS ARE ALSO SUBJECT TO OUR GENERAL TERMS AND CONDITIONS SET OUT IN OUR CURRENT PRICE SCHEDULE.

REMARKS:

NO CORRECTION MADE-WIRELINE DEPTH ONLY

* FOUND BOTTOM OF CASING AT 419'. USED GROUND LEVEL FOR ZERO POINT.-

* POSSIBLE HOLE AT 63' FROM SURFACE *

MSC:108

THANK YOU!!!!

V.10.05.99

VERSION: 1.84

MAIN PASS

42106MSC1

FINISH DEPTH: 0.4 FEET
RECOMPUTED

DIRECTION: UP
DATE: 12/27/2000
TIME: 18:24

DATE: 12/27/2000

TIME: 16:52

MODE: RECOMPUTE

CASING WALL

WALL LOSS

WALL INCREASE

NOMINAL OD

6.10 INCH 7.10

NOMINAL ID

6.10 INCH 7.10

MAX ID

6.10 INCH 7.10

AVG ID

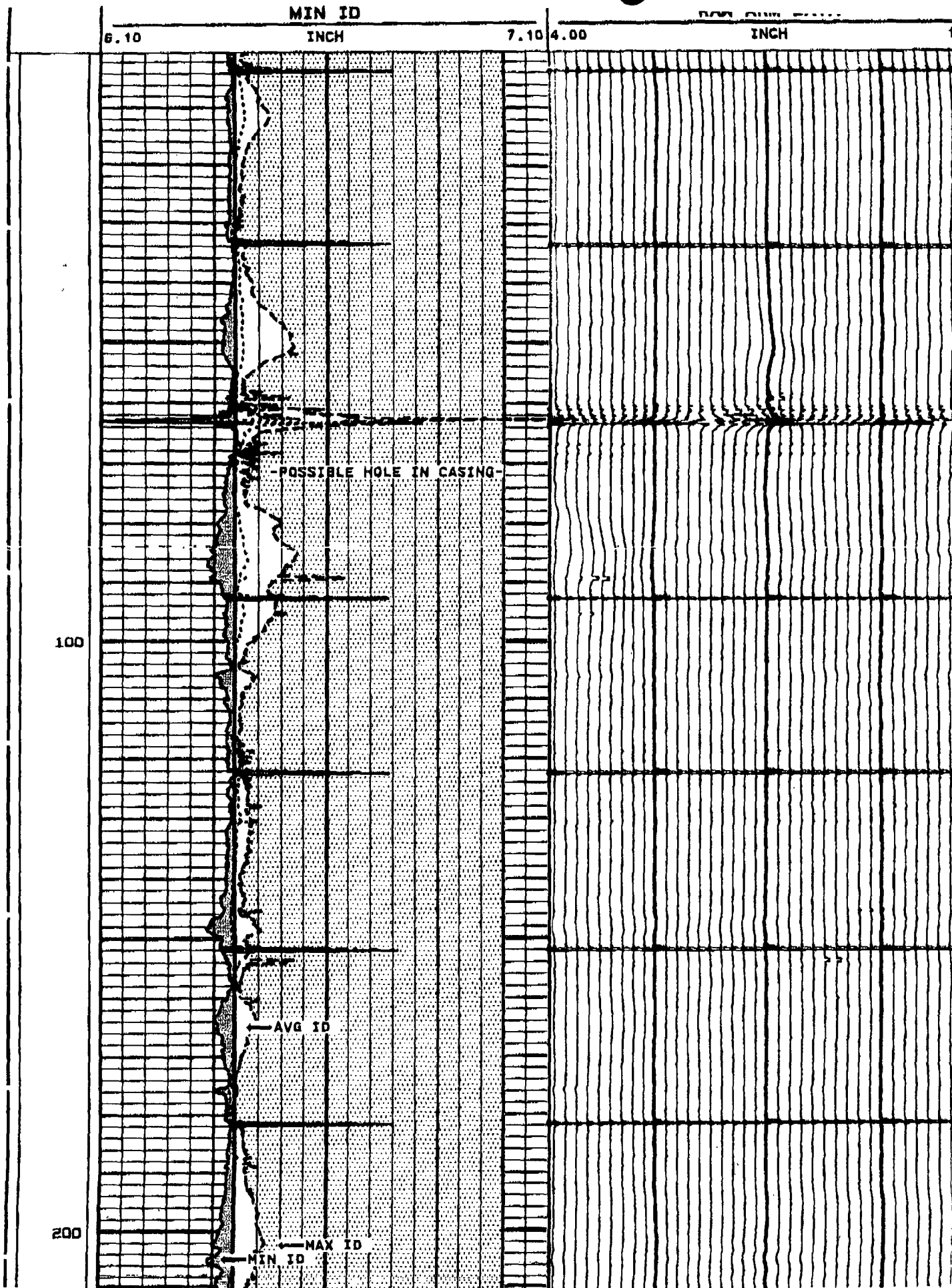
6.10 INCH 7.10

MIN ID

6.10 INCH 7.10

RAW ARM DATA

6.10 INCH 7.10 4.00 INCH 14.0



200

MIN ID MAX ID

NOMINAL OD

NOMINAL ID

300

400

400

MIN ID		
6.10	INCH	7.10
AVG ID		
6.10	INCH	7.10
MAX ID		
6.10	INCH	7.10
NOMINAL ID		
6.10	INCH	7.10
NOMINAL OD		
6.10	INCH	7.10

RAW ARM DATA	
4.00	14.00

WALL INCREASE

WALL LOSS

CASING WALL

START DEPTH: 431.8 FEET
RECOMPUTED DATE: 12/27/2000

DIRECTION: UP
TIME: 10:15

DATE: 12/27/2000

TIME: 15:34

MODE: RECOMPUTE

42106MSC1

MAIN PASS

V.10.05.89

VERSION: 1.64

Single Conductor Adaptor Head

Weight
Length

1 LB
12 IN

P. 11

FAX NO. 15057489720

DEC-28-2000 THU 03:47 PM OCD DISTRICT 11

Price, Wayne

From: Price, Wayne
Sent: Thursday, December 21, 2000 9:59 AM
To: 'rharrisnm@netscape.net'
Subject: FW: Loco Hills Brine Well

From: Price, Wayne
Sent: Thursday, December 21, 2000 9:58 AM
To: Gum, Tim; Stubblefield, Mike
Cc: Anderson, Roger; , test; 'rharrisnm@netscape.net'
Subject: Loco Hills Brine Well

Per our telephone conversation this morning, Loco Hills Water Disposal Co. must demonstrate the well has mechanical integrity for the entire system which includes both the internal (casing) and external (outside of casing).

Also their discharge plan expired on Dec 18, 2000 and before OCD can approve the new discharge plan Loco Hills Water Disposal Co. must meet the requirements of their discharge plan particularly item 6. concerning cavity configuration.

If you have any questions please call me at 505-827-7155.

RANDY HARRIS - 505-677-2370 (TELE.)

Price, Wayne

From: Price, Wayne
Sent: Monday, December 18, 2000 4:09 PM
To: Gum, Tim
Cc: Stubblefield, Mike
Subject: Loco Hills Brine well test Log

Dear Tim:

Please find attached a log of the brine well test. Pursuant to our telephone conversation this morning, please have Loco Hills investigate and repair the well and make arrangements with you to re-test.

Thanks for the help!

WV

Testdoc.doc

Affidavit of Publication

NO. 17081

STATE OF NEW MEXICO

County of Eddy:

Gary D. Scott being duly

sworn, says: That he is the Publisher of The

Artesia Daily Press, a daily newspaper of general

circulation, published in English at Artesia, said county

and county and state, and that the here to attached

Legal Notice

was published in a regular and entire issue of the said

Artesia Daily Press, a daily newspaper duly qualified

for that purpose within the meaning of Chapter 167 of

the 1937 Session Laws of the state of New Mexico for

1 consecutive weeks/days on the same

day as follows:

First Publication August 16 2000

Second Publication _____

Third Publication _____

Fourth Publication _____

Subscribed and sworn to before me this

16TH day of August 2000

Barbara Ann Beers
Notary Public, Eddy County, New Mexico

My Commission expires September 23, 2003

Copy of Publication:

Artesia (NM) Daily Press

been submitted to the Director of the Oil Conservation Division, 2040 South Pacheco, Santa Fe, New Mexico 87505, Telephone (505) 827-7131:

(BW-21) Loco Hills Brine Company, James Maloney, Vice President, P.O. Box 68, Loco Hills, New Mexico, 88255 has submitted an application for renewal of its previously approved discharge plan for its brine. The

brine extraction facility is located in the SW/4 SW/4 of Section 16, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico. Loco Hills Brine Company receives an average daily volume of 2,100 barrels of fresh water from two pipelines off the caprock. This fresh water is injected at an average pressure of 125 psi into a well cased with 420 feet of fiberglass casing, and brine is produced through a 900 foot steel tubing string. The brine is stored in a lined pond for sale on demand. Ground water in the immediate vicinity is at a depth exceeding 270 feet with a total dissolved solids concentration of 3,000 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 a public hearing may be requested by any interested person. Requests for 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 New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 8th day of August 2000.

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 application(s) have

STATE OF NEW MEXICO
OIL CONSERVATION
DIVISION

s-Lori Wrotenbery
LORI WROTENBERY, Director
SEAL

Published in the Artesia Daily Press, Artesia, N.M. August 16, 2000.

Legal 17081

Artesia Daily Press

P.O. Box 190, Artesia, NM 88211-0190

Phone: (505) 746-3524

Fax: (505) 746-8795

INVOICE

Invoice Date:

08/16/00


Invoice Number:

1063299

Customer Number:

10005610

Oil Conservation Division
2040 South Pacheco St.
Santa Fe NM 87505

DATE	TYPE	DOC NO	REF NUMBER	DESCRIPTION	# OF INS	DEPTH	RATE	AMOUNT
08/16/00	INV	1063299	A/R:1063299 Ord:10758178	LEGAL NOTICE NOTICE OF PUBLICA Artesia Daily Press Legal Section, LEGAL NOTICE 8/16/0 State Sales Tax	1 1	13.50 13.50	47.52 3.00	47.52 3.00
This is your First Notice! Thank You!								
TOTAL								50.52
I hereby certify that this is a true and correct statement to the best of my knowledge.								
				 Bookkeeper				

Please detach and return this portion with payment. To ensure proper credit to your account, please write your customer number on your check. If you have any questions about your account, please contact Accounts Receivable at (505) 746-3524.

Invoice Date

08/16/00

Invoice Number

1063299

Customer Number

10005610

Retail Advertising

Legal 17081

PLEASE PAY:

50.52

ARTESIA DAILY PRESS
Attn: Accounts Receivable
P.O. Box 190
Artesia, NM 88211-0190

Oil Conservation Division
2040 South Pacheco St.
Santa Fe NM 87505

Approved
[Signature]

THE SANTA FE
NEW MEXICAN
Founded 1849

AGE: 8

NM OIL CONSERVATION DIVISION
ATTN: DONNA DOMINGUEZ
2040 S. PACHECO ST.
SANTA FE, NM 87505

AD NUMBER: 165343 ACCOUNT: 56689
LEGAL NO: 67909 P.O.#: 00199000278
189 LINES 1 time(s) at \$ 83.31
AFFIDAVITS: 5.25
TAX: 5.54
TOTAL: 94.10

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 application has been submitted to the Director of the Oil Conservation Division, 2040 South Pacheco, Santa Fe, New Mexico 87505, Telephone (505) 827-7131:

(BW-21) - Loco Hills Brine Company, James Maloney, Vice President, P.O. Box 68, Loco Hills, New Mexico, 88255 has submitted an application for renewal of its previously approved discharge plan for its brine. The brine extraction facility is located in the SW/4 SW/4 of Section 16, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico. Loco Hills Brine Company receives an average daily volume of 2,100 barrels of fresh water from two pipelines off the caprock. This fresh water is injected at an average pressure of 125 psi into a well cased with 420 feet of fiberglass casing, and brine is produced through a 900 foot steel tubing string. The brine is stored in a lined pond for sale on demand. Ground water in the immediate vicinity is at a depth exceeding 270 feet with a total dissolved solids concentration of 3,000 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 shall be held. A hearing will be held if the Director determines there is significant public interest.

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

GIVEN under the Seal of New Mexico Conservation Commission at Santa Fe, New Mexico, on this 8th day of August, 2000.

STATE OF NEW MEXICO
OIL CONSERVATION
DIVISION
LORI WROTEBERY,
Director

Legal #67909
Pub. August 15, 2000

AFFIDAVIT OF PUBLICATION

STATE OF NEW MEXICO
COUNTY OF SANTA FE

I, B. Dorney being first duly sworn declare and say that I am Legal Advertising Representative of THE SANTA FE NEW MEXICAN, a daily newspaper published in the English language, and having a general circulation in the Counties of Santa Fe and Los Alamos, State of New Mexico and being a Newspaper duly qualified to publish legal notices and advertisements under the provisions of Chapter 167 on Session Laws of 1937; that the publication #67909 a copy of which is hereto attached was published in said newspaper 1 day(s) between 08/15/2000 and 08/15/2000 and that the notice was published in the newspaper proper and not in any supplement; the first publication being on the 15 day of August, 2000 and that the undersigned has personal knowledge of the matter and things set forth in this affidavit.

/s/

Betty Dorney
LEGAL ADVERTISEMENT REPRESENTATIVE

Subscribed and sworn to before me on this
15 day of August A.D., 2000

Notary

Laura E. Hardy

Commission Expires

11/23/03

APPROVED
Wrotebery
8/22/00

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 application has been submitted to the Director of the Oil Conservation Division, 2040 South Pacheco, Santa Fe, New Mexico 87505, Telephone (505) 827-7131:

(BW-21) - Loco Hills Brine Company, James Maloney, Vice President, P.O. Box 68, Loco Hills, New Mexico, 88255 has submitted an application for renewal of its previously approved discharge plan for its brine. The brine extraction facility is located in the SW/4 SW/4 of Section 16, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico. Loco Hills Brine Company receives an average daily volume of 2,100 barrels of fresh water from two pipelines off the caprock. This fresh water is injected at an average pressure of 125 psi into a well cased with 420 feet of fiberglass casing, and brine is produced through a 900 foot steel tubing string. The brine is stored in a lined pond for sale on demand. Ground water in the immediate vicinity is at a depth exceeding 270 feet with a total dissolved solids concentration of 3,000 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 a public hearing may be requested by any interested person. Requests for 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 New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 8th day of August, 2000.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


LORI WROTENBERY, Director

S E A L

ACKNOWLEDGEMENT OF RECEIPT
OF CHECK/CASH

I hereby acknowledge receipt of check No. [REDACTED] dated 7/18/2000
or cash received on _____ in the amount of \$ 50⁰⁰
from LOCO HILLS WATER DISPOSAL
for LOCO HILLS BRINE ST.

Submitted by: ^(Facility Name) WAYNE PRICE Date: 7/29/00
Submitted to ASD by: [Signature] Date: 11
Received in ASD by: _____ Date: _____

Filing Fee ☒ New Facility _____ Renewal _____
Modification _____ Other _____
(Specify)

Organization Code 521.07 Applicable FY 2001

To be deposited in the Water Quality Management Fund.

Full Payment _____ or Annual Increment _____

LOCO HILLS WATER DISPOSAL 05/91
P.O. BOX 68
LOCO HILLS, NM 88255-0068

DATE JUL 18 2000

95-32
9800 1070 TM

PAY
TO THE ORDER
OF

WARRANTY 50 DOLLARS 00 CTS

DOLLARS \$ 50⁰⁰/₁₀₀

Water Quality Control Management

88 Counter features
including
Carbon on back.

BW-021

James R. Maloney

Bank of America.

LOCO HILLS WATER DISPOSAL CO.

P. O. Box 68
Loco Hills, NM 88255

JUL 20 2000

July 18, 2000

Mr. Wayne Price
STATE OF NEW MEXICO
Energy, Minerals and Natural Resources Department
Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87505

RE: Discharge Plan BW-021

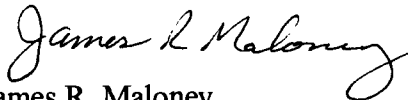
Dear Mr. Price,

For our renewal of the above referenced permit, there has been no change since 1996.

You will find enclosed, out check in the amount of Fifty Dollars (\$50.00) made payable to Water Quality Control Management.

If further information is required, please call me at (505) 677-2118.

Sincerely,
LOCO HILLS WATER DISPOSAL AND BRINE CO., INC.



James R. Maloney
Vice President

JRM:jb



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

June 23, 2000

Lori Wrotenbery

Director

Oil Conservation Division

CERTIFIED MAIL

RETURN RECEIPT NO. 5051 5604

Mr. James R. Maloney
Loco Hills Water Disposal Company
P.O. Box 68
Loco Hills, New Mexico 88255

Re: Discharge Plan BW-021 Brine Well Renewal Notice
Loco Hills Water Disposal Company
Eddy County, New Mexico

Dear Mr. Maloney:

The groundwater discharge plan BW-021 for the Loco Hills Water Disposal Company Brine Well facility located in the SW/4 SW/4 of Section 16, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico **will expire on December 18, 2000.**

Please note: WQCC 3106.F. If the holder of an approved discharge plan submits an application for discharge plan renewal at least 120 days before the discharge plan expires, and the discharger is not in violation of the approved discharge plan on the date of its expiration, then the existing approved discharge plan for the same activity shall not expire until the application for renewal has been approved or disapproved. A discharge plan continued under this provision remains fully effective and enforceable. An application for discharge plan renewal must include and adequately address all of the information necessary for evaluation of a new discharge plan. Previously submitted materials may be included by reference provided they are current, readily available to the secretary and sufficiently identified to be retrieved. [12-1-95]

If you require any further information or assistance please do not hesitate to write or call me at (505-827-7155).

Sincerely Yours,

Wayne Price-Pet. Engr. Spec.
Environmental Bureau

cc: OCD Artesia Office

NM OIL CONSERVATION DEPT

WELL LOG # L109195 Brine Water N2 Welltest

REMOVED FROM FILE

BW 021 . **BOX**

NUMBER 33

RETURNED TO CUSTOMER



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

November 25, 1997

Mr. James Maloney
Loco Hills Water Disposal Co.
P.O. Box 68
Loco Hills, New Mexico 88255

RE: Mechanical Integrity Testing of Brine Supply Wells

Dear Mr. James Maloney:

Enclosed is a copy of the mechanical integrity test conducted on your brine well. Please retain this copy for your records.

As a condition of discharge plan approval, all brine facilities are required to submit a quarterly report listing, by month, the volumes of fluids injected and produced. The New Mexico Oil Conservation Division (OCD) has not received any quarterly reports for the Loco Hills brine station since October 24, 1991. Please update all delinquent quarterly reports by January 26, 1997.

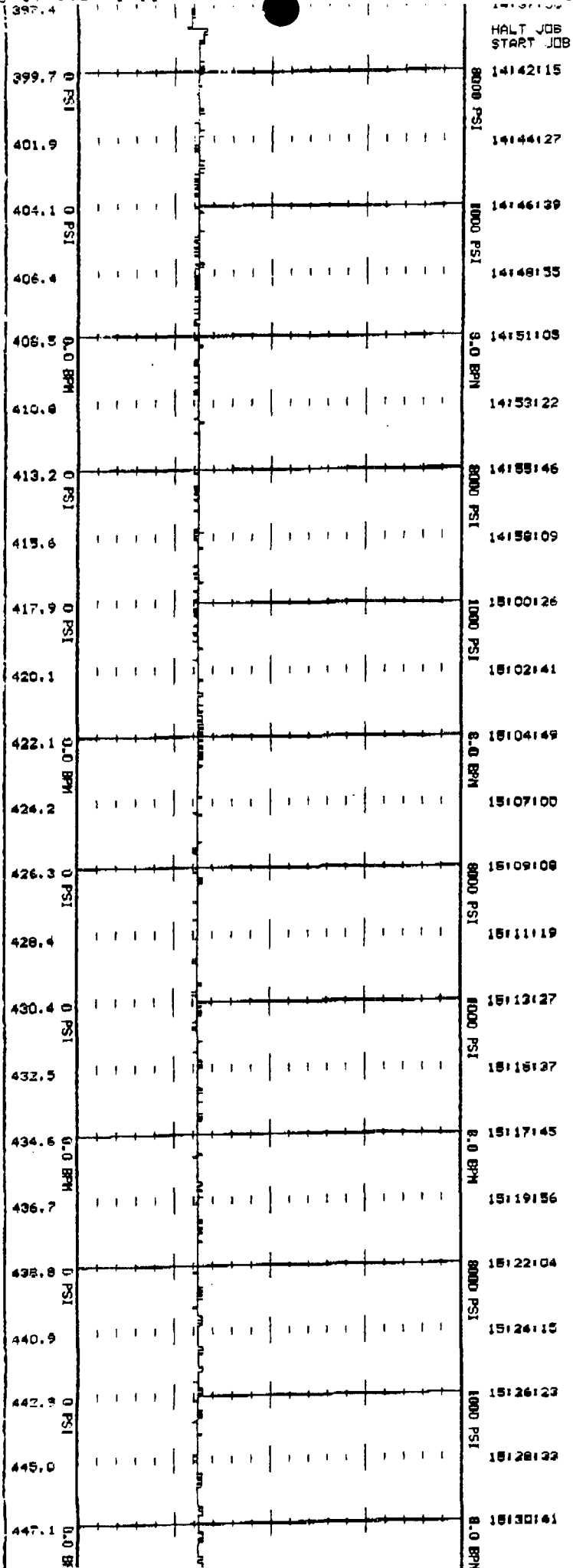
On behalf of the New Mexico Oil Conservation Division, I would like to thank you for your time and cooperation during the testing. If you have any questions, please contact me at (505) 827-7155.

Sincerely,

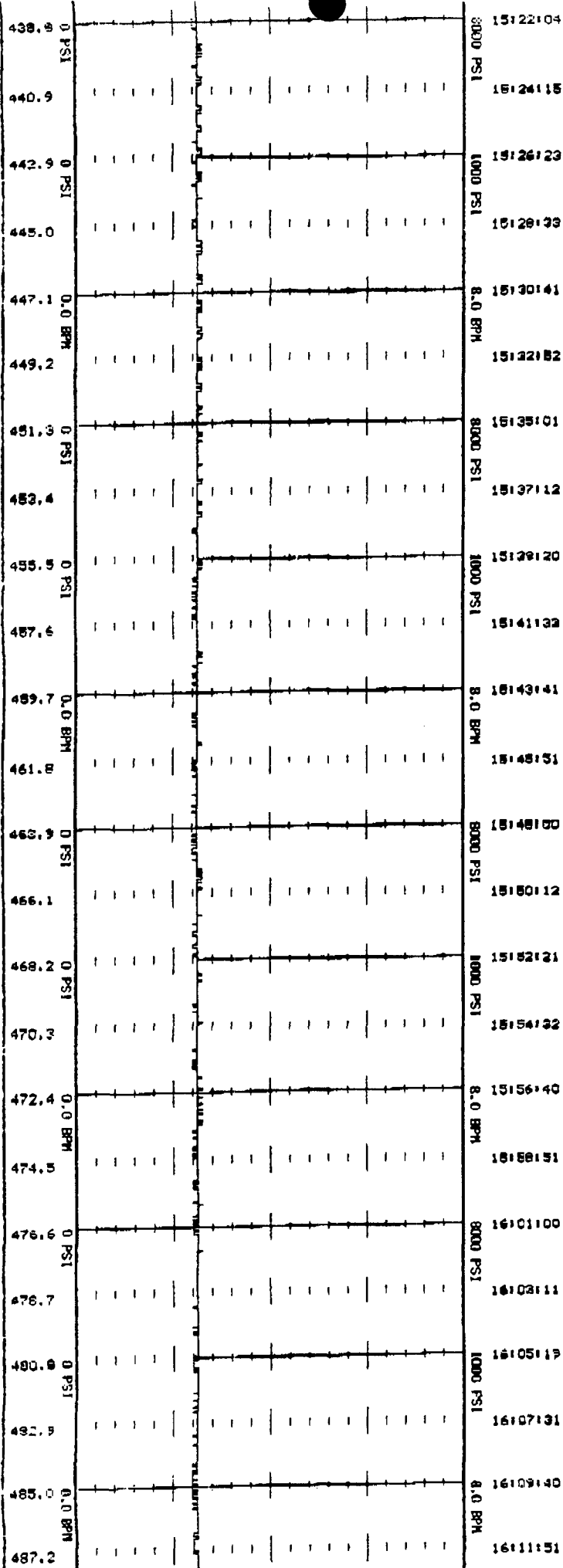
A handwritten signature in cursive script, appearing to read "Mark Ashley".

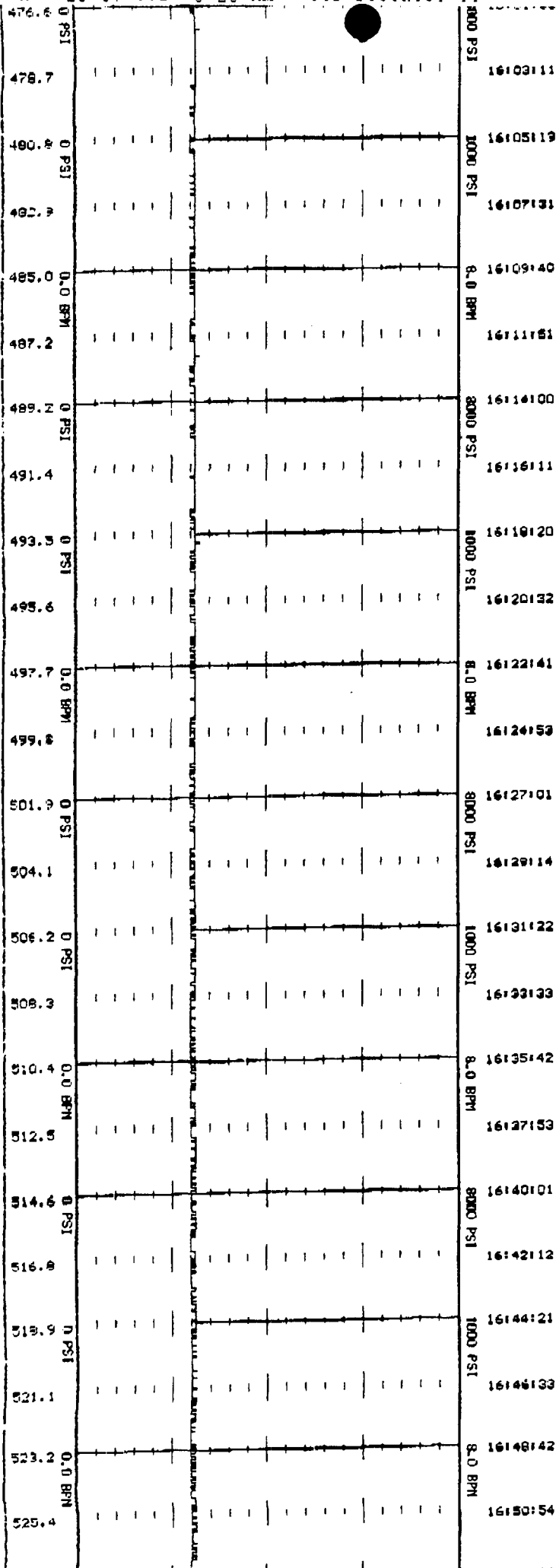
Mark Ashley
Geologist

Attachment

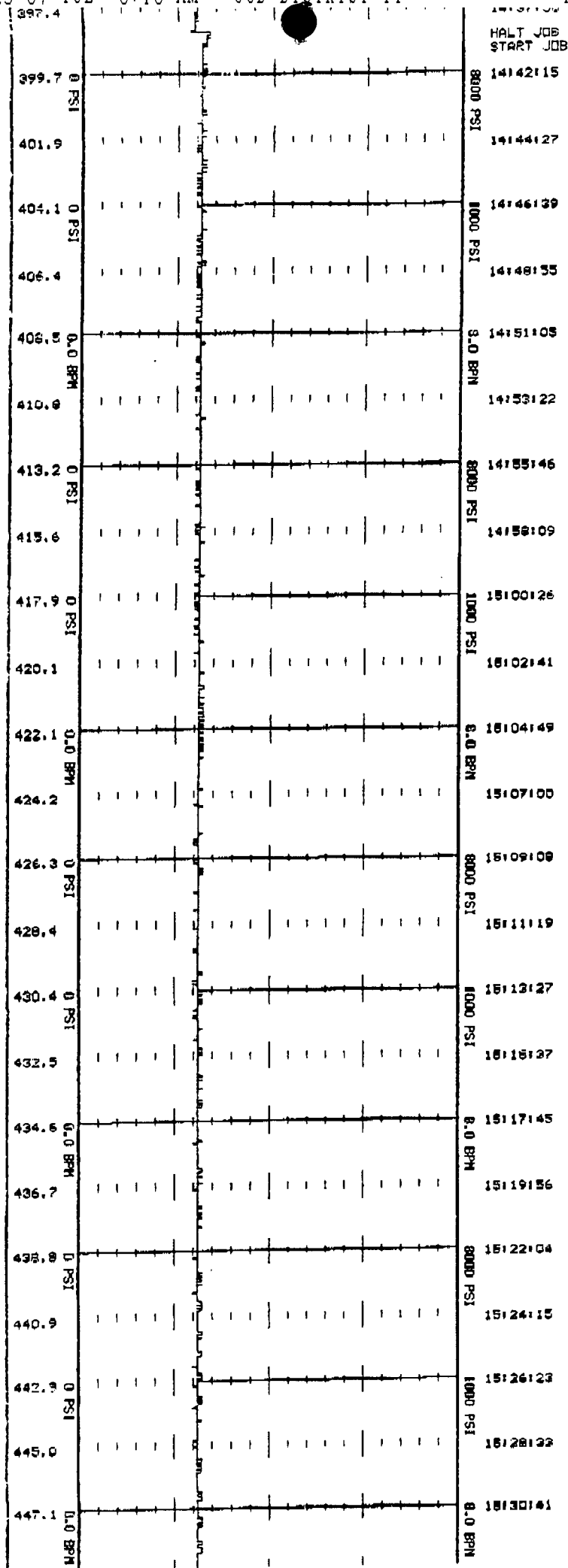


Loxo Hills
~~Brine~~ Brine Well



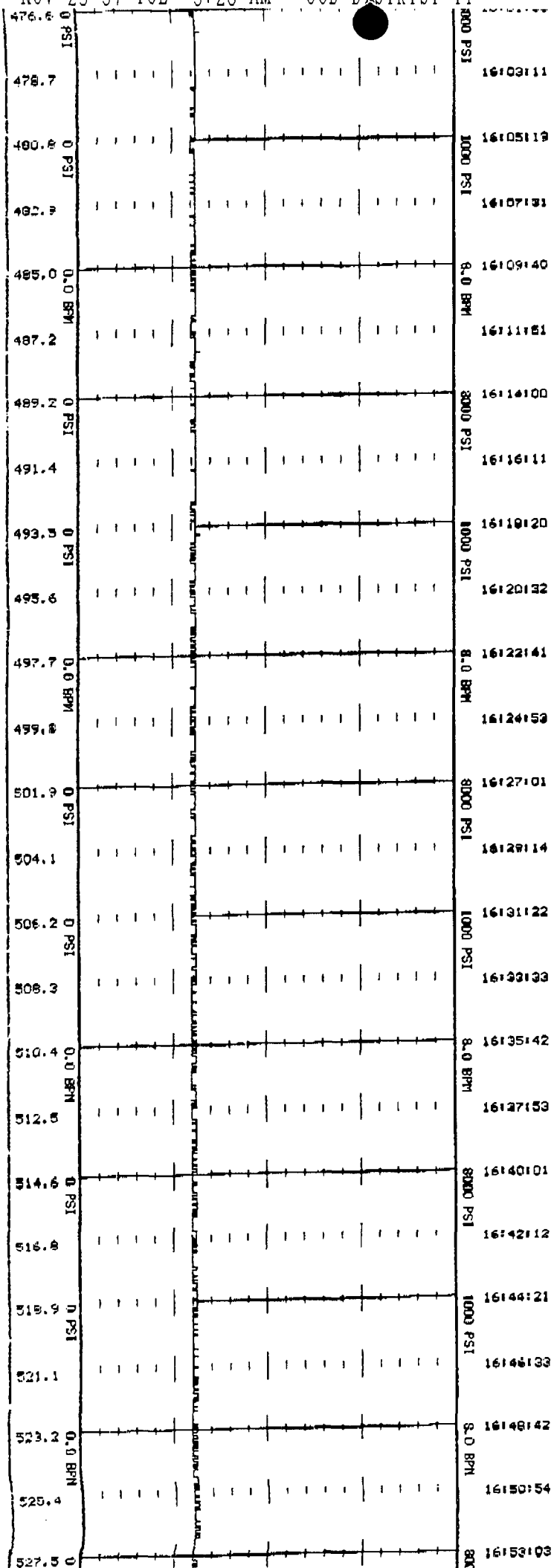


519.9	0 PSI	16:44:21
521.1		16:46:33
523.2	0.0 BPM	16:48:42
525.4		16:50:54
527.5	0 PSI	16:53:03
529.6		16:55:14
531.8	0 PSI	16:57:23
533.9		16:59:34
536.0	0.0 BPM	17:01:43
538.2		17:03:54
540.3	0 PSI	17:06:03
542.5		17:08:14
544.6	0 PSI	17:10:22
546.7		17:12:34
548.9	0.0 BPM	17:14:42
551.0		17:16:54
553.1	0 PSI	17:19:03
555.3		17:21:14
557.4	0 PSI	17:23:24
559.6		17:25:35
561.7	0.0 BPM	17:27:44
563.9		17:29:56
566.0	0 PSI	17:32:05
568.2		17:34:16



LOCO HILLS
BRINE WELL

438.8	0 PSI	3000 PSI	15:22:04
440.9		3000 PSI	15:24:15
442.9	0 PSI	1000 PSI	15:26:23
445.0		3000 PSI	15:28:33
447.1	0.0 BPM	8.0 BPM	15:30:41
449.2		8.0 BPM	15:32:52
451.3	0 PSI	3000 PSI	15:35:01
453.4		3000 PSI	15:37:12
455.5	0 PSI	1000 PSI	15:39:20
457.6		1000 PSI	15:41:32
459.7	0.0 BPM	8.0 BPM	15:43:41
461.8		8.0 BPM	15:45:51
463.9	0 PSI	3000 PSI	15:48:00
466.1		3000 PSI	15:50:12
468.2	0 PSI	1000 PSI	15:52:21
470.3		1000 PSI	15:54:32
472.4	0.0 BPM	8.0 BPM	15:56:40
474.5		8.0 BPM	15:58:51
476.6	0 PSI	3000 PSI	16:01:00
476.7		3000 PSI	16:03:11
480.8	0 PSI	1000 PSI	16:05:19
482.9		1000 PSI	16:07:31
485.0	0.0 BPM	8.0 BPM	16:09:40
487.2		8.0 BPM	16:11:51



519.9	0 PSI	16:44:21
521.1	1000 PSI	16:46:33
523.2	8.0 BPM	16:48:42
525.4	8.0 BPM	16:50:54
527.5	0 PSI	16:53:03
529.6	8000 PSI	16:55:14
531.8	0 PSI	16:57:23
533.9	1000 PSI	16:59:34
536.0	8.0 BPM	17:01:43
538.2	8.0 BPM	17:03:54
540.3	0 PSI	17:06:03
542.5	8000 PSI	17:08:14
544.6	1000 PSI	17:10:22
546.7	1000 PSI	17:12:34
548.9	8.0 BPM	17:14:42
551.0	8.0 BPM	17:16:54
553.1	0 PSI	17:19:03
555.3	8000 PSI	17:21:14
557.4	1000 PSI	17:23:24
559.6	1000 PSI	17:25:35
561.7	8.0 BPM	17:27:44
563.9	8.0 BPM	17:29:56
566.0	0 PSI	17:32:05
568.2	8000 PSI	17:34:16

561.7	0.0 BPH	17:27:44
563.9		17:29:56
566.0	0 PSI	17:32:05
568.2		17:34:16
570.3	0 PSI	17:36:25
572.5		17:38:36
574.6	0.0 BPH	17:40:44
576.7		17:42:56
578.9	0 PSI	17:45:06
581.0		17:47:17
583.2	0 PSI	17:49:26
585.3		17:51:37
587.4	0.0 BPH	17:53:46
589.6		17:55:57
591.7	0 PSI	17:58:06
593.9		18:00:17
596.0	0 PSI	18:02:26
598.1		18:04:37
600.3	0.0 BPH	18:06:45
602.4		18:08:57
604.6	0 PSI	18:11:06
606.7		18:13:18

RESET N2 STAGE
RESET N2 TOTAL

P 288 258 955

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

August 12, 1997

Certified Mail

Return Receipt No. P-288-258-955

Mr. James R. Maloney
Loco Hills Water Disposal Company
P.O. Box 68
Loco Hills, New Mexico 88255

**RE: Mechanical Integrity Testing of Brine Supply Wells
Annual Test
Loco Hills Water Disposal Company BW-021
Eddy County, New Mexico**

Dear Mr. Maloney:

The Underground Injection Control Program of the Federal Safe Drinking Water Act requires that operators demonstrate mechanical integrity of all injection wells by ensuring that there are no leaks in the tubing, casing, or packer, and that the injected fluid is confined within the injection zone through proper cementing.

All brine wells that operate without a packer will be required to have an annual open hole pressure test equal to 1.5 times the normal operating pressure or 300 psi, whichever is greater, for four hours with a maximum of 10 percent bleed-off allowed. Every five years or at the time of discharge plan renewals they will be required to have an open hole pressure test equal to 1.5 times the normal operating pressure or 300 psi, whichever is greater, for four hours with zero bleed-off.

All brine wells that operate with a packer will be required to have an annual casing/tubing annulus pressure test equal to 300 psi for 30 minutes.

Operators will be responsible for providing equipment and shall bear all costs incurred. The date and time of all tests will be scheduled and witnessed by the New Mexico Oil Conservation Division.

Please have your well ready for testing on September 19, 1997 at 7:00 AM as outlined below.

For brine wells operating without a packer:

- 1) The cavern must be pressured up and stabilized for a period of at least 24 hours prior to testing.

Mr. James R. Maloney
August 12, 1997
Page 2

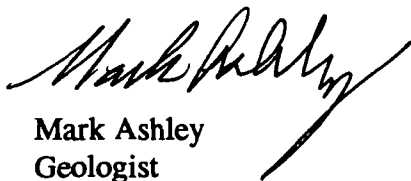
- 2) The system shall be tested to 1.5 times the normal operating pressure or 300 psi, whichever is greater, for a period of four hours. A maximum of 10 percent bleed-off will be allowed for annual tests. Testing conducted every five years or at the time of discharge plan renewal will have zero bleed-off.
- 3) A continuous recording pressure chart with an 8 hour clock shall be installed on the casing/tubing annulus. The pressure range shall not be greater than 1,000 psi.
- 4) Have well head prepared for test. All valves should be in good working order.
- 5) All gauges shall be in good working order.
- 6) Have manpower and equipment available for pressure test.

For brine wells operating with a packer:

- 1) Have the casing/tubing annulus and tubing loaded with inert fluid prior to testing.
- 2) The casing/tubing annulus shall be tested to 300 psi for 30 minutes.
- 3) A continuous recording pressure chart with an 8 hour clock shall be installed on the casing/tubing annulus. The pressure range shall not be greater than 1,000 psi.
- 4) Have well head prepared for test. All valves should be in good working order.
- 5) All gauges shall be in good working order.
- 6) Have manpower and equipment available for pressure test.

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

Sincerely,



Mark Ashley
Geologist

LOCO HILLS WATER DISPOSAL CO.

**P. O. Box 68
Loco Hills, NM 88255**

RECEIVED
OIL CONSERVATION DIVISION
FEB 14 1996

February 9, 1996

Mr. Mark Ashley
STATE OF NEW MEXICO
Energy, Minerals and Natural Resources Department
Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87505

RE: Discharge Plan BW-021 Renewal

Dear Mark,

I want to take this opportunity to thank you for your help in the renewal of our lease.

In reference to item Number 9 on the Attachment to the Discharge Plan BW-021, our plan is to construct a barrier around the Brine Production Facility pump, which will contain any leakage.

Sincerely,

LOCO HILLS WATER DISPOSAL, INC.



James R. Maloney
Vice-President

JRM:jb

LOCO HILLS WATER DISPOSAL CO.

P. O. Box 68
Loco Hills, NM 88255

12

February 9, 1996

Mr. Mark Ashley
STATE OF NEW MEXICO
Energy, Minerals and Natural Resources Department
Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87505

RE: Discharge Plan BW-021 Renewal

Dear Mark,

I want to take this opportunity to thank you for
your help in the renewal of our lease.

In reference to item Number 9 on the Attachment to
the Discharge Plan BW-021, our plan is to construct
a barrier around the Brine Production Facility pump,
which will contain any leakage.

Sincerely,

LOCO HILLS WATER DISPOSAL, INC.



James R. Maloney
Vice-President

JRM:jb

I hereby acknowledge receipt of check No. dated 12/13/95
or cash received on 12/19/95 in the amount of \$ 50.00
from Loco Hills Water Disposal
for Loco Hills Brine BW 021

Received in ASD by: Cristina Herrera Date: 1-17-96

Modification _____ Other _____

Organization Code 521.07 Applicable FY 96

Full Payment or Annual Increment

12/13 1995 95-226/1122

WARRANTY 5 00 DOLS 00 CTS

—DOLLARS \$ 50⁰⁰/₁₀₀

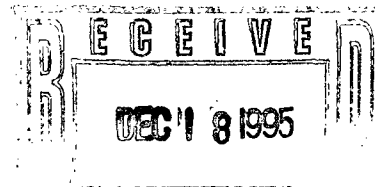
PAY _____
TO THE ORDER
OF _____

NMED Water Quality Management

James R. McLane

LOCO HILLS WATER DISPOSAL CO.

P. O. Box 68
Loco Hills, NM 88255



12/12/95

Mr. Mark Ashley
NMOCD Environmental Dept.
P.O. Box 6429
Santa Fe, NM. 87505-6429

RE: Discharge Plan BW-021 Renewal
Loco Hills Water Disposal Company
Eddy County, New Mexico

Dear Mr. Ashley:

On December 18, 1985, the groundwater discharge plan, BW-021 (formerly DP-394) for the Loco Hills Brine Station located in Sections 16, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico, was approved. This facility has had no changes in design or function since the original groundwater discharge plan was approved. In addition we do not intend to make any changes in the system. We respectfully request that the original plan be renewed. Inclosed is a check for the fifty dollar filing fee.

Sincerely,

A handwritten signature in cursive script that reads "James R. Maloney".

James R. Maloney
Mgr. Loco Hills Water Disposal

392-5556

Affidavit of Publication

No. 15318

STATE OF NEW MEXICO.

County of Eddy:

Gary D. Scott being duly sworn, says: That he is the Publisher of The Artesia Daily Press, a daily newspaper of general circulation, published in English at Artesia, said county and state, and that the hereto attached Legal Notice

was published in a regular and entire issue of the said Artesia Daily Press, a daily newspaper duly qualified for that purpose within the meaning of Chapter 167 of the 1937 Session Laws of

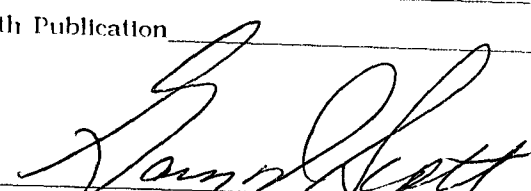
the state of New Mexico for 1 consecutive weeks on the same day as follows:

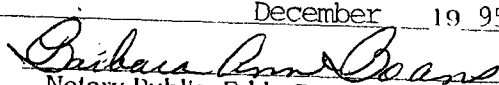
First Publication December 20, 1995

Second Publication _____

Third Publication _____

Fourth Publication _____


Subscribed and sworn to before me this 20th day of December 19 95


Notary Public, Eddy County, New Mexico

My Commission expires September 23, 1999

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, 2040 South Pacheco, Santa Fe, New Mexico 87505, Telephone (505) 827-7131: (BW-21) - Loco Hills Brine Company, James Maloney, Vice President, P.O. Box 68,

Loco Hills, New Mexico, 88255 has submitted an application for renewal of its previously approved discharge plan for its brine. The brine extraction facility is located in the SW/4 SW/4 of Section 16, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico. Loco Hills Brine Company receives an average daily volume of 2,100 barrels of fresh water from two pipelines off the caprock. This fresh water is injected at an average pressure of 125 psi into a well cased with 420 feet of fiberglass casing, and brine is produced through a 900 foot steel tubing string. The brine is stored in a lined pond for sale on demand. Ground water in the immediate vicinity is at a depth exceeding 270 feet with a total dissolved solids concentration of 3,000 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 a public hearing may be requested by any interested person. Requests for 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 New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 13th day of December 1995.

STATE OF NEW MEXICO
OIL CONSERVATION
DIVISION
s-William J. LeMay
WILLIAM J. LEMAY,
Director

SEAL
Published in the Artesia Daily Press, Artesia, N.M. December 20, 1995.

Legal 15318

OK
MA
1-8-96

The Santa Fe New Mexican

Since 1849. We Read You.

E.M.N.R.D.: OIL CONSERVATION DIV.
ATTN: SALLY MARTINEZ
P.O. BOX 6429
SANTA FE, N.M. 87505-6429

AD NUMBER: 450783

ACCOUNT: 56689

LEGAL NO: 58758

P.O. # 96199002997

162 LINES once at \$ 64.80

Affidavits: 5.25

Tax: 4.38

Total: \$ 74.43

NOTICE OF PUBLICATION 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 the ruling on any proposed discharge plans or its modification, the Director of the Oil New Mexico, 87505, Telephone (505) 827-7131; 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 a public hearing shall set forth the reasons why a hearing shall 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 submitted at the hearing.

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 8:00 a.m. and 4:00 p.m., Monday through Friday. Prior to the ruling on any proposed discharge plans or its modification, the Director of the Oil New Mexico, 87505, Telephone (505) 827-7131; 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 a public hearing shall set forth the reasons why a hearing shall 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 submitted at the hearing.

Loco Hills Brine Company, James Maloney, Vice President, P.O. Box 68, Loco Hills, New Mexico, 88255 has submitted an application for renewal or its previously approved discharge plan for its brine. The brine extraction facility is located in the SW/4 SW/4 of Section 16, Township 17, South, Range 30 East, NMPM, Eddy County, New Mexico. Loco Hills Brine Company receives an average daily volume of 2,100 barrels of fresh water from two pipelines off the caprock. This fresh water is injected at an average pressure of 125 psi into a well cased with 420 feet of fiberglass casing, and brine is produced through a 900 foot steel tubing string. The brine is stored in a lined pond for sale on demand. Ground water in the immediate vicinity is at a depth exceeding 270 feet with a total dissolved solids concentration of 3,000 mg/l. The discharge plan addresses how spills, leaks, and other accidental discharges to the surface will be managed.

Legal #58758
Pub. December 20, 1995

AFFIDAVIT OF PUBLICATION

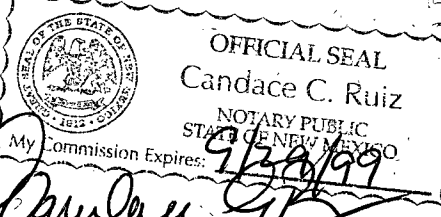
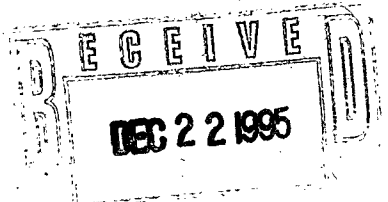
STATE OF NEW MEXICO
COUNTY OF SANTA FE

I, BETSY PERNER being first duly sworn declare and say that I am Legal Advertising Representative of THE SANTA FE NEW MEXICAN, a daily news paper published in the English language, and having a general circulation in the Counties of Santa Fe and Los Alamos, State of New Mexico and being a Newspaper duly qualified to publish legal notices and advertisements under the provisions of Chapter 167 on Session Laws of 1937; that the publication # 58758 a copy of which is hereto attached was published in said newspaper once each WEEK for ONE consecutive week(s) and that the notice was published in the newspaper proper and not in any supplement; the first publication being on the 20th day of DECEMBER 1995 and that the undersigned has personal knowledge of the matter and things set forth in this affidavit.

/S/

Betsy Perner
LEGAL ADVERTISEMENT REPRESENTATIVE

Subscribed and sworn to before me on this
20th day of DECEMBER A.D., 1995.



OK
MA
1-8-96

orig Bill JS

Received

DEC 18 1995

NOTICE OF PUBLICATION

• Energy, Minerals & Natural Resources Department
• Office of the Secretary

**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, 2040 South Pacheco, Santa Fe, New Mexico 87505, Telephone (505) 827-7131:

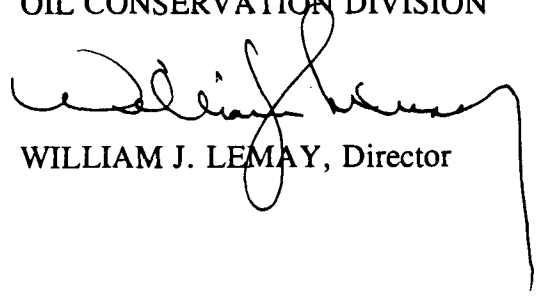
(BW-21) - Loco Hills Brine Company, James Maloney, Vice President, P.O. Box 68, Loco Hills, New Mexico, 88255 has submitted an application for renewal of its previously approved discharge plan for its brine. The brine extraction facility is located in the SW/4 SW/4 of Section 16, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico. Loco Hills Brine Company receives an average daily volume of 2,100 barrels of fresh water from two pipelines off the caprock. This fresh water is injected at an average pressure of 125 psi into a well cased with 420 feet of fiberglass casing, and brine is produced through a 900 foot steel tubing string. The brine is stored in a lined pond for sale on demand. Ground water in the immediate vicinity is at a depth exceeding 270 feet with a total dissolved solids concentration of 3,000 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 a public hearing may be requested by any interested person. Requests for 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 New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 13th day of December 1995.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY, Director

SEAL

December 15, 1995

NEW MEXICAN
202 E. Marcy
Santa Fe, New Mexico 87501

RE: NOTICE OF PUBLICATION

PO #96-199-002997

ATTN: BETSY PERNER

Dear Sir/Madam:

Please publish the attached notice one time. Please proofread carefully, as any error in a land description or in a key word or phrase can invalidate the entire notice.

Immediately upon completion of publication, please send the following to this office:

1. Publisher's affidavit.
2. Invoices for prompt payment.

We should have these immediately after publication in order that the legal notice will be available for the hearing which it advertises, and also so that there will be no delay in your receiving payment.

Please publish the notice on Wednesday, December 20, 1995.

Sincerely,


Sally E. Martinez
Administrative Secretary

Attachment

P 624 835 435

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to	
Artesia Daily Press	
Street & Number	
P.O. Drawer 179	
Post Office & ZIP Code	
Artesia, NM 86210	
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



December 15, 1995

ARTESIA DAILY PRESS
P. O. Box 179
Artesia, New Mexico 88210

RE: NOTICE OF PUBLICATION

ATTN: ADVERTISING MANAGER

Dear Sir/Madam:

Please publish the attached notice one time immediately on receipt of this request. Please proofread carefully, as any error in a land description or in a key word or phrase can invalidate the entire notice.

Immediately upon completion of publication, please send the following to this office:

1. Publisher's affidavit in duplicate.
2. Statement of cost (also in duplicate.)
2. CERTIFIED invoices for prompt payment.

We should have these immediately after publication in order that the legal notice will be available for the hearing which it advertises, and also so that there will be no delay in your receiving payment.

Please publish the notice no later than December 22, 1995.

Sincerely,

Sally E. Martinez
Sally E. Martinez
Administrative Secretary

Attachment

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

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, 2040 South Pacheco, Santa Fe, New Mexico 87505, Telephone (505) 827-7131:

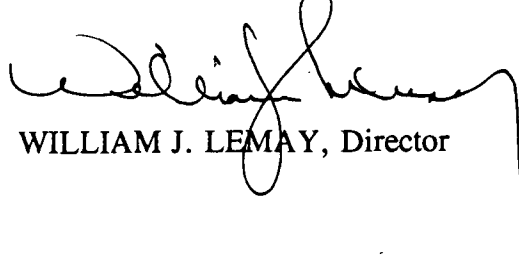
(BW-21) - Loco Hills Brine Company, James Maloney, Vice President, P.O. Box 68, Loco Hills, New Mexico, 88255 has submitted an application for renewal of its previously approved discharge plan for its brine. The brine extraction facility is located in the SW/4 SW/4 of Section 16, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico. Loco Hills Brine Company receives an average daily volume of 2,100 barrels of fresh water from two pipelines off the caprock. This fresh water is injected at an average pressure of 125 psi into a well cased with 420 feet of fiberglass casing, and brine is produced through a 900 foot steel tubing string. The brine is stored in a lined pond for sale on demand. Ground water in the immediate vicinity is at a depth exceeding 270 feet with a total dissolved solids concentration of 3,000 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 a public hearing may be requested by any interested person. Requests for 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 New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 13th day of December 1995.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY, Director

S E A L

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, 2040 South Pacheco, Santa Fe, New Mexico 87505, Telephone (505) 827-7131:

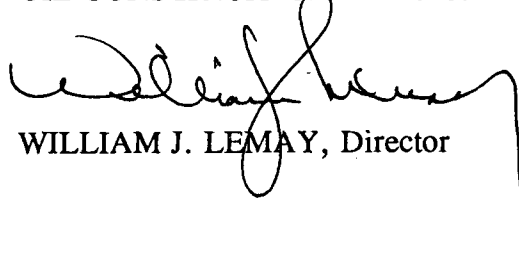
(BW-21) - Loco Hills Brine Company, James Maloney, Vice President, P.O. Box 68, Loco Hills, New Mexico, 88255 has submitted an application for renewal of its previously approved discharge plan for its brine. The brine extraction facility is located in the SW/4 SW/4 of Section 16, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico. Loco Hills Brine Company receives an average daily volume of 2,100 barrels of fresh water from two pipelines off the caprock. This fresh water is injected at an average pressure of 125 psi into a well cased with 420 feet of fiberglass casing, and brine is produced through a 900 foot steel tubing string. The brine is stored in a lined pond for sale on demand. Ground water in the immediate vicinity is at a depth exceeding 270 feet with a total dissolved solids concentration of 3,000 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 a public hearing may be requested by any interested person. Requests for 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 New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 13th day of December 1995.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY, Director

S E A L

LOCO HILLS WATER DISPOSAL CO.

P. O. Box 68
Loco Hills, NM 88255

12/12/95

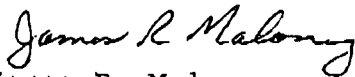
Mr. Mark Ashley
NMOCD Environmental Dept.
P.O. Box 6429
Santa Fe, NM. 87505-6429

RE: Discharge Plan BW-021 Renewal
Loco Hills Water Disposal Company
Eddy County, New Mexico

Dear Mr. Ashley:

On December 18, 1985, the groundwater discharge plan, BW-021 (formerly DP-394) for the Loco Hills Brine Station located in Sections 16, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico, was approved. This facility has had no changes in design or function since the original groundwater discharge plan was approved. In addition we do not intend to make any changes in the system. We respectfully request that the original plan be renewed. Inclosed is a check for the fifty dollar filing fee.

Sincerely,



James R. Maloney
Mgr. Loco Hills Water Disposal

STATE OF
NEW MEXICO

OR
CONSERVATION
DIVISION



MEMORANDUM OF MEETING OR CONVERSATION

☒ Telephone ☐ Personal

Time 8:40 AM

Date 12-13-95

Originating Party

MARK ASHLEY

Other Parties

DICK MALONEY

Topic BW-21 EXPIRATION

Discussion

I TOLD DICK THAT WE DID NOT HAVE HIS
DP & THAT THE CURRENT ONE WOULD EXPIRE
ON 12-18-95. HE SAID RANDY HARRIS WAS
PREPARING IT.

Conclusions or Agreements

DICK THOUGHT IT WAS ALREADY SUBMITTED. HE WILL CALL
RANDY & FAX MO A COPY OF THE APPLICATIONS TODAY.

Conclusion

Signed

Mark Ashley

OIL CONSERVATION DIVISION

November 16, 1995

CERTIFIED MAIL**RETURN RECEIPT NO. Z-765-962-893**

Mr. James R. Maloney
 Loco Hills Water Disposal Company
 P.O. Box 68
 Loco Hills, New Mexico 88255

Re: Loco Hills Facility Inspection

Dear Mr. Maloney:

The New Mexico Oil Conservation Division (OCD) would like to thank you for your cooperation during the October 10, 1995 inspection of the Loco Hills Water Disposal Company. Comments from the inspection conducted are as follows:

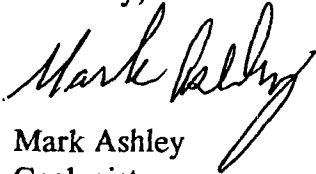
1. Pump House: The pump house at the loading dock shows evidence of brine leaks that have rusted through the building and leaked on the ground. Please propose a method in the discharge plan renewal by which the leaks can be contained, and prevented from reaching the ground.
2. Contaminated Soils: Several piles of contaminated soils were present at the facility. Are these soils exempt wastes? If so, please remove and dispose of them at an OCD approved facility. If they are not exempt wastes, please test for hazardous constituents and submit the results to the OCD for approval prior to disposal. Please address by December 4, 1995.
3. Above Ground Saddle Tanks: Above ground saddle tanks must have pad and curb type of containment below them unless they contain alcohol or fluids which are gases at normal atmospheric pressure and temperature. No berms are required for saddle tanks.
4. Tank Labeling: All tanks should be clearly labeled to identify their contents and other emergency information necessary if the tank were to rupture, spill, or ignite.
5. Drum Storage: All full or partially used drums must be stored on an impermeable pad with curbing. All Empty drums should be stored on their sides with the bungs

Mr. Dick Maloney
November 16, 1995
Page 2

lined up on a horizontal plane. Chemicals in other containers such as sacks or buckets should also be stored on an impermeable pad with curbing.

If you have any questions, please call me at (505) 827-7155.

Sincerely,


Mark Ashley
Geologist

xc: OCD Artesia Office

Z 765 962 893



**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



GRAPHIC CONTROLS CORPORATION
Loco Hills Disposal
Brine Well
16-12-30

10/20 1195
BR 2221 OCD

OIL CONSERVATION DIVISION

October 3, 1995

CERTIFIED MAIL

RETURN RECEIPT NO. Z-765-962-774

Mr. James R. Maloney
Loco Hills Water Disposal Company
P.O. Box 68
Loco Hills, New Mexico 88255

**RE: Discharge Plan BW-021 Renewal
Loco Hills Water Disposal Company
Eddy County, New Mexico**

Dear Mr. Maloney:

On December 18, 1985, the groundwater discharge plan, BW-021 (formerly DP-394) for the Loco Hills Brine Station located in Sections 16, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico, was approved by the Bureau Chief of the New Mexico Environmental Improvement Division (NMED). This discharge plan was required and submitted pursuant to Water Quality Control Commission (WQCC) regulations and was approved for a period of five years, and was subsequently renewed on April 24, 1991 by the Director of the Oil Conservation Division (OCD). On December 8, 1994 and July 20, 1995 you were notified by the OCD that the current approval would expire on December 18, 1995. If you wish to renew operations at this facility, a discharge plan application shall be submitted and approved by the OCD prior to December 18, 1995.

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

Please submit the original and one copy to the OCD Santa Fe Office and one copy to the OCD

Mr. James R. Maloney
October 3, 1995
Page 2

Artesia District Office. Note that the completed and signed application form must be submitted with your discharge plan renewal request.

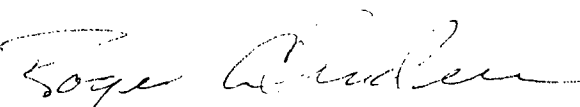
The discharge plan renewal application for the Loco Hills Brine Station is subject to the WQCC Regulations 3-114 discharge plan fee. Every billable facility submitting a discharge plan renewal will be assessed a fee equal to the filing fee of fifty (50) dollars plus one-half of the flat fee or six hundred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

The fifty (50) dollar 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.

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

If you no longer have any actual or potential discharges a discharge plan is not need, please notify this office. If you have any questions, please do not hesitate to contact Mark Ashley at (505) 827-7155.

Sincerely,



Roger C. Anderson
Environmental Bureau Chief

RCA/mwa

xc: OCD Artesia Office

PS Form **3800**, March 1993

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	


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

Z 765 962 774

OIL CONSERVATION DIVISION

July 20, 1995

CERTIFIED MAIL
RETURN RECEIPT NO. Z-765-962-742

Mr. James R. Maloney
Loco Hills Water Disposal Company
P.O. Box 68
Loco Hills, New Mexico 88255

RE: Discharge Plan BW-021 Renewal
Loco Hills Water Disposal Company
Eddy County, New Mexico

Dear Mr. Maloney:

On December 18, 1985, the groundwater discharge plan, BW-021 (formerly DP-394) for the Loco Hills Brine Station located in Sections 16, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico, was approved by the Bureau Chief of the New Mexico Environmental Improvement Division (NMED). This discharge plan was required and submitted pursuant to Water Quality Control Commission (WQCC) regulations and was approved for a period of five years, and was subsequently renewed on April 24, 1991 by the Director of the Oil Conservation Division (OCD). The current approval will expire on December 18, 1995. If you wish to renew operations at this facility, a discharge plan application shall be submitted and approved by the OCD prior to December 18, 1995.

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

Please submit the original and one copy to the OCD Santa Fe Office and one copy to the OCD Artesia District Office. Note that the completed and signed application form must be submitted

Mr. James R. Maloney
July 20, 1995
Page 2

with your discharge plan renewal request.


The discharge plan renewal application for the Loco Hills Brine Station is subject to the WQCC Regulations 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 fifty (50) dollar 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.

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

If you no longer have any actual or potential discharges a discharge plan is not need, please notify this office. If you have any questions, please do not hesitate to contact Mark Ashley at (505) 827-7155.

Sincerely,


Roger C. Anderson
Environmental Bureau Chief

RCA/mwa

xc: OCD Artesia Office

Z 765 962 742



**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



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR

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

December 8, 1994

CERTIFIED MAIL
RETURN RECEIPT NO. Z-765-962-842

Mr. James R. Maloney
Loco Hills Water Disposal Company
P.O. Box 68
Loco Hills, New Mexico 88255

RE: Discharge Plan BW-021 Renewal
Loco Hills Water Disposal Company
Eddy County, New Mexico

Dear Mr. Maloney:

On December 18, 1985, the groundwater discharge plan, GW-021 (formerly DP-394) for the Loco Hills Brine Station located in Sections 16, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico, was approved by the Bureau Chief of the New Mexico Environmental Improvement Division (NMED). This discharge plan was required and submitted pursuant to Water Quality Control Commission (WQCC) regulations and was approved for a period of five years, and was subsequently renewed on April 24, 1991 by the Director of the Oil Conservation Division (OCD). The current approval will expire on December 18, 1995.

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

To assist you in preparation of your 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 WQCC regulations. Note that the

Mr. James R. Maloney
December 8, 1994
Page 2

completed and signed application form must be submitted with your discharge plan renewal request.

The discharge plan renewal application for the Loco Hills Brine Station is subject to the WQCC Regulations 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 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 is not need, please notify this office. If you have any questions, please do not hesitate to contact Mark Ashley at (505) 827-7155.

Sincerely,



Roger C. Anderson
Environmental Bureau Chief

RCA/mwa

xc: OCD Artesia Office

Z 765 962 842



**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

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



June 11, 1991

BRUCE KING
GOVERNOR

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

Mr. James R. Maloney
Vice President
Loco Hills Water Disposal Company
P. O. Box 68
Loco Hills, New Mexico 88255

RE: Notification of Workover Operations
Loco Hills Brine Station

Dear Mr. Maloney:

Before performing remedial work, altering or pulling casing, plugging or abandonment, or any other workover, approval of the Oil Conservation Division (OCD) must be obtained. Approval should be requested on the OCD Form C-103 "Sundry Notices and Reports on Wells" (OCD Rule 1103-A). Submit the original form to the appropriate district office and a copy of the form to the Santa Fe Office. If you have any questions, feel free to contact me at (505) 827-5824.

Sincerely,

A handwritten signature in cursive script that reads "Kathy M. Brown".

Kathy M. Brown
Environmental Geologist

KMB/sl

LOCO HILLS WATER DISPOSAL CO.

P. O. Box 68
Loco Hills, NM 88255

OIL CONSERVATION DIVISION
RECEIVED

'91 MAY 20 AM 9 08

May 14, 1991

State of New Mexico
Energy, Minerals, and Natural Resources Department
Oil Conservation Division
P.O. Box 2088
State Land Office Building
Santa Fe, New Mexico 87504

Attention: Mr. William J. LeMay

Dear Mr. LeMay,


Please find enclosed, the current water analysis that is needed for the DISCHARGE PLAN BW-21 (formerly DP-394) Renewal.

Also enclosed, is our Quarterly Report of volumes of fluid injected and brine produced.

If I may be of further assistance, please feel free to call me at 505-677-2118.

Sincerely,

LOCO HILLS BRINE COMPANY
LOCO HILL WATER DISPOSAL COMPANY


James R. Maloney
Vice President

JRM:jb

Enclosures (2)

YOUR EXT. NO.

ANALYSIS NO.

WATER ANALYSIS

OPERATOR *Westa 11*

DATE SAMPLED

WELL

DATE RECEIVED 5-8-91

FIELD

LOCO HILLS BRINE CO.
P.O. BOX 68
LOCO HILLS, NM 88255

SUBMITTED BY

FORMATION

WORKED BY *Shepherd*

COUNTY

SAMPLE DESCRIPTION:

STATE

(Loco Hills Brine)

DEPTH

2380 Soft

clear water

9.8 ~~PHYSICAL AND CHEMICAL DETERMINATIONS~~

SPECIFIC GRAVITY 1.175 AT 76 °F

TOTAL DISSOLVED SOLIDS PPM

pH 6.5

RESISTIVITY .045 @ 74°F PPM

IRON

SULFATE (2SO) 5319 PPM

HYDROGEN SULFIDE ~~2~~

BICARBONATE 1.7/50 176 PPM

HARDNESS 6.2 / 1

CHLORIDE 16.1 / 2 137021 PPM

CALCIUM 3.3 / 1 1123 PPM

SODIUM CHLORIDE PPM

MAGNESIUM 2.9 / 1 599 PPM

SODIUM **PPM**

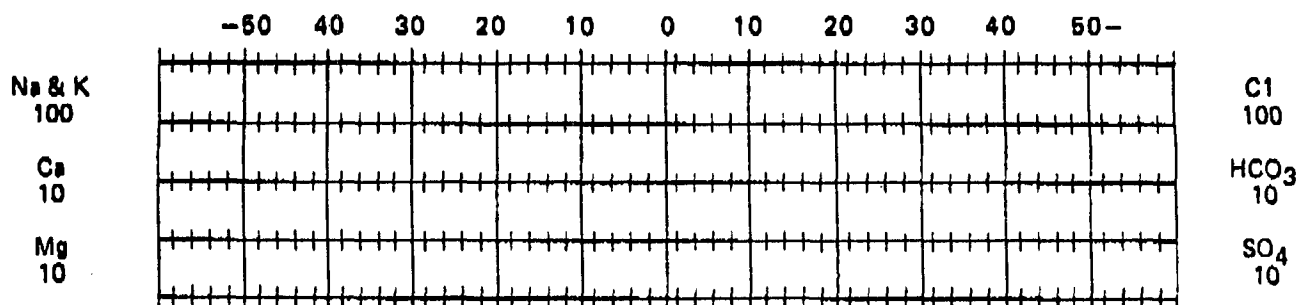
SODIUM & POTASSIUM **PPM**

POTASSIUM PPM

PHOSPHATE

REMARKS:

for Stiff type plot (in meq./l.)



LOCO HILLS WATER DISPOSAL CO.

P. O. Box 68
Loco Hills, NM 88255

May 14, 1991

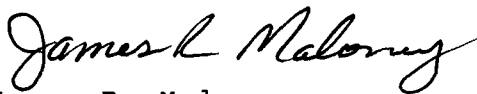
STATE OF NEW MEXICO
Energy, Minerals, and Natural Resources Department
Oil Conservation Division
P.O. Box 2088
State Land Office Building
Santa Fe, New Mexico 87504

RE: 1st Quarter - Report of Fluid Injection and
Brine Production
S16 T17S R30E NMPM, Eddy County

BW-21

<u>FRESH WATER-INJECTED</u>	<u>BRINE WATER-PRODUCED</u>
<u>1/91</u> <u>73,293.0</u>	<u>1/91</u> <u>59,515.0</u>
<u>2/91</u> <u>52,853.0</u>	<u>1/91</u> <u>67,087.0</u>
<u>3/91</u> <u>56,302.0</u>	<u>3/91</u> <u>52,227.0</u>
	Cavity Enlargement <u>3,619.0</u>
TOTAL <u>182,448.0</u>	TOTAL <u>182,448.0</u>

LOCO HILLS BRINE COMPANY


James R. Maloney
Vice President

Loco Hills Brine Co.

POST OFFICE BOX 68 • LOCO HILLS, NEW MEXICO 88255

OIL CONSERVATION DIVISION
RECEIVED

'91 MAR 27 AM 8 44

March 25, 1991

Kathy M. Brown
Environmental Bureau Geologist
P.O. Box 2088
Santa Fe, New Mexico 87504

Re: Discharge Plan 394 Renewal
Loco Hills Brine Station
Eddy County, New Mexico

Dear Ms. Brown,

In reference to your letter dated February 19, 1991, and the telephone call by Mr. Randy Harris, Geologist for Ray Westall Operating, Inc., I hope the following responses will meet the renewal requirements.

1. MECHANICAL INTERGRITY TESTING-A pressure test was preformed on the well in August, 1990 and a copy of the pressure chart is enclosed.
2. MAXIMUM INJECTION PRESSURE-The fracture pressure needed to circulate fresh water through the salt section a 900' was calculated by Western Company of North America, Hobbs, New Mexico and a copy is enclosed. Our circulating pressure on the well is 125 PSI. A high pressure kill switch will be installed to prevent fracture pressure of the salt.
3. VOLUMES OF INJECTION FLUID AND BRINE-A quarterly report will be sent each quarter to the OCD, reporting injection and production volume.
4. CLOSURE PLAN-If the well ceases operation for more than 60 days, a bridge plug will be set 50' from the bottom of the casing and a test will be preformed to 500 PSI.
5. PLUGGING AND ABANDONMENT-The operator of Loco Hills Brine Station is Ray Westall and he has a State wide \$50,000.00 Plugging Bond. In the event of abandonment, all rules and regulations set forth by the New Mexico Oil Conservation Division will be complied with.

Loco Hills Brine Co.

POST OFFICE BOX 68 • LOCO HILLS, NEW MEXICO 88255

Page 2

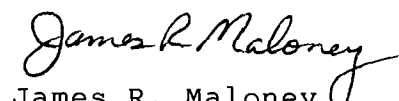
March 25, 1991

Kathy M. Brown
Environment Bureau Geologist

I hope these questions have been answered to your satisfaction. If you have any other questions, please call me at (505) 677 2118 or call Mr. Randy Harris at (505) 677-2370.

Sincerely,

LOCO HILLS BRINE COMPANY


James R. Maloney
Vice President

JRM:jfb

Enclosures (2)

OFFICE 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:

(GW-394)-Loco Hills Brine Company, James Maloney, Vice President, Box 68, Loco Hills, New Mexico 88255, has submitted a renewal application for the previously approved discharge plan for its brine station. The brine extraction facility is located in the SW/4 SW/4 of Section 16, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico. Loco Hills Brine Company receives an average daily volume of 2100 barrels of fresh water from two pipelines off the Caprock. This fresh water is injected at an average pressure of 125 psi into a well cased with 420' of fiberglass casing, and brine is produced through a 900' fiberglass tubing string. The brine well is pressure tested annually to assure its integrity. The brine is stored in a lined pond for sale on demand. Ground water in the immediate vicinity, is at a depth exceeding 270' feet as demonstrated by two corerholes and 13 monitor wells. The nearest fresh water wells are located nine (9) miles south of the site. The brine sales pond is positioned such that leakage and lateral migration of the brine would be detected by the monitor wells. 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. 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 18th day of February, 1991. To be published on or before March 1, 1991.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION
WILLIAM J. LEMAY, Director
Journal: February 28, 1991

STATE OF NEW MEXICO

County of Bernalillo

ss

OIL CONSERVATION DIVISION
RECEIVED

'91 MAR 4 AM 9

Thomas J. Smithson being duly sworn declares and says that he is National 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, a 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...28...day

of.....Feb....., 1991, and the subsequent consecutive

publications on....., 1991.

Bernadette Ortiz

12-18-93

Sworn and subscribed to before me, a Notary Public in and for the County of Bernalillo and State of New Mexico, this ...28... day of ...Feb....., 1991.

PRICE.....\$ 25.47.....

Statement to come at end of month.

CLA-22-A (R-12/91)

ACCOUNT NUMBER.....C80940.....

P 327 278 222

RECEIPT FOR CERTIFIED MAIL

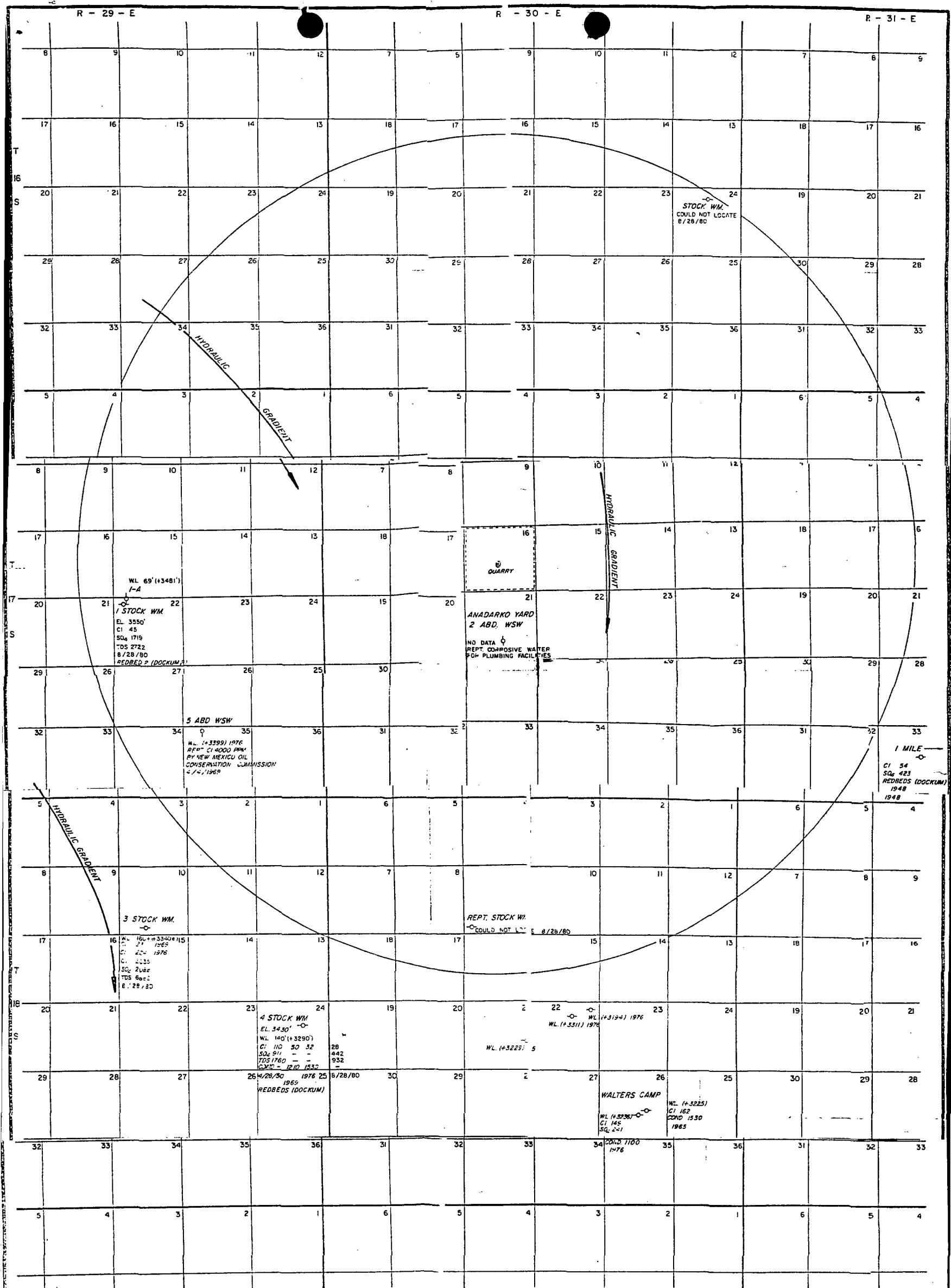
NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

U.S.G.P.O. 1989-234-555

Sent to	A. Journal	
Street and No.		
P.O., State and ZIP Code		
Postage	\$	
Certified Fee		
Special Delivery Fee		
Restricted Delivery Fee		
Return Receipt showing to whom and Date Delivered		
Return Receipt showing to whom, Date, and Address of Delivery		
TOTAL Postage and Fees	\$	
Postmark or Date		

PS Form 3800, June 1985



LEGEND

- ◊ ABANDONED WINDMILL, DOMESTIC WELL OR TESTHOLE
- WINDMILL OR DOMESTIC WELL
- CI CHLORIDE ION CONCENTRATION IN MG/L
- SO₄ SULFATE ION CONCENTRATION IN MG/L
- TDS TOTAL DISSOLVED SOLIDS IN MG/L
- COND CONDUCTIVITY IN MICROMHOS
- WL. STATIC WATER LEVEL
- SLANTED VALUES TAKEN FROM STATE BUREAU OF MINES AND MINERAL RESOURCES, NEW MEXICO INSTITUTE OF MINING AND TECHNOLOGY, REPORT 3
- VERTICAL VALUES TAKEN BY ED L. REED & ASSOCIATES, INC.

4000' 0 4000' 8000'
SCALE IN FEET

NORTHEAST EDDY COUNTY, NEW MEXICO

JENNINGS & CHRISTY

"LOCOS HILLS - GROUNDWATER STUDY"

(SECTION 16, TOWNSHIP 17 SOUTH, RANGE 37 EAST)

9/2/1980
1"=4000'
DRN. BY D.R.

ED L. REED & ASSOCIATES, INC.
CONSULTING HYDROLOGISTS
MIDLAND & CORPUS CHRISTI, TEXAS



SERV. DIVISION
RECEIVED

FEB 28 AM 8 54

UNITED STATES
DEPARTMENT OF THE INTERIOR

FISH AND WILDLIFE SERVICE

Ecological Services

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

February 26, 1991

Mr. William J. Lemay, Director
New Mexico Energy, Minerals and
Natural Resources Department
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87504-2008

Dear Mr. Lemay:

This responds to your Notice of Publication on February 18, 1991, regarding the effects of granting a State of New Mexico discharge permit renewal application. The U.S. Fish and Wildlife Service has determined that there are no wetlands or other environmentally sensitive habitats that will be adversely affected by the following discharge.

(GW-394) - Loco Hills Brine Company located in the SW1/4 SW1/4 of
Section 16, Township 17 South, Range 30 East, NMPM, Eddy County,
New Mexico.

If you have any questions concerning our comments, please contact Richard Roy
at (505) 883-7877 or FTS 474-7877.

Sincerely,

Jennifer Fowler-Propst
Field Supervisor

cc:

Director, New Mexico Department of Game and Fish, Santa Fe, New Mexico
Director, New Mexico Energy, Minerals and Natural Resources Department,
Forestry and Resources Conservation Division, Santa Fe, New Mexico
Regional Administrator, U.S. Environmental Protection Agency, Dallas, Texas
Regional Director, U.S. Fish and Wildlife Service, Fish and Wildlife
Enhancement, Albuquerque, 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 2088, Santa Fe, New Mexico 87504-2088, Telephone (505) 827-5800:

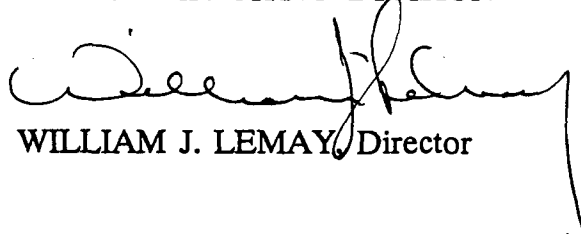
(GW-394) - Loco Hills Brine Company, James Maloney, Vice President, Box 68, Loco Hills, New Mexico 88255, has submitted a renewal application for the previously approved discharge plan for its brine station. The brine extraction facility is located in the SW/4 SW/4 of Section 16, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico. Loco Hills Brine Company receives an average daily volume of 2100 barrels of fresh water from two pipelines off the Caprock. This fresh water is injected at an average pressure of 125 psi into a well cased with 420' of fiberglass casing, and brine is produced through a 900' fiberglass tubing string. The brine well is pressure tested annually to assure its integrity. The brine is stored in a lined pond for sale on demand. Ground water in the immediate vicinity, is at a depth exceeding 270' feet as demonstrated by two coreholes and 13 monitor wells. The nearest fresh water wells are located nine (9) miles south of the site. The brine sales pond is positioned such that leakage and lateral migration of the brine would be detected by the monitor wells. 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. 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 18th day of February, 1991. To be published on or before March 1, 1991.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY, Director

S E A L

Affidavit of Publication

No. 13433

STATE OF NEW MEXICO,

County of Eddy:

Gary D. Scott being duly sworn, says: That he is the Publisher of The Artesia Daily Press, a daily newspaper of general circulation, published in English at Artesia, said county and state, and that the hereto attached Legal Notice

was published in a regular and entire issue of the said Artesia Daily Press, a daily newspaper duly qualified for that purpose within the meaning of Chapter 167 of the 1937 Session Laws of

the state of New Mexico for 1 days consecutive weeks on the same day as follows:

First Publication February 27, 1991

Second Publication

Third Publication

Fourth Publication

Subscribed and sworn to before me this 5th day of March 19 91

Barbara Ann Boans
Notary Public, Eddy County, New Mexico

My Commission expires September 23, 1991

Copy of Publi

Brine Company receives an average daily volume of 2100 barrels of fresh water from two pipelines off the Caprock. This fresh water is injected at an average pressure of 125 psi into a well cased with 420' of fiberglass casing, and brine is produced through a 900' fiberglass tubing string. The brine well is pressure tested annually to assure its integrity. The brine is stored in a lined pond for sale on demand.

Ground water in the immediate vicinity, is at a depth exceeding 270' feet as demonstrated by two corerholes and 13 monitor wells. The nearest fresh water wells are located nine (9) miles south of the site. The brine sales pond is positioned such that leakage and lateral migration of the brine would be detected by the monitor wells. 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. 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 18th day of February, 1991. To be published on or before March 1, 1991.

STATE OF NEW MEXICO
OIL CONSERVATION
DIVISION
s-William J. LeMay
WILLIAM J. LEMAY,
Director

SEAL
Published in the Artesia Daily Press, Artesia, N.M. February 27, 1991.

Legal 13433

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:

(GW-394) - Loco Hills Brine Company, James Maloney, Vice President, Box 68, Loco Hills, New Mexico 88255, has submitted a renewal application for the previously approved discharge plan for its brine station. The brine extraction facility is located in the SW/4 SW/4 of Section 16, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico. Loco Hills

P 327 278 060
RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)

Sent to	Artesia Daily Press	
Street	P.O. Drawer 179	
City	Artesia, NM 88210	
P.O. State and Zip Code		
Postage	\$	
Certified Fee		
Special Delivery Fee		
Restricted Delivery Fee		
Return Receipt showing to whom and Date Delivered		
Return Receipt showing to whom, Date, and Address of Delivery		
TOTAL Postage and Fees	\$	
Postmark or Date		

* U.S.G.P.O. 1989-234-555

PS Form 3800, June 1985

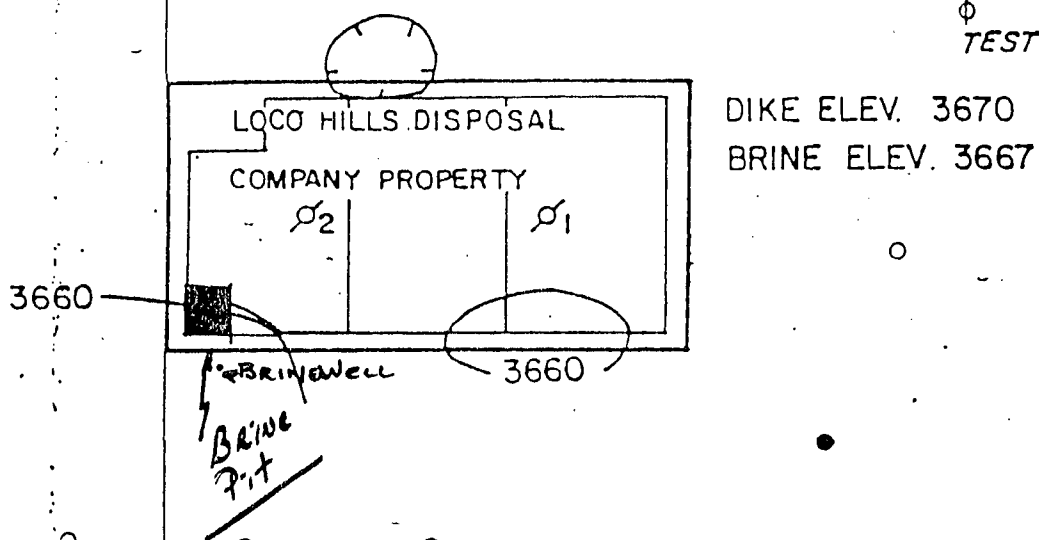
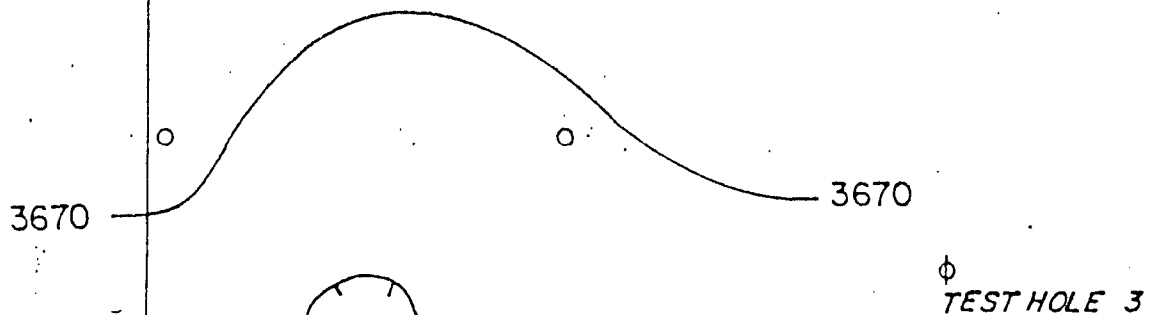


HEGWAR DRILLING COMPANY
ARTESIA, NEW MEXICO

DAILY DRILLING REPORT

LOCO HILLS BRINE WATER STATION

6-10-85	Moving rig from yard to location	
6-11-85	Moving rig waiting on dead men	
6-12-85	Rigged up and spudding hole	0-10' Sand
		10-50' Sand & Shale
6-13-85	Drilling	50-100' Red Sand & Shale
		100-105' Sand
		105-125' Broken Shale and Red Sand
6-14-85	Drilling	125-135' Red Bed
6-15-85	Drilling	135-140' Rd bed
		140-50' Broken Anhy
		150-60' Red Sticky Shale
6-16-85	Drilling	160-75' Sand, Shale, Anhy
6-17-85	Drilling	175-85' Sandy Anhy (Hard)
		185-90' Red Sand & Shale
6-18-85	Drilling	190-210 Red Sand & Shale
6-19-85	Drilling	210-20' Red Sand & Shale
6-20-85	Drilling	220-25' Red Shale
		225-240' Gyp & Shale
6-21-85	Drilling	240-50 Gyp & Shale
6-22-85	Drilling	250-65 Gyp & Shale Hard
6-23-85	Drilling	265-280 Gyp. Anhy, Shale
6-24-85	Drilling	280-95' Anhy, Gyp, Shale
6-25-85	Drilling	295-305 Gyp, Anhy, Shale
6-26-85	Drilling	305-20' Sandy Shale, Gyp, Anhy
6-27-85	Drilling	320-35 Sandy Shale, Gyp, Anhy
6-28-85	Drilling	335-45 Gyp & Shale
6-29-85	Drilling	345-60 Gyp, Blue Shale & Anhy
6-30-85	Drilling	360-70 Anhy
7-1-85	Drilling	370-80 Blue & Red Shale
7-2 thru 7-20	Rig down for repairs,	
7-21-85	Drilling	380-90 Red Shale & Anhy
7-22-85	Drilling	390-410 Sandy Anhy & Shale
7-23-85	Drilling	410-20 Blue Shale
7-24-85	Drilling	420-30 Anhy
7-25-85	Ran 420' 7" Fiberglass Casing and Circulated cement to surface	
7-26-85	Pressure tested casing to 1000# for 30 minutes	
7-27-85	Drilling	430-50 Anhy
7-28-85	Drilling	450-500 Anhy and Salt
7-29-85	Drilling	500-610 Salt
7-30-85	Drilling	610-670 Salt
7-31-85	Drilling	670-715 Salt
8-1-85	Drilling	715-775 Salt
8-2-85	Drilling	775-845 Salt
8-3-85	Drilling	845-900 Salt
8-4-85	Drilling	900-940 Salt
8-5-85	Drilling	940-980 Salt
8-6-85	Drilling	980-1005 Shale and Salt
8-7-85	Drilling	1005-1045 Shale and Salt
8-8-85	Ran 900' 2 7/8 Fiberglass tubing and flanged up well head.	



SW/4 Sec. 16
Twp. 17S., Rge. 30E.

LEGEND

- 60' MONITOR HOLES
- RUSTLER DEPTH MONITOR HOLES
- σ CORE HOLE



SCALE IN FEET



**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102
Supersedes C-1
Effective 1-1-61

All distances must be from the outer boundaries of the Section.

Operator LOCO HILLS BRINE CO.			Lease LOCO HILLS BRINE CO. STATE		Well No. 1
Unit Letter M	Section 16	Township 17 South	Range 30 East	County Eddy	
Actual Footage Location of Well: <div style="display: flex; justify-content: space-between;"> 600 feet from the South line and 230 feet from the West line </div>					
Ground Level Elev. 3655.	Producing Formation		Pool		Dedicated Acreage: <div style="text-align: right;">Acre</div>

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. 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.

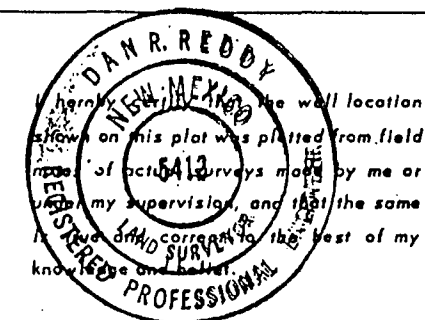
CERTIFICATION

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

Name _____
Dan R. Reddy
 Position _____

Company _____

Date _____



Date Surveyed
May 14, 1985

Registered Professional Engineer
 and/or Land Surveyor

Dan R. Reddy
 Certificate No.
NM PE&LS NO. 5412



NEW MEXICO ENVIRONMENTAL IMPROVEMENT DIVISION

DISCHARGE PLAN APPLICATION - Part A

Name of discharger or person legally responsible for discharge:

Loco Hills Brine Company

Address: Box 68

Loco Hills, New Mexico 88255

Telephone: (505) 677-3113, 677-2118

Local representative or contact person if different from above:

Name: Dick Maloney or Ray Westall

Address: Hughes Services

Loco Hills, New Mexico 88255

Telephone: 677-3113 or 677-2118

General Information Required of All Discharge Plans

1. Location of Discharge

County Eddy, T 17S, R 30E, Sec. 16, SW $\frac{1}{4}$ of SW $\frac{1}{4}$
(use state coordinates or latitude/longitude on unsurveyed land)

NOTE: A topographic map or detailed aerial photograph should be used in conjunction with a written description to depict the locations of the discharge and other relevant objects.

2. Type of operation, facility or development. facility

Brine Station to sell brine water.

3. The means of discharge (To a lagoon, flowing stream, watercourse, arroyo, cropland, septic tank-leach field, other - specify. Discharging fresh water into well and then discharging brine water into a lined pond. The pond is 11' x 60' at the bottom with a 3' to 1' slope and has a maximum depth of 11'. This maximum height will maintain a free board of 3' and the pond total volume will be approximately 23,000 bbls.

4. Quantity

Total volume in gallons per day (gpd), of each discharge or combination of discharges. 84,000 gpd.

If more than one discharge stream and/or discharge point, give gpd for each.

5. Quality

Concentrations, in milligrams per liter (mg/l), of any contaminants listed in Section 3-103, total nitrogen, and any toxic pollutants as defined in Subsection 1-101.U.U. of the regulations that may be present in the discharge.

<u>Contaminant</u>	<u>Concentration (mg/l)</u>
_____	(At this point we do _____
_____	not have a sample to _____
_____	analyze. As soon as _____
_____	we are in production _____
_____	we will have a sample _____
_____	analyzed and forward _____
_____	as soon as possible.) _____
_____	_____

6. Name, description, and location of any bodies of water or watercourses and ground water discharge sites (wells, seeps & springs) within one mile of the outside perimeter of the discharge site. See map from Ed L. Reed & Associates, Inc.

Consulting Hydrologists of Midland, Texas

7. Depth to and total dissolved solids (TDS) concentration of the ground water most likely to be affected by the discharge.

Depth _____ feet. TDS _____ mg/l.

Source of Information: Wells are monitored monthly.

8. Flooding potential of the discharge site. Berms are elevated to 10' to 12' higher than normal ground in surrounding area. Berms are approxiamtely 10' wide at the top and 30' wide at bottom. These berms will be lined on the inside and are built with all caliche dirt. This will protect us from any discharging of
Flooding protection measures (berms, channels, other, if applicable) ~~is~~ in a flood.

BERMS

9. Describe the monitoring system proposed in the plan in which adequate provision for sampling of effluent and adequate flow monitoring is included, so that the amount(s) being discharged onto or below the surface of the ground can be determined.

The Loco Hills Salt Water Disposal has a ring of monitor holes that are
tested monthly, for migration of produced water.

10. Location(s) of existing or proposed wells to be used for monitoring ground water quality. Specify below or locate on map.

Township Range Section 1/4 of 1/4 of 1/4

Thru extensive studies studies for the Loco Hills Salt water Disposal
fresh water is non existant in the areas within 9 miles of this site.

11. Geologic description of discharge site. If drillers log(s) are available, please attach.

Soil (sand, clay, loam, caliche, etc.) sand, clay, calishe. will furnish drillers
log as soon as well is completed.

Name of aquifer _____

Aquifer material (e.g. alluvium, sandstone, volcanic, etc.) _____

Depth to rock at base of alluvium (if available) 420 feet

12. Copies of plans and specifications for sewerage and flow systems, including materials specifications provided by the manufacturer, must be submitted to the EID District Engineer and to the Ground Water Section of the EID Ground Water and Hazardous Waste Bureau. N/A

13. What conditions naturally exist, or what actions will the discharger take to assure that New Mexico ground water standards are not going to be exceeded at any place of present or foreseeable future use as a result of the operation? Use separate attachments when necessary. No fresh water in area.

a. Specific hydrologic, geologic and/or agricultural information?

Hydrologic study for Loco Hills Salt Water Disposal

b. Minimizing discharge (e.g. synthetically lined ponds with leak detection system)?

Synthetically Lined Pond.

c. Ground water monitoring program with contingency plan should ground water standards be threatened?

We will pressure test on an annual basis to maintain the safety of our well.

NOTE: To demonstrate that ground water standards are not going to be violated, additional information may be requested of the discharger.

I certify that I am familiar with the information contained in the application and that to the best of my knowledge and belief such information is true, complete and accurate.

Ray Westall
Signature

7-1-85
Date

Ray Westall
Printed Name of Person Signing

President
Title

Loco Hills Brine Co.

POST OFFICE BOX 68 • LOCO HILLS, NEW MEXICO 88255

State of New Mexico
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

ATTACHMENT B.

IX - Hydrologic study by Ed L. Reed & Associates, Inc.,
Midland, Texas, for the Loco Hills Water Disposal
show the following:

1. Fresh water is non existant within nine (9) miles of the site (see enclosed map).
2. Soil in the area consist of sand, clay, and caliche.
3. Depth of rock at base of Alluvium is 420'.
4. Flooding of the discharge site is controlled by beams elevated 10' to 12' higher than ground level of the surrounding area. These beams are approximately 10' wide at the bottom and lined on the inside, all caliche dirt construction. This will protect us from any discharging of brine water in a flood.

X - Oil Conservation Division rules and regulations compliance:

1. Leak Detection System of 13 monitor wells around the site.
2. Pressure test the well to maintain safety of the well.
3. Bond for Performance of Mineral Lease and for Plugging and Abandonment.
4. Loco Hills Water Disposal Permit #R-3221 to dispose of all oilfield fluids.

Loco Hills Brine Co.

POST OFFICE BOX 68 • LOCO HILLS, NEW MEXICO 88255

State of New Mexico
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

ATTACHMENT A.

IV - State of New Mexico - Lease #BL 1149.

V - 1. Caprock Water Company
P.O. Box 607
Artesia, New Mexico 88210

a. Fresh Water from a pipeline off the Caprock.
Average daily volume produced is 1400 barrels.

2. I & W, Inc.
P.O. Box 98
Loco Hills, New Mexico 88255

a. Fresh Water from a pipeline off the Caprock.
Average daily volume produced is 700 barrels.

3. Location is on site of Loco Hills Water Disposal,
one mile North of Loco Hills, NM, on Hwy 217.

a. Discharged brine water into a lined pond. The pond
is 115' X 60' at the bottom with a 3' to 1' slope;
maximum depth of 11'. This maximum height will
maintain a free board of 3', with a total volume of
23,000 barrels.

VI - Contaminated fluids are not transferred from the facility.
The location is part of Loco Hills Water Disposal, Permit
#R-3221, which handles all waste fluids.

VII - Permit to drill. Underground facility is a well cased to
420' with 6" (7"o.d.), .335 wall, Centron Fiberglass casing;
900' of 2 7/8" DH2000 Centron Fiberglass tubing. Average
injection pressure is approximately 125 PSI.

VIII - All spills go into a concrete ditch to the Loco Hills Water
Disposal system.

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

RENEWAL

DISCHARGE PLAN APPLICATION FOR BRINE EXTRACTION FACILITIES.

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

- I. FACILITY NAME: LOCO HILLS BRINE COMPANY
- II. OPERATOR: JAMES R. MALONEY
ADDRESS: P.O. BOX 68, LOCO HILLS, NEW MEXICO 88255
CONTACT PERSON: JAMES R. MALONEY PHONE: 505 677 2118
- III. LOCATION: EDDY COUNTY
SW 1/4 SW 1/4 Section 16 Township T17S Range R30E
Submit large scale topographic map showing exact location.
- IV. Attach the name and address of the landowner of the facility site.
*SEE ATTACHMENT A
- V. Attach a description of the sources and quantities of fluids at the facility.
*SEE ATTACHMENT A
- VI. Attach a description of all fluid transfer and storage and fluid and solid disposal facilities.
*SEE ATTACHMENT A
- VII. Attach a description of underground facilities.
*SEE ATTACHMENT A
- VIII. Attach a contingency plan for reporting and clean-up of spills or releases.
*SEE ATTACHMENT A
- IX. Attach geological/hydrological evidence demonstrating that disposal of oil field wastes will not adversely impact fresh water.
*SEE ATTACHMENT B
- X. Attach such other information as is necessary to demonstrate compliance with any other OCD rules, regulations and/or orders.
*SEE ATTACHMENT B
- XI. CERTIFICATION

I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

Name: James R. Maloney

Title: Vice President

Signature: James R. Maloney

Date: 2/7/91

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

Loco Hills Brine Co.

POST OFFICE BOX 68 • LOCO HILLS, NEW MEXICO 88255

OIL DIVISION

91 FEB 12 PM 8 37

February 11, 1991

Mr. Dave Boyer
STATE OF NEW MEXICO
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

Re: Permit Renewal

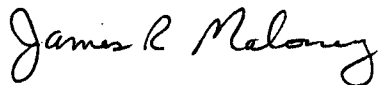
Dear Mr. Boyer,

Enclosed, please find my application for renewal of the permit for the Loco Hills Brine Company.

If you have any questions or if I can be of assistance, please do not hesitate to call me at (505) 677-2118.

Sincerely,

LOCO HILLS BRINE COMPANY



James R. Maloney
Vice President

JRM:jb

2-21-91

Loco Hills Brine Well

Randy Harris - Geologist for Ray Westall

1-677-2370 (Phone Correspondence)

Q) Are bought freshwater & sold brine volumes OK?
\$2000-\$3000 to install 2 flow meters.

A) Since no groundwater to contaminate & doing
^{annual}
~~yearly~~ pressure tests & have monitor
wells then, yes, it's OK

Q) Have \$50,000 blanket plugging bond.
Is that good.

A) Since bond is under the name Ray Westall
need to make sure the well is under
Ray Westall

Q) Since only circulating water into the
well why do I need to worry about
the fracture pressure, since circulating
is not actually injecting under pressure

A) As build up salt your injection pressure
will increase just because of salt
constriction. Besides, necessary to
know for operational purpose.



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR

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

February 19, 1991

CERTIFIED MAIL
RETURN RECEIPT NO. P-327-278-046

Mr. James R. Maloney
Loco Hills Brine Company
P. O. Box 68
Loco Hills, New Mexico 88255

RE: Discharge Plan 394 Renewal
Loco Hills Brine Station
Eddy County, New Mexico

Dear Mr. Maloney:

The Oil Conservation Division (OCD) has received and is in the process of reviewing the above referenced discharge plan renewal application. The following comments and requests for additional information are based on review of the application, dated February 7, 1991, and observations during the OCD site visit on February 4, 1991.

1. Mechanical Integrity Testing

Pursuant to revised OCD guidelines for discharge plans at brine facilities, all wells must be pressure tested (open-hole) to 500 psi for 4 hours on an annual basis. A pressure test isolating the casing from the formation using either a bridge plug or packer must be conducted at least once every 5 years or during well workovers. Submit a proposal for testing and ensuring the mechanical integrity of the well.

2. Maximum Injection Pressure

Pursuant to WQCC Regulation Section 5-206, the maximum injection pressure at the well head shall not initiate new fractures or propagate existing fractures in the continuing zone. Submit a proposed maximum injection pressure, evidence that this will not exceed the fracture pressure, and a plan to ensure the fracture pressure value will not be exceeded.

3. Volumes of Injection Fluids and Brine

The OCD requires a quarterly report listing, by month, of the volume of fluids injected and produced for comparison to detect underground losses. Submit a proposal and schedule for reporting injection fluid and brine production volumes.

4. Closure Plan

The revised OCD guidelines for discharge plans at brine facilities requires a general closure plan for actions to be taken when the facility is inactive. Submit a proposal for closure which includes those actions in the guidelines, section VI.F.5.

5. Plugging and Abandonment Plan and Bond

Pursuant to WQCC Regulation Section 5-209, a plan for plugging and abandonment for the well must be included in the discharge plan. The OCD also requires a plugging bond in accordance with the enclosed bond form. Our records show that Loco Hills has a Financial Assurance on file, however, this will not be accepted in place of a bond. Submit a plan for plugging and abandonment and the completed plugging bond.

Submission of the above requested information will allow the review of your application to continue. Enclosed is a revised (February 19, 1991) copy of the guidelines for discharge plans at brine facilities which is an updated version of the guidelines given to you on February 4, 1991.

If you have any questions, please do not hesitate to call me at (505) 827-5824.

Sincerely,



Kathy M. Brown
Environmental Bureau Geologist

DGB/KMB/sl

Enclosures

cc: OCD Artesia Office



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

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

December 6, 1989

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Ray Westall
LOCO HILLS BRINE CO.
P. O. Box 68
Loco Hills, New Mexico 88255

RE: Delegation of Responsibilities Brine Manufacturing Operations

Dear Mr. Westall:

On June 13, 1989, the Water Quality Control Commission (WQCC) transferred the responsibility for the administration and enforcement of Commission regulations at brine manufacturing operations, including all brine production wells, holding ponds and tanks, from the Environmental Improvement Division (EID) to the Oil Conservation Division (OCD). The OCD has jurisdiction over all manufactured brine once it is transported, used or disposed of off brine plant premises for use in or directly related to oil and gas operations regulated by OCD. OCD regulates brine injection through its Class II Underground Injection Control (UIC) Program if the brine is used in the drilling for or production of oil and gas. EID shall regulate brine injection through its UIC Program if the brine is used for other purposes.

Brine production facilities that were transferred to OCD's jurisdiction must operate pursuant to an approved and current discharge plan. The discharge plan renewal process will be continued by OCD Environmental Bureau Staff. Approximately eight (8) months before the expiration date of an approved discharge plan, the discharger will be notified of the pending expiration of the plan. The discharge plan review process can, depending on circumstances, take several months. If the holder of an approved discharge plan submits a renewal application at least 180 days before discharge plan expiration, and the discharger is in compliance with his approved plan on the date of expiration, then the existing plan will not expire until the renewal application has been approved or disapproved.

Mr. Ray Westall
December 6, 1989
Page -2-

Guidelines to aid you in determining what will be required for the renewal of your discharge plan are being prepared. When the guidelines are finalized, they will be supplied to each operator of a brine production facility.

The OCD requires that any person, firm corporation or association that is in ownership of an oil, gas, or service well in the State of New Mexico shall furnish the Division with a surety bond in an amount prescribed in the OCD regulations. The current bond for well less than 5000 feet deep in Chaves, Eddy, Lea and Roosevelt Counties is \$5000. I am enclosing the OCD bond forms for your use. All surety bonds previously submitted to the OCD did not include brine wells. Those surety bonds submitted to the EID must be changed to the OCD. Once the proper bond form are received and approved, all other sureties and bonds can be cancelled.

If you have any questions, please do not hesitate to contact me at (505) 827-5884.

Sincerely,

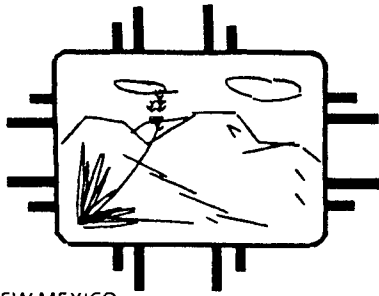


Roger C. Anderson
Environmental Engineer

RCA/sl

Enclosures

CC: Artesia District Office
Hobbs District Office



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 14, 1988

Dick Maloney
Loco Hills Brine Company
P.O. Box 68
Loco Hills, New Mexico 88255

Dear Mr. Maloney:

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 Loco Hills Brine Company brine facility. A copy of the inspection form is attached for your reference.

Deficiencies noted during the inspection are as follows:

1. Spillage of brine and produced waters noted. Facility should be free of brine or produced water spillage, facility should be inspected frequently, and spillage cleaned up when detected.

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/mw

Enclosure

[illegible]

SLD USER CODES

NO₃, HC, & Toxics: 59600

UIC: 59500

FACILITY VISITED

Name of Facility: 20 Bure Facilities & Climax Chemical

Location: Carlsbad/Hobbs in Southeast NM

Discharge Plan Number: DP- *See Below*

Type of Operation: ^{See Below} 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 & Climax are listed below by DP#. See Individual File for specifics

ACTION REQUIRED

#	#	#	#	#
318	323	354	370	298
319	324	355	371	426
320	325	360	372	
321	326	361	394	
322	351	369	401	

BRINE STATION INSPECTION FORM

DATE 12/6 1988 ¹⁰⁴² EID INSPECTOR Lambert
 FACILITY Loco Hills Brine Co LOCATION Loco Hills
 FACILITY REP ON SITE Dick Maloney COUNTY Eddy

WELL OPERATION

valved for reversal to cut down on salt buildup
 WELL IS INJECTING: ☒ THROUGH ANNULUS ☐ THROUGH TUBING
 SOURCE OF FRESH WATER CAPROCK WATER SYSTEM
 TRACE INJECTION/PRODUCTION LINES Underground
 WELL HEAD PRESSURE _____ PSIG PUMP PRESSURE _____ PSIG
 LEAKS AROUND WELL OR PUMP None

Looks Good

STORAGE AREA

FOR PONDS:

GENERAL LINER APPEARANCE

AMOUNT OF FREEBOARD

ANY SIGN OF OVERFLOW OR LEAKS

LEAK DETECTION SYSTEM

FLUIDS

DRY

FOR TANKS:

GENERAL APPEARANCE

LABELLED PLAINLY

YES

NO

BERMED TO PREVENT RUNOFF

YES

NO

CHECK CONTENTS TO ASSURE PROPER FLUID/LABLE MATCH

NUMBER OF TANKS FOR

BRINE

FRESH WATER

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

MONITORING WELLS

DEPTH

FT

STATIC WATER LEVEL

FT BELOW CASING

SAMPLED THIS VISIT

YES

☒ NO

TEMP

EC

COMMENTS

Everything in order

Need a little cleanup of

See no problems

loading AREA MINOR spills
EID MIT 2/87

Loco Hills Brine Co.

POST OFFICE BOX 68 • LOCO HILLS, NEW MEXICO 88255

September 7, 1988

Mr. Kevin Lambert
EID Ground Water Dept.
P. O. Box 968
Santa Fe, New Mexico 87504

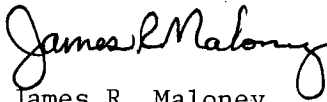
RE: Loco Hills Brine Company
Brine Water Analysis

Dear Sir:

Attached please find brine water analysis that Dowell Division of Dow Chemical Co. did for us. For the year of August, 1987 thru July, 1988 we produced and sold 430,177 bbls. of brine water.

We would like to apologize for being late with our report. There was a mix up about our mailing address and Dowell mailed the report to our old Roswell address and they mailed it back to Dowell. Thanks again for your patience and cooperation in this matter.

Sincerely,


James R. Maloney

JRM/w1

R E C E I V E D
SEP 12 1988
GROUND WATER BUREAU

LABORATORY LOCATION

API WATER ANALYSIS REPORT FORM

DATE

LAB NO.

Company <i>Lucas Hills Disposal</i>		Sample No.		Date Sampled <i>8-11-58</i>	
Field		Legal Description		County or Parish <i>Edley</i>	
State <i>N.M.</i>		Lease or Unit		Well	
Depth		Formation		Water, H/D	
Type of Water (Produced, Supply, etc.)		Sampling Point		Sampled By <i>C.C.</i>	

DISSOLVED SOLIDS

CATIONS

	mg/L	me/L
Sodium, Na (calc.)	<i>111.540</i>	<i>4852</i>
Calcium, Ca	<i>2000</i>	<i>100</i>
Magnesium, Mg	<i>1217</i>	<i>100</i>
Barium, Ba		

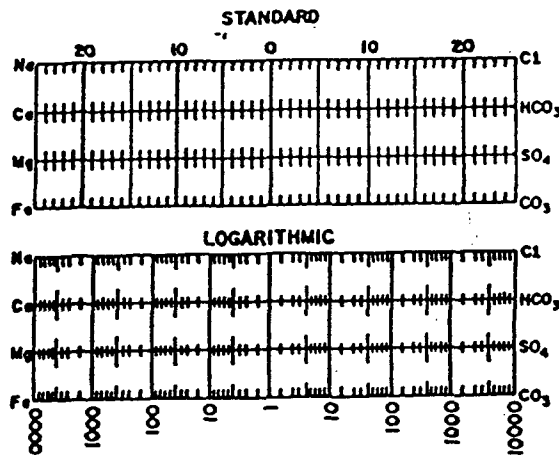
OTHER PROPERTIES

pH	<i>6.5</i>
Specific Gravity, 60/60 F.	<i>1.200</i>
Resistivity (ohm-meters) — F.	

ANIONS

Chloride, Cl	<i>177,500</i>	<i>5005</i>
Sulfate, SO ₄	<i>2000</i>	<i>42</i>
Carbonate, CO ₃		
Bicarbonate, HCO ₃	<i>305</i>	<i>5</i>

WATER PATTERNS — me/L



Total Dissolved Solids (calc.)

Iron, Fe (total)

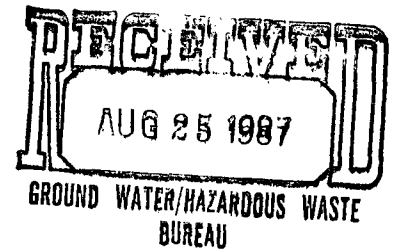
Sulfide, as H₂S

REMARKS & RECOMMENDATIONS:

Loco Hills Brine Co.

POST OFFICE BOX 68 • LOCO HILLS, NEW MEXICO 88255

August 20, 1987



Mr. Kevin Lambert
EID Ground Water Dept.
P. O. Box 968
Santa Fe, New Mexico 87504

RE: Loco Hills Brine Company
Brine Water Analysis

Dear Sir:

Attached please find a brine water analysis run by Dowell Division of Dow Chemical, U. S. A.

We requested Dowell to come to our brine company and take a water sample to be run. There was several weeks delay in them getting our report back to us, so that we could get our report into your office on time. We are sorry for the delay, and want to apologize.

There was a total of 217,872 bbls of brine water produced from August, 1986 thru July, 1987.

If we can be of any further service, please call.

Sincerely,


James R. Maloney

JM/w1



DOWELL DIVISION OF DOW CHEMICAL U.S.A.

An Operating Unit of The Dow Chemical Company

LABORATORY LOCATION

API WATER ANALYSIS REPORT FORM

DATE 8-7-87

LAB NO. /

Company <u>Ray westall</u>		Sample No. <u>#1</u>		Date Sampled <u>8-7-87</u>	
Field		Legal Description		County or Parish <u>Eddy</u>	State <u>N.M.</u>
Lease or Unit <u>Salt Water Disposal</u>	Well	Depth	Formation	Water, B/D	
Type of Water (Produced, Supply, etc.) <u>SW</u>		Sampling Point			Sampled By <u>LMB</u>

DISSOLVED SOLIDS

CATIONS	mg/L	me/L
Sodium, Na (calc.)	<u>113,080</u>	<u>4919</u>
Calcium, Ca	<u>5000</u>	<u>250</u>
Magnesium, Mg	<u>3651</u>	<u>300</u>
Barium, Ba		

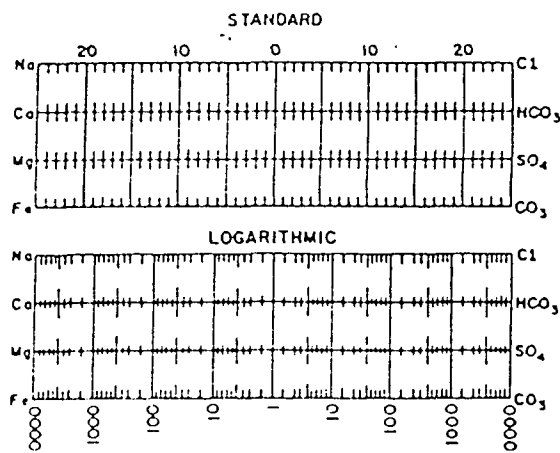
OTHER PROPERTIES

pH	<u>6</u>
Specific Gravity, 60/60 F.	<u>1.200</u>
Resistivity (ohm-meters) _____ F.	

ANIONS

Chloride, Cl	<u>193,475</u>	<u>5456</u>
Sulfate, SO ₄	<u>500</u>	<u>10</u>
Carbonate, CO ₃		
Bicarbonate, HCO ₃	<u>183</u>	<u>3</u>

WATER PATTERNS — me/L



Total Dissolved Solids (calc.)

Iron, Fe (total)

 Sulfide, as H₂S

REMARKS & RECOMMENDATIONS:



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

Dick Maloney
Loco Hills Brine Company
P.O. Box 68
Loco Hills, NM 88255

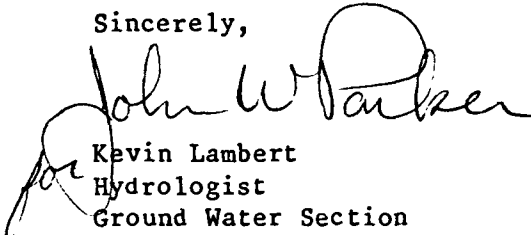
Dear Mr. Maloney:

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 Loco Hills Brine Company brine facility. A copy of the inspection form is attached for your reference. Deficiencies noted during the inspection are as follows:

1. Weeds and other debris noted in collection system. Collection system should be free of weeds or other debris.

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

BRINE STATION INSPECTION FORM

DATE 12/1 1987 EID INSPECTOR Lambert/Parker
FACILITY Loco Hills Brine Company LOCATION Loco Hills
FACILITY REP ON SITE Dick Maloney COUNTY Eddy
Paul Hill

WELL OPERATION

1 well system
WELL IS INJECTING: ☒ THROUGH ANNULUS ☐ THROUGH TUBING
SOURCE OF FRESH WATER Pipeline Caprock
TRACE INJECTION/PRODUCTION LINES Buried Lines
2 ft Head
WELL HEAD PRESSURE Gravity PSIG PUMP PRESSURE 255 PSIG
LEAKS AROUND WELL OR PUMP

Possible leak in pipeline from freshwater tank

STORAGE AREA

* FOR PONDS:
GENERAL LINER APPEARANCE Looks good
AMOUNT OF FREEBOARD > 2'
ANY SIGN OF OVERFLOW OR LEAKS None
LEAK DETECTION SYSTEM ☐ FLUIDS ☐ DRY

FOR TANKS:

GENERAL APPEARANCE _____
LABELED PLAINLY ☐ YES ☐ NO
BERMED TO PREVENT RUNOFF ☐ YES ☐ NO
CHECK CONTENTS TO ASSURE PROPER FLUID/LABLE MATCH _____

NUMBER OF TANKS FOR BRINE _____ FRESH WATER _____

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

Evidence of spills but contained collection system needs to be cleaned occasionally, remove weeds, sand etc.

MONITORING WELLS

DEPTH _____ FT STATIC WATER LEVEL _____ FT BELOW CASING
SAMPLED THIS VISIT ☐ YES ☐ NO TEMP _____ Ec _____

COMMENTS MW have shown no problem

8/3/87 Dick Maloney / Loco Hills
677-2118

8:42 AM

I returned his call of 7/31/87
He requested information on if it was
OK to send one M+R in July
instead of 2 M+R's one January
(brine volume) & one July (brine quality) I informed
him we had received his letter
of 1/7/87 asking that reports be
~~the~~ combined into one we made
the change in your M+R and I
apologize for not letting you know
We felt it was only a minor
change and we had no problem w/ it
so we made the modification, Next
time we will let you know
He stated no big deal and that
he would send ^{combined} report w/ reference
to his 1/7/87 letter requesting
consolidation of M+R's

Kevin Lambert

of
mples Ion

FIELD TRIP REPORT
GROUND WATER SECTION

County Eddy
Lea

SLD USER CODES

Ground Water: 59300

NO₃, HC, & Toxics: 59600

UIC: 59500

FACILITY VISITED

Name of Facility: Loco Hills Brine Co., Simco-McCasland, Permian Brine S

Location: Loco Hills, Eunice, Jal, Crossroads KTS Brine

Discharge Plan Number: DP- 394, 326, 324, 355

Type of Operation: Brine Production Facilities

ENVIRONMENTAL IMPROVEMENT DIVISION FIELD VISIT

EID Inspector(s): Lambert and Roschal

Date of Inspection or Visit: 1/26/87 - 1/29/87

Discharger's Representative Present During EID Visit:

Name: Maloney, Patterson, Hickerson Price, Stern

Title or Position: Mgrs/Owners

Purpose of Visit:

a. Evaluation of Proposed Discharge Plan

b. Compliance Inspection of Discharge with Approved Plan

c. Other (Specify) Pressure Test Brine Wells

Inspection Activities During Field Visit:

a. Inspection of Facilities or Construction (specify)

Ran Pressure Tests

KTS was not done.

b. Sampling of Effluents (give sampling locations)

due to break in
fresh water line
Will do next time
in area

c. Sampling of Ground Water (give names or locations of wells)

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:

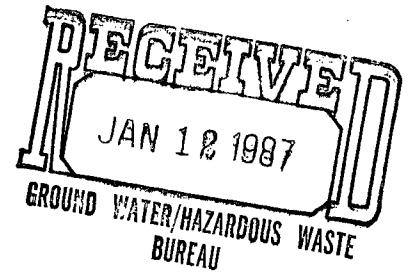
Ran 3 of 4 pressure tests. Unable to run
4th due to break in fresh water line which prevented
us from pressuring up. Well

ACTION REQUIRED

Also was able to get in touch
w/ a contact of Marathon Road
Water Station. Will be able to communicate
deficiency in '86 M&R Requirements

Loco Hills Brine Co.
P. O. Box 68
Loco Hills, N. M. 88255

January 7, 1987



Mr. Kevin Lambert
E I D Ground Water Dept.
P. O. Box 968
Santa Fe, N. M. 87504

Dear Kevin:

As per our conversation on Sept. 10, 1986, we would like to request that both the requirement for analysis and volume be placed on the same date. We would like the date to be July of each year.

Please feel free to call us if you would like to set up a visit to the brine station. Our phone number is 505-677-2118.

Sincerely,


James R. Maloney

JRM/w1

BRINE STATION INSPECTION FORM

DATE 12/9 1986 EID INSPECTOR Lambert, Koschal
 FACILITY Loco Hills Brine Co LOCATION Loco Hills
 FACILITY REP ON SITE RAY Westfall COUNTY Eddy
DP-394
✓ Dick Maloney
✓ Paul Hill
✓ Carlos
 WELL OPERATION
 WELL IS INJECTING: THROUGH ANNULUS THROUGH TUBING
 SOURCE OF FRESH WATER Caprock Pipeline - City Water
 TRACE INJECTION/PRODUCTION LINES In good shape, all look to be new
 WELL HEAD PRESSURE _____ PSIG PUMP PRESSURE _____ PSIG
 LEAKS AROUND WELL OR PUMP None

STORAGE AREA

*FOR PONDS:
 GENERAL LINER APPEARANCE Hypalon liner in good condition

AMOUNT OF FREEBOARD ~ 4 ft
 ANY SIGN OF OVERFLOW OR LEAKS None
 LEAK DETECTION SYSTEM FLUIDS X DRY

FOR TANKS: None

GENERAL APPEARANCE _____
 LABELED PLAINLY _____ YES _____ NO
 BERMED TO PREVENT RUNOFF _____ YES _____ NO
 CHECK CONTENTS TO ASSURE PROPER FLUID/LABLE MATCH _____

NUMBER OF TANKS FOR BRINE _____ FRESH WATER _____

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

Everything looks in good order
Adequate spill collection system to handle any problem

MONITORING WELLS

DEPTH _____ FT STATIC WATER LEVEL _____ FT BELOW CASING
 SAMPLED THIS VISIT _____ YES _____ NO TEMP _____ Ec _____

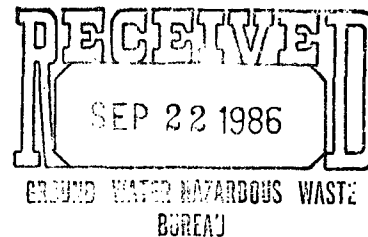
COMMENTS Have Monitor Wells which are checked once a week
Monitor wells are dry

Excellent looking operation. See No Problems w/ system
 *Get in touch in January to schedule visit to carry out pressure test

Loco Hills Brine Co.

POST OFFICE BOX 68 • LOCO HILLS, NEW MEXICO 88255

September 17, 1986



Mr. Kevin Lambert
EID Ground Water Dept.
P. O. Box 968
Santa Fe, New Mexico 87504

RE: Loco Hills Brine Company
Brine Water Analysis


Dear Sir:

As per our conversation September 10, 1986, we had a brine water analysis run by The Western Company of Hobbs, New Mexico.

We would like to apologize for not having our report into you for July, 1986. We did not realize that we need this. We will make every effort to have our report into you promptly on the date required.

Please feel free to call us if you need anything else. Aganin, we want to apologize.

Sincerely,


James R. Maloney

JRM/w1

LOCATION

YOUR EXT. NO.

THE WESTERN COMPANY

WATER ANALYSIS

ANALYSIS NO.

GENERAL INFORMATION

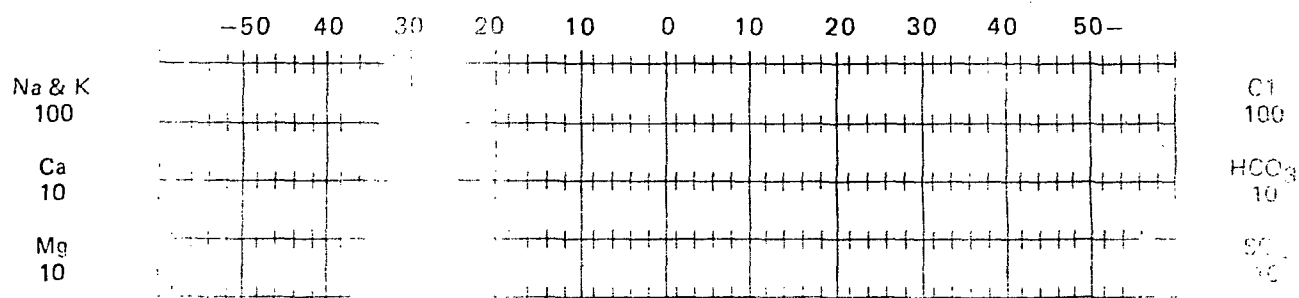
OPERATOR	RAY WESTALL	DATE SAMPLED	9/16/86
WELL	BRINE ANALYSES	DATE RECEIVED	9/17/86
FIELD		SUBMITTED BY	
FORMATION		WORKED BY	
COUNTY		SAMPLE DESCRIPTION:	
STATE			
DEPTH			

PHYSICAL AND CHEMICAL DETERMINATIONS

SPECIFIC GRAVITY	1.18	AT	72 °F	TOTAL DISSOLVED SOLIDS	PPM
pH	7.0			RESISTIVITY	0.05 @ 72 °F PPM
IRON	NONE			^{250 ml} SULFATE	2118 PPM
HYDROGEN SULFIDE	NONE			^{50 ml / 1.9 ml} BICARBONATE	196 PPM
^{0.5 ml / 4.1 ml} HARDNESS				^{1 ml / 8.2 ml} CHLORIDE	138983 PPM
^{0.5 ml / 30 ml} CALCIUM	2033			SODIUM CHLORIDE	PPM
^{0.5 ml / 1.1 ml} MAGNESIUM	453	PPM		SODIUM	PPM
SODIUM & POTASSIUM	88040	PPM		POTASSIUM	PPM
PHOSPHATE					

REMARKS:

for Stiff type plot (in meq./l.)



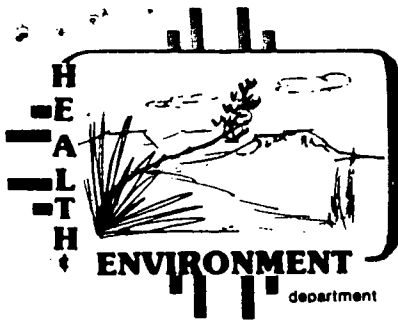
DP-394
9/10/86 Loco Hills Brine Co - Ray Westall
677-3113, 2118 R.F.: M & R Requirement for reporting
Brine Quality 7/30/86
3:20 pm Have Not received
Dick Maloney is Contact Now

Explained to him the delinquency and he stated
they would be getting us the 7/86 brine quality
report ~~within~~ the next 10 day (9/22/86) and
possibly a request to change upcoming
due dates to one date instead of two (i.e. July)

Told him they needed to keep close eye on
M & R requirements because not want
to develop history of noncompliance or
delinquency because if at anytime we
run into problems w/ plan or any litigation.
Such violation w/ M & R requirement can influence
our handling of a situation

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

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

December 18, 1985

Ray Westall, President
Loco Hills Brine Company
PO Box 68
Loco Hills, NM 88255

Re: Approval of Discharge Plan DP-394.

Dear Mr. Westall:

The **discharge plan DP-394 for the Loco Hills Brine station**, located in the SW 1/4 SW 1/4 of Section 16, T17S R30E, on the property of the Loco Hills Water Disposal Company west of the town of Loco Hills in Eddy County, New Mexico, **is hereby approved**. The approved discharge plan consists of:

- 1) the discharge plan application submitted on October 4, 1985, consisting of the basic "Part A" application, location maps, and well logs;
- 2) a corrected "Part A" application dated October 30, 1985, including a plugging and abandonment plan, a corrected map of monitor well locations, and a record of a pressure test on the well; and
- 3) the financial assurance form dated December 10, 1985.

The discharge plan was submitted pursuant to Section 5-101.B.3. of the New Mexico Water Quality Control Commission regulations. It is approved pursuant to Sections 5-104.A.2. and 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 or regulations.

The monitoring and reporting shall be as specified in the discharge plan. These requirements are summarized on the attached sheet. 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.

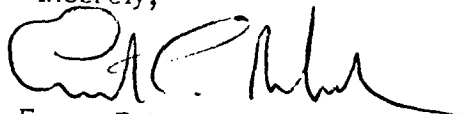
Please be aware that in this discharge plan you have made commitments which are legally enforceable under the New Mexico Water Quality Act. These include

constructing all aspects of your installation as designed and completely fulfilling all monitoring commitments on schedule. You are susceptible to fines should you not fulfill these obligations.

Pursuant to subsection 3-109.G.4., this plan approval is for a period of five years. This **approval will expire on December 18, 1990**, and you should submit an application for renewed approval in ample time before that date.

Thank you for your cooperation during this discharge plan review process.

Sincerely,



Ernest Rebuck
Bureau Chief
Ground Water/Hazardous Waste Bureau

ER:PGM:pgm

cc: John Guinn, EID District IV Manager
Oil Conservation Division, Artesia District
James Jennings, Jennings & Christy

P 612 426 627

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

★ U.S.G.P.O. 1983-403-517 PS Form 3800, Feb. 1982	Sent to	Ray Westall, Pres.	
	Street and No.	P.O. Box 48	
	P.O., State and ZIP Code	Loco Hills, N.M.	
	Postage	\$	88255
	Certified Fee		
	Special Delivery Fee		
	Restricted Delivery Fee		
	Return Receipt Showing to whom and Date Delivered		
	Return receipt showing to whom, Date, and Address of Delivery		
	TOTAL Postage and Fees	\$	
Postmark or Date			

MONITORING AND REPORTING FORM

ALL BLANKS MUST BE COMPLETED.

CHECK ALL APPLICABLE BOXES

DISCHARGE PLAN NUMBER: 394

ORIGINAL DP: ☒ x

ORIG. DP PEND. APPROV:

SIC NUMBER:

RENEWAL:

RENEWAL PEND:

MODIFICATION:

MODIFICATION PENDING:

NAME OF FACILITY: Loco Hills Brine Co.

LOCATION OF FACILITY: on sw corner of Loco Hills Water Disposal Co property

ALTERNATE OR PAST NAME OF FACILITY: - - -

CITY OR CLOSEST TOWN: Loco Hills USGS QUAD: Maljamar

COUNTY: Eddy TWP: 17S RGE: 30E SEC: 16

CONTACT PERSON: Westall, Ray TITLE: President
LAST NAME FIRST NAME

ADDRESS OF CONTACT PERSON: Loco Hills Brine Co. / PO Box 68/ Loco Hills NM 88255

TELEPHONE: 677-3113, 2118

TYPE OF FACILITY: brine manufacture and sale

MEANS OF DISCHARGE (LAGOON, LEACH FIELD, OTHER -SPECIFY):

injection well to make brine, lined pits to store it

REVIEWER: (CURRENT) Morgan, Paige
LAST NAME FIRST NAME

DATE APPROVED: 12/18/85 DATE OF EXPIRATION: 12/18/90

MONITORING REQ: (COMMENT, IF NECESSARY, ON BACK)

SAMPLING SITE OR ID	STORET CODE (SAMP. SITE)	PARAMETER(S)	DATE DUE
------------------------	-------------------------------	--------------	----------

brine quality		Ca, K, Mg, Na, HCO ₃ , Cl, SO ₄ , TDS	on or before July 1, 1986
monitor wells		check for presence of fluid monthly	notify EID if fluid is present
brine sales		report annual total	on or before Jan 15 yearly beginning 1987

Albert,

12/17

You need to
initial before
sign.

Z


Signed
12/18
AK

CHECK ONE:

☒ LETTER TO Loco Hills Brine
for Bureau Chief's signature

☐ MEMO TO _____

☐ PRESS RELEASE

☐ OTHER

SUBJECT: discharge plan approval

DRAFTED BY: Patsy Morgan 12/17/85
(Date)

CONCURRENCES:

NAME:	INITIAL	DATE REC'D	DATE APPROVED
<u>Albert J. Acty</u> Sect. Mgr.	<u>AD</u>	<u>12-17-85</u>	<u>12-17-85</u>
<u>Ernest Rebeck</u> Bur. Chief	<u>ER</u>	<u>12-17-85</u>	<u>12-18/85</u>
<u>Richard Holland</u> Dep. Dir.			
<u>Denise Fort</u> Director			

FINAL DECISION NEEDED BY 12/18/85 BECAUSE I will
(date)
be gone 12/19 through 12/27

COMMENTS BY DRAFTER OR REVIEWER(S):

These people were allowed to do a Part 3
rather than a Part 5 plan, even though
it's an injection well facility, under
the terms of 5-104. A.2, because there
is no <10,000 mg/l ground water in the
vicinity of their facility.

04

LAW OFFICES OF

JENNINGS & CHRISTY

1012 SECURITY NATIONAL BANK BUILDING
P.O. BOX 1180
ROSWELL, NEW MEXICO 88202-1180

TELEPHONE 622-8432
AREA CODE 505

JAMES T. JENNINGS
SIM B. CHRISTY IV
K. DOUGLAS PERRIN
PHIL T. BREWER
VICTORIA ARENDS
A. D. "DIRK" JONES

December 10, 1985

RECEIVED

DEC 13 1985

EID: LEGAL BUREAU

Mr. Richard L. Young, Esquire
State of New Mexico
Environmental Improvement Division
P. O. Box 968
Santa Fe, New Mexico 87504-0968

Re: Loco Hills Brine Station Discharge Plan

Dear Mr. Young:

In accordance with your telephone conversation of yesterday with my secretary, the Bond and Financial Assurance has now been executed by Loco Hills Brine Company, as principal, and by Ray Westall, et al., as guarantors, and the original is enclosed herewith. It is my understanding that with this Bond and Financial Assurance, which is acceptable to the EID, the Plan of Discharge will be approved and I would appreciate it if you would send a copy of the approval direct to me.

Yours very truly,

JENNINGS & CHRISTY


James T. Jennings

JTJ:el

Enclosure

cc: Ray Westall

STATE OF NEW MEXICO
ENVIRONMENTAL IMPROVEMENT DIVISION
BOND AND FINANCIAL ASSURANCE

RECEIVED
DEC 13 1985
EID: LEGAL BUREAU

KNOW ALL MEN BY THESE PRESENTS:

THAT WHEREAS, the undersigned, Loco Hills Brine Company, a New Mexico Corporation, heretofore submitted a Discharge Plan Application to the Environmental Improvement Division of the State of New Mexico in accordance with the Water Quality Control Commission Regulations under which the Loco Hills Brine Company has drilled a well to the depth of 1,000 feet located 600 feet from the South line and 230 feet from the West line of Section 16, Township 17 South, Range 30 East, N.M.P.M., Eddy County, New Mexico, which well is on State of New Mexico Salt Mining Lease No. M-20375, dated January 28, 1985, covering the W $\frac{1}{2}$ SW $\frac{1}{4}$ Section 16, Township 17 South, Range 30 East; and

WHEREAS, Loco Hills Brine Company proposes to inject fresh water into the salt formation in this well for the purpose of producing brine; and

WHEREAS, the Environmental Improvement Division, by letter dated November 14, 1985 has advised that sufficient information has been provided to the Division to approve the Discharge Plan for the Loco Hills Brine Station upon the receipt of Financial Assurance acceptable to the Environmental Director, in accordance with the provisions of Section 5-210.B.17. of the Water Quality Control Commission Regulations, as amended, November 15, 1984; and

WHEREAS, Loco Hills Brine Company is desirous of making such assurance; and

NOW, THEREFORE, the undersigned, Loco Hills Brine Company, as principal, and Ray Westall, J. R. Maloney, Mary J. Malony, Thomas E. Jennings and T. Z. Jennings, being the owners of 75% of the outstanding stock of Loco Hills Brine Company, as guarantors, hereby agree to undertake the necessary measures to prevent contamination of ground water having 10,000 mg/l or less TDS after the cessation of operations, including the proper closing, plugging, and abandonment of the well described above and any post-operational monitoring as may be needed in accordance with Section 5-210.B.17. of the Water Quality Control Commission Regulations, failing in which the principal and guarantors shall be bound to the State of New Mexico for the use and benefit of the Environmental Improvement Division for the purpose of plugging said well and complying with the provisions of Section 5-210.B.17. in the sum of \$5,000.00 for the payment of which, well and truly to be made, the principal and guarantors hereby bind themselves, their successors or assigns, jointly, severally and firmly by these presents.

SIGNED AND SEALED this 11th day of December, 1985.

LOCO HILLS BRINE COMPANY

Principal
P. O. Box 68
Loco Hills, NM 88255

By Ray Westall
President

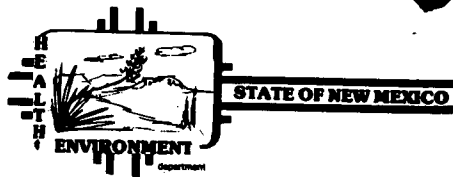
Mary J. Maloney
Mary J. Maloney, Guarantor
3100 Diamond A. Drive
Roswell, New Mexico 88201

T. Z. Jennings
T. Z. Jennings, Guarantor
P. O. Box 1797
Roswell, New Mexico 88201

Ray Westall
Ray Westall, Guarantor
P. O. Box 68
Loco Hills, New Mexico 88255

James R. Maloney
J. R. Maloney, Guarantor
P. O. Box 68
Loco Hills, New Mexico 88255

Thomas E. Jennings
Thomas E. Jennings, Guarantor
P. O. Box 1797
Roswell, New Mexico 88201



MEMORANDUM

DATE: 11/25/85

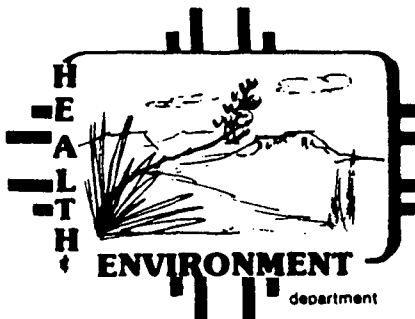
TO: Paige
FROM: Dick

SUBJECT: Loco Hills Brine D.P.

I called Jim Jennings & explained my idea of personal guarantees by the corporation's principals.

Jennings said fine, he'll draw it up & send it to us — though will be after the holiday, in a week or two. He was pleased to be able to resolve the problem this way.

A handwritten signature, likely of Dick, consisting of a stylized 'D' followed by a horizontal line.



TONY 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

Dick Maloney
Loco Hills Brine Company
PO Box 68
Loco Hills, New Mexico 88255

Dear Mr. Maloney:

Thank you for your letter of October 30, 1985. The information you provided is adequate to approve the discharge plan for the Loco Hills Brine Station as soon as we receive your financial assurance and it is deemed acceptable by the EID Director.

Thank you for your continued cooperation during the discharge plan review process.

Sincerely,

Paige Grant Morgan
Water Resource Specialist

PGM:pgm

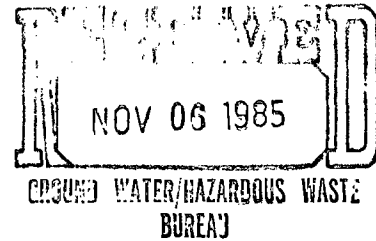
cc: John Guinn, EID District IV Manager

Loco Hills Brine Co.

POST OFFICE BOX 68 • LOCO HILLS, NEW MEXICO 88255

October 30, 1985

State of New Mexico
Environmental Improvement Division
P. O. Box 968
Santa Fe, New Mexico 87504-0968



Attn: Paige Grant Morgan

Dear Mrs. Morgan:

In reference to your letter of October 23, 1985, you stated we have some answers remaining on certain points of our discharge plan.

Attached please find a letter from Hughes Services, Inc. stating they pressured up on the casing to 1,000 lbs. and that it held for 15 minutes with no bleed off. Also the predicted operating pressure is 120 lbs.

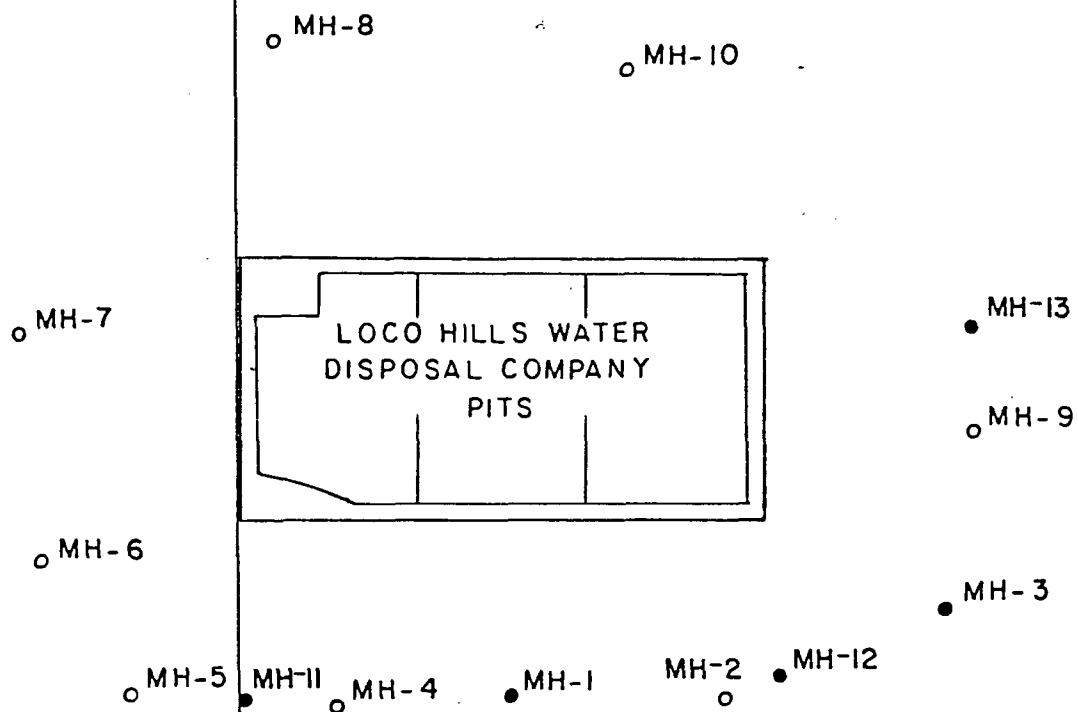
Our plan for the plugging and abandonment of the brine well at the end of its operating life, would be to leave the cavity full. Set wire line packer at bottom of casing and circulate cement to surface. You stated a bond or other demonstration of financial responsibility for plugging the brine well will be required. We are in the process of determining which type bond we need or show financial responsibility. As soon as we get this, we will send the information to cover this item.

If we can be of any further service in completing the proposed discharge plan, please let us know.

Sincerely,

Dick Maloney

DM/wl



SE/4 Sec. 17

SW/4 Sec. 16

T17S R30E

500 0 500 1000

N

EDDY COUNTY, NEW MEXICO
MONITOR HOLE LOCATIONS
LOCO HILLS WATER DISPOSAL CO.

2/2/83

ED L. REED & ASSOCIATES, INC.
CONSULTING HYDROLOGIST
MIDLAND & CORPUS CHRISTI, TEXAS

HUGHES SERVICES, INC.

POST OFFICE BOX 68
LOCO HILLS, NEW MEXICO 88255

October 30, 1985

Loco Hills Brine Company
Box 68
Loco Hills, New Mexico 88255

Dear Mr. Maloney:

As per your request, we have pressured casing on the Loco Hills Brine well to 1,000 lbs. We held pressure for 15 minutes and had no bleed off.

If we can be of any further assistance, please let us know.

Sincerely,

A handwritten signature in cursive script, appearing to read "Wanda Livingston".

Wanda Livingston
Operations Supervisor

NEW MEXICO ENVIRONMENTAL IMPROVEMENT DIVISION

DISCHARGE PLAN APPLICATION - Part A

Name of discharger or person legally responsible for discharge:

Loco Hills Brine Company

Address: Box 68

Loco Hills, New Mexico 88255

Telephone: 505-677-3113 or 677-2118

Local representative or contact person if different from above:

Name: Dick Maloney or Ray Westall

Address: Loco Hills Water Disposal

Loco Hills, New Mexico 88255

Telephone: 5050-677-3113 or 505-677-2118

General Information Required of All Discharge Plans

1. Location of Discharge

County Eddy, T 17S, R 30E, Sec. 16, SW $\frac{1}{4}$ of SW $\frac{1}{4}$
(use state coordinates or latitude/longitude on unsurveyed land)

NOTE: A topographic map or detailed aerial photograph should be used in conjunction with a written description to depict the locations of the discharge and other relevant objects.

2. Type of operation, facility or development. Facility

Brine Station to sell water.

3. The means of discharge (To a lagoon, flowing stream, watercourse, arroyo, cropland, septic tank-leach field, other - specify. Discharging fresh water into well and then discharging brine water into a lined pond. The pond is 115' x 60' at the bottom with a 3' to 1' slope and has a maximum depth of 11'. This maximum height will maintain a free board of 3' and the pond total volume will be approximately

4. Quantity

Total volume in gallons per day (gpd), of each discharge or combination of discharges. 84,000 gpd.

If more than one discharge stream and/or discharge point, give gpd for each.

5. Quality

Concentrations, in milligrams per liter (mg/l), of any contaminants listed in Section 3-103, total nitrogen, and any toxic pollutants as defined in Subsection 1-101.U.U. of the regulations that may be present in the discharge.

<u>Contaminant</u>	<u>Concentration (mg/l)</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

(At this point we do not have a sample to analyze. As soon as we are in production we will have a sample analyzed and forward as soon as possible.)

6. Name, description, and location of any bodies of water or watercourses and ground water discharge sites (wells, seeps & springs) within one mile of the outside perimeter of the discharge site.

~~see map from Ed L. Reed & Associates, Inc.~~

Consulting Hydrologists of Midland, Texas

7. Depth to and total dissolved solids (TDS) concentration of the ground water most likely to be affected by the discharge.

Depth _____ feet. TDS _____ mg/l.

Monitor wells shown in map in Attachment #A are monitored

Source of information: monthly for presence of fluid and no fluid has been encountered during the life of the project.

8. Flooding potential of the discharge site. Berms are elevated to 10' to 12' higher than normal ground in surrounding area. Berms are approximately 10' wide at the top and 30' wide at bottom. These berms will be lined on the inside and are built with all caliche dirt. This will protect us from any discharging of brine in a flood.
Flooding protection measures (berms, channels, other, if applicable):

BERMS

9. Describe the monitoring system proposed in the plan in which adequate provision for sampling of effluent and adequate flow monitoring is included, so that the amount(s) being discharged onto or below the surface of the ground can be determined.

We will report brine sales to EID on an annual basis.

10. Location(s) of existing or proposed wells to be used for monitoring ground water quality. Specify below or locate on map.

Township Range Section 1/4 of 1/4 of 1/4

(See Ed L. Reed & Associates, Inc. Consulting Hydrologist

Attachment A) _____

11. Geologic description of discharge site. If drillers log(s) are available, please attach.

Soil (sand, clay, loam, caliche, etc.) sand, clay, claiche -- We will furnish drillers log as soon as well is completed.

Name of aquifer _____

Aquifer material (e.g. alluvium, sandstone, volcanic, etc.) _____

Depth to rock at base of alluvium (if available) 420'

12. Copies of plans and specifications for sewerage and flow systems, including materials specifications provided by the manufacturer, must be submitted to the EID District Engineer and to the Ground Water Section of the EID Ground Water and Hazardous Waste Bureau. N/A

13. What conditions naturally exist, or what actions will the discharger take to assure that New Mexico ground water standards are not going to be exceeded at any place of present or foreseeable future use as a result of the operation? Use separate attachments when necessary. No fresh water in area.

a. Specific hydrologic, geologic and/or agricultural information?
Hydrologic study for Loco Hills Salt Water Disposal.

b. Minimizing discharge (e.g. synthetically lined ponds with leak detection system)? Synthetically Lined Pond.

c. Ground water monitoring program with contingency plan should ground water standards be threatened? If a pressure test, drop in operating pressure, drop in operating pressure, or other evidence indicates a leak in the

NOTE: To demonstrate that ground water standards are not going to be violated, additional information may be requested of the discharger. well casing, we will shut dow until the well can be repaire

I certify that I am familiar with the information contained in the application and that to the best of my knowledge and belief such information is true, complete and accurate.

Ray Westall
Signature

Ray Westall
Printed Name of Person Signing

10/31/85
Date

President
Title

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

October 23, 1985

Dick Maloney
Loco Hills Brine Company
Box 68
Loco Hills, New Mexico 88255

Dear Mr. Maloney:

Thank you for your telephone call of October 22nd. As we discussed at that time, there are still several deficiencies in the discharge plan for the Loco Hills Brine Station.

With reference to my letter of June 12, 1985 to your attorney Mr. James Jennings, I listed seven points that should be addressed in your discharge plan in addition to filling in the blanks in the discharge plan application. You have provided satisfactory answers to the first four. The following points remain:

- results of a pressure test on the casing;
- predicted operating pressure, and
- a plan for the plugging and abandonment of the brine well at the end of its operating life. The plan should specify plugging the entire casing with cement. A bond or other demonstration of financial responsibility for plugging the brine well will be required (see Section 5-210.B.17 of the Water Quality Control Commission regulations).

In my July 24, 1985 letter to Mr. Jennings, in which I responded to your submittal of the completed discharge plan application, I listed those questions for which the responses were not adequate. In your most recent submittal of October 4, 1985, many of those questions were still not properly answered. Those points are discussed below:

(7) The correct answer is that there is apparently no ground water beneath or adjacent to the discharge site. As to the source of information, you should cite the hydrologic study conducted by Ed Reed and Associates and presented at the OCD hearing on Case No. 7720, Order No. R-6811-B. You might also add that the monitor wells shown in the map in Attachment _____ (discussed under #10, below) are monitored monthly for presence of fluid, and no fluid has been encountered during the life of the project.

(8) You still have not answered the question about flooding potential-you have discussed the means you plan to take to avoid overtopping of the brine storage pond in the event of an extraordinary rainfall event, which is the second half of the question. However, since plans to prevent overtopping of the pond appear to be quite adequate and since intuitively the opportunity for flooding at your site in the sand hills is very small, I am inclined not to press for a more complete answer to this question.


(9) Your response is a partial answer. You are also asked to provide information on the means used to monitor the amount of discharge onto or below the surface of the ground. You could satisfy this requirement by agreeing to report total brine sales to EID on an annual basis.

(10) I enclose a copy of the revised map prepared by your consultant which shows the additional monitor wells installed after your second hearing at OCD. As we agreed by phone, this map will constitute your response to item #10.

(13.c) Please indicate that if a pressure test, drop in operating pressure, or other evidence indicates a leak in the well casing, you will shut down until the well can be repaired.

I hope this clarifies the final points that need to be included in your discharge plan.

Sincerely,



Paige Grant Morgan
Hydrologist
Ground Water Section

PGM/mp

cc: John Guinn, EID District IV Manager
James Jennings, Jennings and Christy

NEW MEXICO ENVIRONMENTAL IMPROVEMENT DIVISION

DISCHARGE PLAN APPLICATION - Part A

Name of discharger or person legally responsible for discharge:

Loco Hills Brine Company

Address: Box 68

Loco Hills, New Mexico 88255

Telephone: (505) 677-3113, 677-2118

Local representative or contact person if different from above:

Name: Dick Maloney or Ray Westall

Address: Hughes Services

Loco Hills, New Mexico 88255

Telephone: 677-3113 or 677-2118

General Information Required of All Discharge Plans

1. Location of Discharge

County Eddy, T 17S, R 30E, Sec. 16, SW 1/4 of SW 1/4
(use state coordinates or latitude/longitude on unsurveyed land)

NOTE: A topographic map or detailed aerial photograph should be used in conjunction with a written description to depict the locations of the discharge and other relevant objects.

2. Type of operation, facility or development. facility

Brine Station to sell brine water.

3. The means of discharge (To a lagoon, flowing stream, watercourse, arroyo, cropland, septic tank-leach field, other - specify. Discharging fresh water into well and then discharging brine water into a lined pond. The pond is 11' x 60' at the bottom with a 3' to 1' slope and has a maximum depth of 11'. This maximum height will maintain a free board of 3' and the pond total volume will be approximately 23,000 bbls.

4. Quantity

Total volume in gallons per day (gpd), of each discharge or combination of discharges. 84,000 gpd.

If more than one discharge stream and/or discharge point, give gpd for each.

RECEIVED

OCT 4 1985

GROUND WATER/HAZARDOUS WASTE
BUREAU

5. Quality

Concentrations, in milligrams per liter (mg/l), of any contaminants listed in Section 3-103, total nitrogen, and any toxic pollutants as defined in Subsection 1-101.U.U. of the regulations that may be present in the discharge.

<u>Contaminant</u>	<u>Concentration (mg/l)</u>
_____	(At this point we do _____
_____	not have a sample to _____
_____	analyze. As soon as _____
_____	we are in production _____
_____	we will have a sample _____
_____	analyzed and forward _____
_____	as soon as possible.) _____
_____	_____
_____	_____

6. Name, description, and location of any bodies of water or watercourses and ground water discharge sites (wells, seeps & springs) within one mile of the outside perimeter of the discharge site. See map from Ed L. Reed & Associates, Inc.

Consulting Hydrologists of Midland, Texas

7. Depth to and total dissolved solids (TDS) concentration of the ground water most likely to be affected by the discharge.

Depth _____ feet. TDS _____ mg/l.

Source of information: Wells are monitored monthly.

8. Flooding potential of the discharge site. Berms are elevated to 10' to 12' higher than normal ground in surrounding area. Berms are approxiamtely 10' wide at the top and 30' wide at bottom. These berms will be lined on the inside and are built with all caliche dirt. This will protect us from any discharging of
Flooding protection measures (berms, channels, other, if applicable) brine in a flood.

BERMS

9. Describe the monitoring system proposed in the plan in which adequate provision for sampling of effluent and adequate flow monitoring is included, so that the amount(s) being discharged onto or below the surface of the ground can be determined.

The Loco Hills Salt Water Disposal has a ring of monitor holes that are
tested monthly, for migration of produced water.

10. Location(s) of existing or proposed wells to be used for monitoring ground water quality. Specify below or locate on map.

Township Range Section 1/4 of 1/4 of 1/4

Thru extensive studies studies for the Loco Hills Salt water Disposal
fresh water is non existant in the areas within 9 miles of this site.

11. Geologic description of discharge site. If drillers log(s) are available, please attach.

Soil (sand, clay, loam, caliche, etc.) sand, clay, calishe. will furnish drillers
log as soon as well is completed.

Name of aquifer _____

Aquifer material (e.g. alluvium, sandstone, volcanic, etc.) _____

Depth to rock at base of alluvium (if available) 420 feet

12. Copies of plans and specifications for sewerage and flow systems, including materials specifications provided by the manufacturer, must be submitted to the EID District Engineer and to the Ground Water Section of the EID Ground Water and Hazardous Waste Bureau. N/A

13. What conditions naturally exist, or what actions will the discharger take to assure that New Mexico ground water standards are not going to be exceeded at any place of present or foreseeable future use as a result of the operation? Use separate attachments when necessary. No fresh water in area.

- a. Specific hydrologic, geologic and/or agricultural information?

Hydrologic study for Loco Hills Salt Water Disposal

- b. Minimizing discharge (e.g. synthetically lined ponds with leak detection system)?

Synthetically Lined Pond.

- c. Ground water monitoring program with contingency plan should ground water standards be threatened?

We will pressure test on an annual basis to maintain the safety of our well.

NOTE: To demonstrate that ground water standards are not going to be violated, additional information may be requested of the discharger.

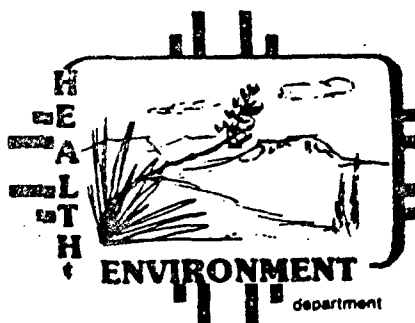
I certify that I am familiar with the information contained in the application and that to the best of my knowledge and belief such information is true, complete and accurate.

Ray Westall
Signature

7-1-85
Date

Ray Westall
Printed Name of Person Signing

President
Title



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

March 6, 1985

James Jennings
JENNINGS & CHRISTY
P.O. Box 1180
Roswell, NM 88201

RE: Loco Hills Brine Co. proposed brine in situ extraction operation.

Dear Mr. Jennings:

In response to your telephone request for information on regulatory requirements of brine extraction wells, I am sending you three items:

1. The Water Quality Control Commission Regulations. Part 5 of these regulations applies specifically to in situ extraction wells such as brine wells (and also to effluent disposal wells, other than those permitted by the Oil Conservation Division). Note the provision under Section 5-104, which would apply to your client if in fact there is no ground water which contains less than 10,000 mg/l of total dissolved solids (TDS) at the proposed location of their brine extraction operation.

Part 3 of these regulations applies to all types of discharge that may affect ground water. You will find that Part 5 refers back to Part 3 at a number of points. In the case of a brine well operation, Part 3 applied in particular to the surface facilities, such as storage and loading of the brine.

2. The second enclosure is an outline which can be used to prepare a discharge plan (equivalent to a permit application) for an in situ extraction well, and an explanation of the procedures involved in submittal, review and public information for a Part 5 discharge plan.
3. The third enclosure is a Notice of Intent to Discharge form. This information is used to determine whether or not a discharge plan will be required for a facility. Please complete and return the form at your earliest convenience. When you send in the form, refer to the fact that the proposed brine extraction well is planned to be located in the area of a salt water disposal operation permitted by OCD. To the extent possible, give an accurate depth of the brine well to be drilled, and the depth at which disposal operations are carried out.

Thank you for your cooperation.

Sincerely,

Paige Grant Morgan
Paige Grant Morgan
Water Resource Specialist
Ground Water Section

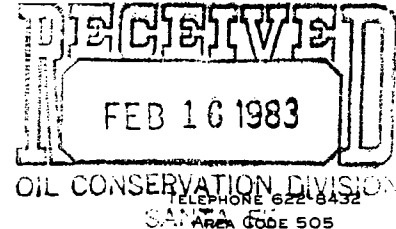
cc: John Guinn, EID District IV, Roswell

Enclosures

msb

JAMES T. JENNINGS
SIM B. CHRISTY IV
K. DOUGLAS PERRIN
PHIL T. BREWER
DAMON RICHARDS

LAW OFFICES OF
JENNINGS & CHRISTY
1012 SECURITY NATIONAL BANK BUILDING
P.O. BOX 1180
ROSWELL, NEW MEXICO 88202-1180



February 14, 1983

Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. Joe D. Ramey, Director

Re: Case No. 7720

Order No. R-6811-B

File

Dear Mr. Ramey:

We have now received the final report and plat showing location of the three additional monitor holes, being Nos. 11, 12 and 13, together with the complete Logs and sample descriptions of each well. Also enclosed is a copy of Ed L. Reed and Associates, Inc.'s letter of February 8, 1983. I assume that this fully complies with the Commission Order.

Yours very truly,

JENNINGS & CHRISTY

James T. Jennings

JTJ:clm

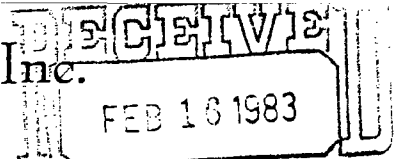
Enclosures

cc: Loco Hills Water Disposal Company

Ed Reed and Associates Inc.

Consulting Hydrologists

MIDLAND - CORPUS CHRISTI
TEXAS



OIL CONSERVATION DIVISION
V. STEVE REED
EXECUTIVE VICE PRESIDENT

708 GUARANTY BANK PLAZA
CORPUS CHRISTI, TEXAS 78475
512-883-1353

ED L. REED, P.E.
CHAIRMAN OF THE BOARD
A. JOSEPH REED
PRESIDENT
CHESTER F. SKRABACZ
VICE PRESIDENT FIELD OPERATIONS
1109 N. BIG SPRING
MIDLAND, TEXAS 79701
915 682-0556

February 8, 1983

Mr. James Jennings
Jennings & Christy
P.O. Box 1180
Roswell, New Mexico 88202-1180

Dear Mr. Jennings:

In accordance with the Oil Conservation Division Order R-6811-B, three Rustler-depth monitor holes have been completed near the Loco Hills Disposal Facility. These monitor holes were drilled in late January, 1983. The sample logs and completion forms are enclosed.

These monitor holes were drilled with water to a depth sufficient to encounter the top of the Rustler Formation. The Rustler Formation was encountered at depths ranging from 245 feet in monitor hole #12 to 288 feet in monitor hole #11. After the holes were drilled they were cased with 4-inch PVC which was slotted with 1/8-inch cuts from total depth to 4 feet below the surface. Each of the monitor holes was jetted for 40 minutes. There was no indication that either the Triassic or the upper Rustler was producing water. These three monitor holes will now be part of a system which includes five Rustler depth and eight 60 foot deep monitor holes.

Please review these data and submit a copy to the Oil Conservation Division. If you have any questions, please call.

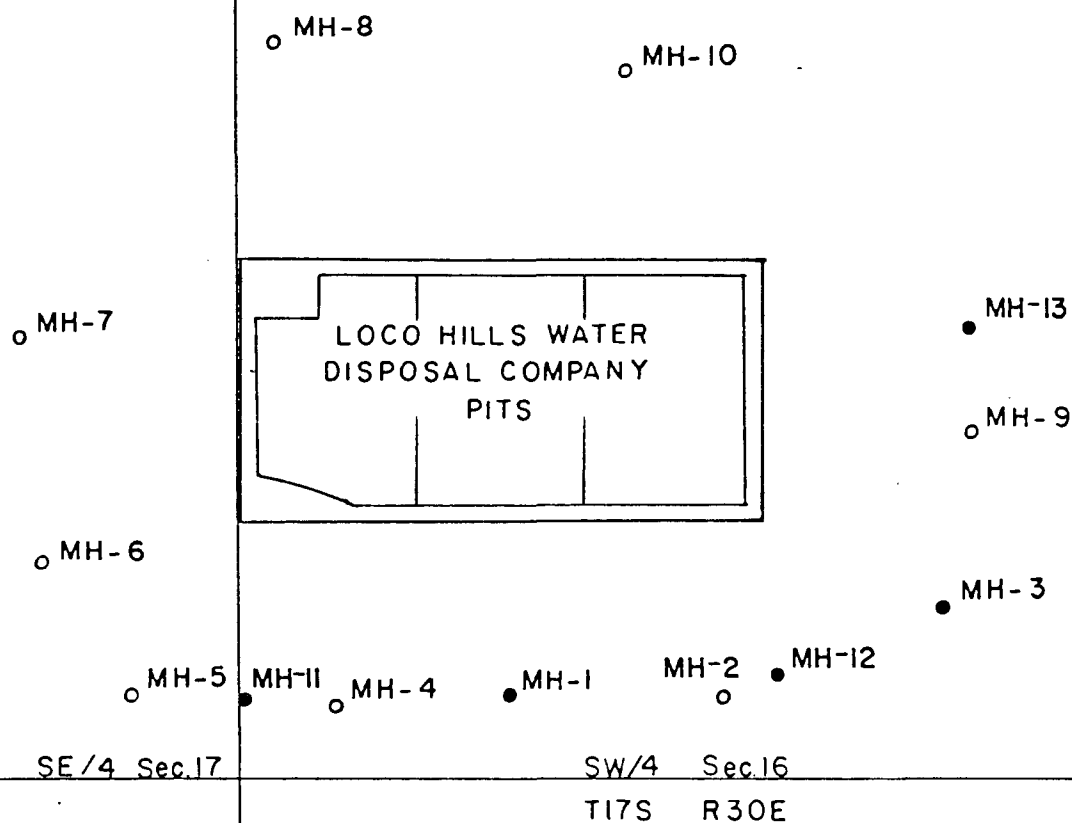
Very truly yours,

ED L. REED & ASSOCIATES, INC.

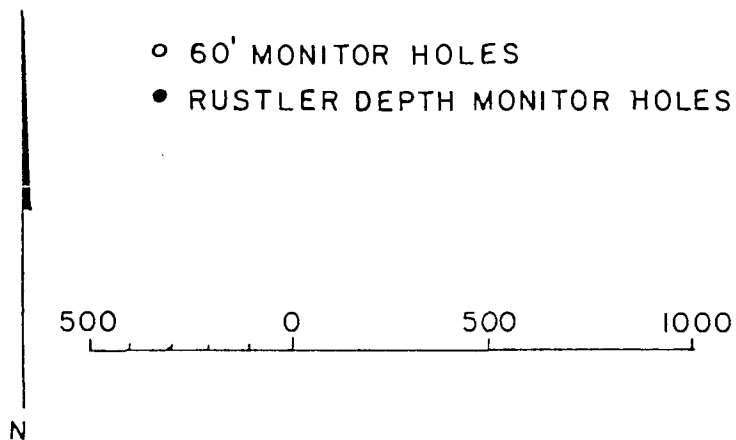
V. Steve Reed

VSR:ljs

Enclosures



- 60' MONITOR HOLES
- RUSTLER DEPTH MONITOR HOLES



EDDY COUNTY, NEW MEXICO
MONITOR HOLE LOCATIONS
LOCO HILLS WATER DISPOSAL CO.

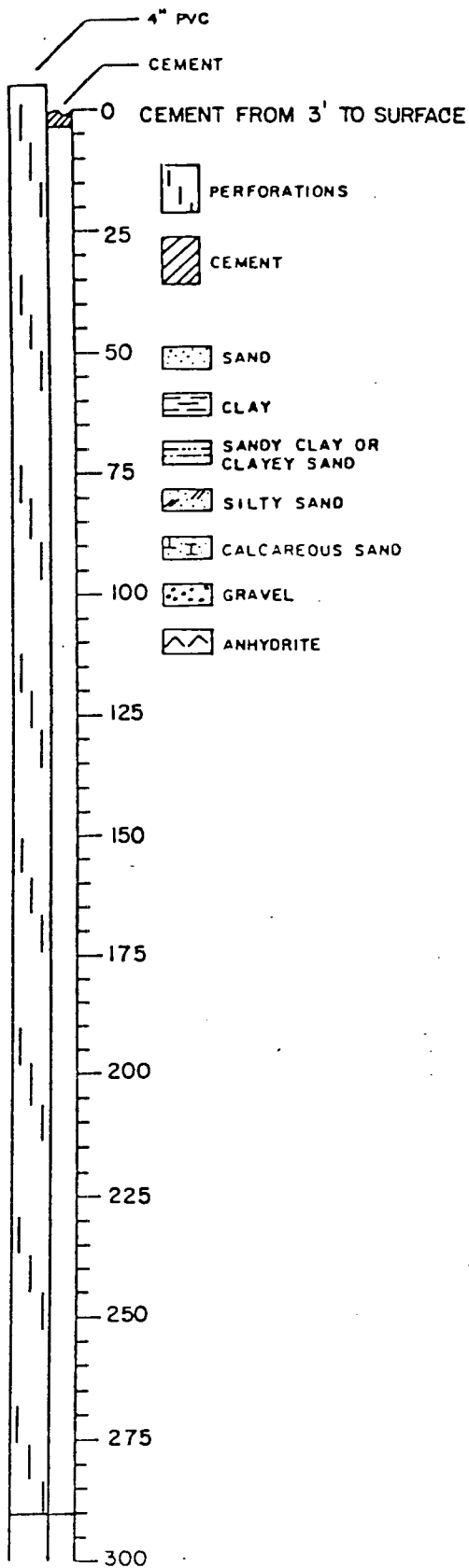
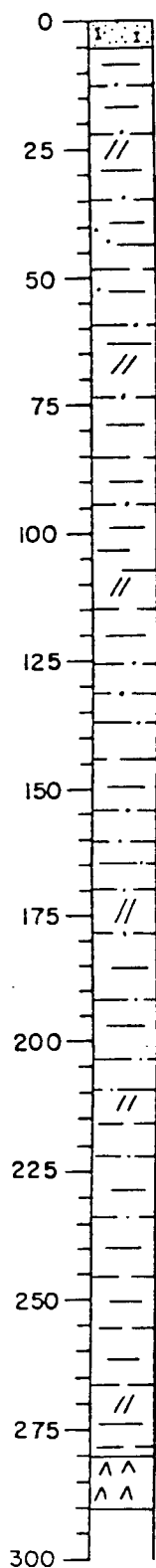
2/2/83

ED L. REED & ASSOCIATES, INC.
CONSULTING HYDROLOGIST
MIDLAND & CORPUS CHRISTI, TEXAS

LITHOLOGIC LOG

COMPLETION LOG

TOTAL DEPTH 290'
 CLIENT LOCO HILLS
 DATE 1/19/83



CLIENT Loco Hills Water Disposal Co.S.W.L. Blown Dry 1/24/83LOCATION ? FEL, 195' FSL, S.E. 1/4,
Sec. 17, T17S, R30E, Eddy Co. N.M.
DATE 1/19/83CASING 4" PVCPERFORATIONS 4' to TD 6-3/4"/1.5', 1/8"
wideWELL NUMBER MH-11 (Rustler Depth)DRILLER L. ScarboroughELEVATION Est. 3,653'Rustler Top 288' (+3,365')

6-1/2" bit, drilled with water

MH-11 entered approx. 277' from MH-4 and MH-5 (Total distance between MH-4 and

INTERVAL	DESCRIPTION	POROSITY
0-10	70% sand, reddish brown, fine grained; 30% clay, calcareous (caliche)	Fair
10-20	100% clay, reddish brown, sandy and silty, slightly calcareous	Poor
20-30	90% clay, reddish brown, slightly calcareous; 10% sand, fine grained, silty	Poor
30-40	Same as above	Poor
40-50	Same as above	Poor
50-60	85% clay, reddish brown, slightly calcareous; 15% sand, very fine grained, silty	Poor
60-70	Same as above	Poor
70-80	Same as above	Poor
80-90	Same as above	Poor
90-100	80% clay, reddish brown, slightly calcareous; 20% sand, very fine grained, silty (report: 96'-107' gravels, multicolored, fine-medium, subangular, dominantly calcareous)	Poor
100-110	70% clay, reddish brown, sandy, slightly calcareous; 30% gravels, fine-medium (report 107'-115' clay, reddish brown, soft and sticky)	Poor
110-120	75% clay, reddish brown, sandy and silty, slightly calcareous; 75% gravels, fine, subangular-subrounded	Poor
120-130	85% clay, reddish brown, calcareous; 15% sand, fine grained, silty (report: 124'-131' clay, soft and sticky/ 131'-134' sand, firm)	Poor
130-140	Same as above	Poor
140-150	80% clay, reddish brown, slightly calcareous, 15% sand, fine grained, silty; 5% gravels, fine-medium, subangular	Poor
150-160	85% clay, reddish brown, slightly calcareous, some sparse gravels; 15% sand, fine grained, silty	Poor
160-170	Same as above (report: 159'-170' drilling rate increased, firm interval)	Poor
170-180	100% clay, reddish brown, silty, calcareous, sticky and pasty	Poor
180-190	90% clay, reddish brown, silty, slightly calcareous; 10% gravels	Poor
190-200	Same as above (report: 180'-197' drilling rate increased, firm interval)	Poor
200-210	Same as above (report: 197'-200' drilling rate decreased, soft and sticky interval)	Poor
210-220	100% clay, reddish brown, silty, calcareous, sticky and pasty (report: 211'-218' drilling rate decreased, soft	Poor

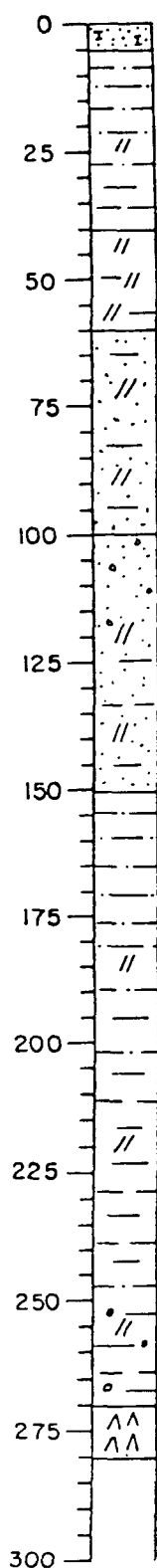
ED L. REED & ASSOCIATES, INC.
CONSULTING HYDROLOGISTS
MIDLAND-CORPUS CHRISTI, TEXAS

Page _____

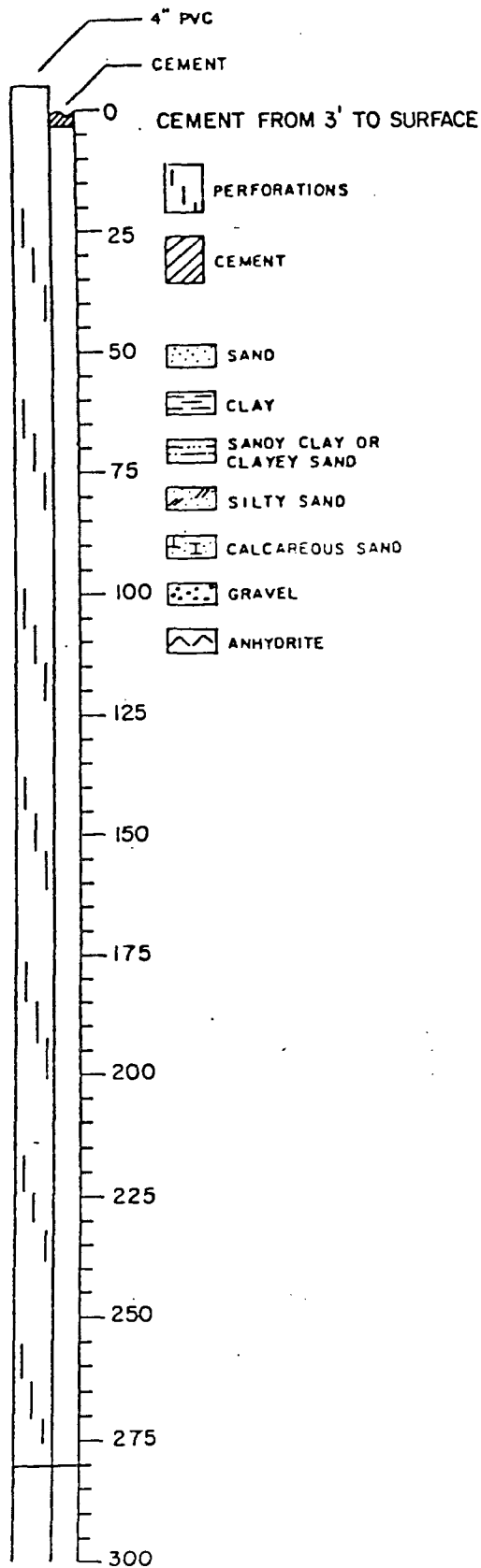
LITHOLOGIC LOG

COMPLETION LOG

WELL NO. _____
 TOTAL DEPTH 280'
 CLIENT LOCO HILLS
 DATE 1/25/83



277' TO RUSTLER



SAMPLE DESCRIPTION

CLIENT Loco Hills Water Disposal Co. S.W.L. Blown Dry 1/25/83

LOCATION 810'FEL, 1,100'FSL, SW 1/4, Sec. 16, T17S, R30E, Eddy Co. CASING 4" PVC

DATE 1/25/83 PERFORATIONS 4'-TD, 6-3/4"/1.5', 1/8"wide

WELL NUMBER MH-13 (Rustler Depth) DRILLER L. Scarborough

ELEVATION Est. 3,669' Rustler Top 277' (+3,392)

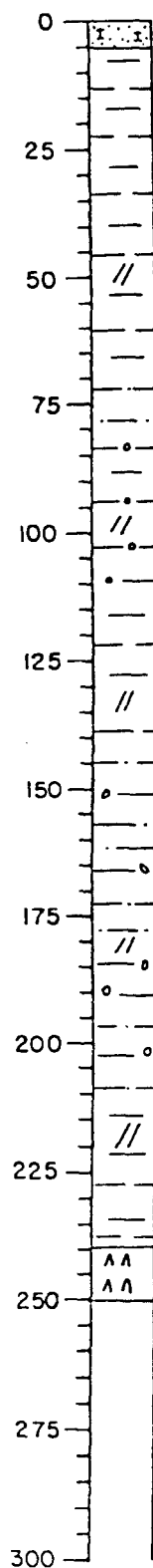
6-1/2" bit, drilled with air til 120', then with water til TD, Location: 250' approximately North of MH-9

INTERVAL	DESCRIPTION	POROSITY
0-10	80% caliche, tannish white-brownish pink, mostly fine powder with some calcite crystals; 20% silt, white-clear	Fair
10-20	80% clay, reddish brown, calcareous, slightly compacted; 20% fine sand amd silt	Poor
20-30	Same as above	Poor
30-40	90% clay, reddish brown, calcareous, fairly well compacted 10% silt	Poor
40-50	80% silt, reddish brown, sandy, powdery; 20% clay, calcareous, compacted	Fair
50-60	Same as above (except increase in clay content to 30%)	Fair
60-70	90% sand, light rust brown very fine grained, silty, powdery; 10% clay, calcareous	Fair-Good
70-80	80% sand, reddish brown, very fine grained, silty; 20% clay, slighty calcareous	Fair-Good
80-90	Same as above (except darker in color)	Fair-Good
90-100	Same as above (except slightly lighter in color)	Fair-Good
100-110	90% sand, goldish rust brown, fine-medium grained, silty argillaceous, slightly calcareous; 10% gravels, tannish white, translucent-opaque, subrounded and flat	Fair-Good
110-120	Same as above	Fair-Good
120-130	90% sand, dark reddish brown, fine-coarse grained, silty, some gravel; 10% clay calcareous	Fair-Good
130-140	75% sand, dark reddish brown, fine-medium grained, silty some gravel; 25% clay, slightly calcareous, sticky	Fair
140-150	60% sand, dark reddish brown, very fine-medium grained, silty, some sparse gravel; 40% clay, calcareous, sticky and pasty.	Poor-Fair
150-160	65% clay, reddish brown, slightly calcareous, pasty; 35% sand, very fine-fine grained, silty, some sparse gravel	Poor
160-170	Same as above (except decrease in sand content to 25%)	Poor
170-180	Same as above (except decrease in sand content to 25%)	Poor
180-190	80% clay, reddish brown, faintly calcareous, sticky and pasty; 20% silt and fine sand	Poor
190-200	Same as above (except decrease in silt content to 10%)	Poor
200-210	Same as above (except decrease in silt content to 10%)	Poor
210-220	100% clay, reddish brown, silty, faintly calcareous, sticky and soupy	Poor
220-230	Same as above	Poor
230-240	Same as above (except some sparse fine limestone chips)	Poor
240-250	Same as above (except slightly more calcareous)	Poor
250-260	90% clay, reddish brown, silty, slightly calcareous, pasty; 10% Anhydrite, white, fine chips	Poor

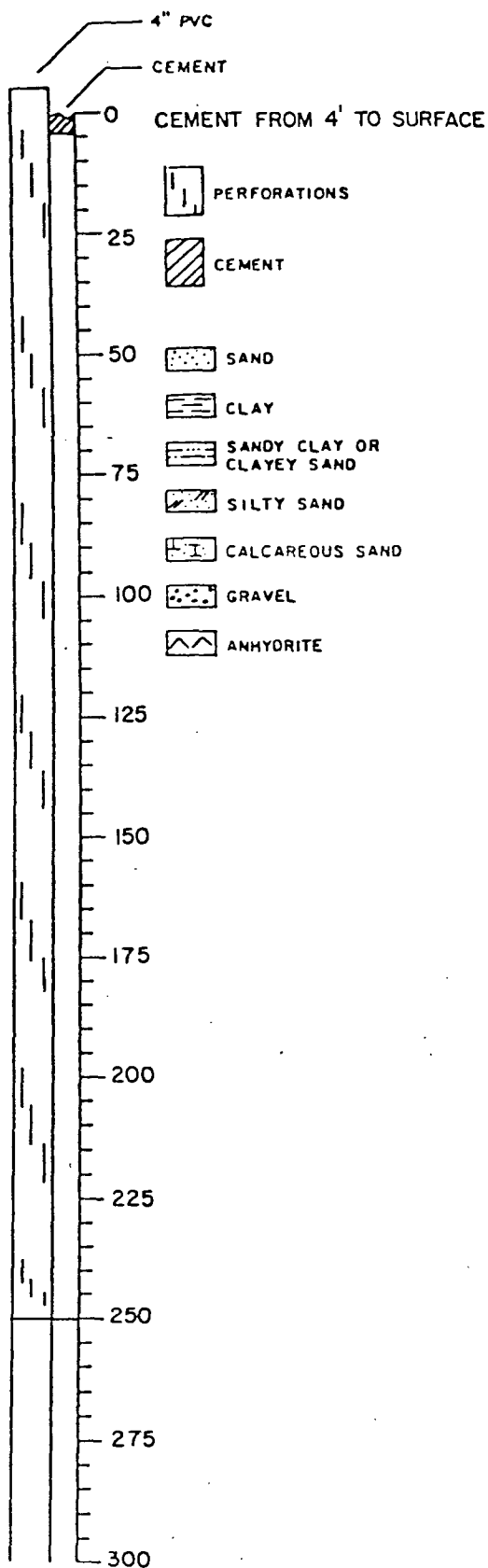
LITHOLOGIC
LOG

COMPLETION
LOG

TOTAL DEPTH 250'
CLIENT LOCO HILLS
DATE 1/20-21/83



245' TO RUSTLER



4" PVC

CEMENT

CEMENT FROM 4' TO SURFACE

PERFORATIONS

CEMENT

SAND

CLAY

SANDY CLAY OR
CLAYEY SAND

SILTY SAND

CALCAREOUS SAND

GRAVEL

ANHYDRITE

CLIENT Loco Hills Water Disposal Co.S.W.L. Blow Dry 1/24/83LOCATION FWL, FSL, SW 1/4, Sec.16,CASING 4" PVCDATE 1/20-21/83 ^{T17S, R30E, Eddy Co., N.M.}PERFORATIONS 4' to TD, 6-3/4"/1.5', 1/8"
wideWELL NUMBER MH-12 (Rustler Depth) DRILLER L. ScarboroughELEVATION Est. 3,663'Rustler Top 245' (+3,418')6-1/2" bit, drilled with water, Location: slightly south of line connecting
MH-2 to MH-3

INTERVAL	DESCRIPTION	POROSITY
0-10	70% caliche, yellowish white, angular chips; 30% sand, reddish brown, fine grained, silty	Fair
10-20	100% clay, reddish brown, silty, calcareous, sticky and pasty	Poor
20-30	Same as above	Poor
30-40	90% clay, reddish brown, calcareous, sticky; 10% sand, fine grained, silty	Poor
40-50	100% clay, reddish brown, silty, slightly calcareous, pasty	Poor
50-60	Same as above	Poor
60-70	Same as above	Poor
70-80	90% clay, reddish brown, slightly calcareous; 10% sand, very fine grained, silty	Poor
80-90	85% clay, reddish brown, faintly calcareous; 10% silt, 5% gravels, fine, angular (report: 86'-87' gravels, multicolored, fine, subangular)	Poor
90-100	90% clay, reddish brown, slightly calcareous, sandy; 10% siltstone, greenish yellow, calcareous matrix, angular fragments	Poor
100-110	75% clay, reddish brown, sandy, faintly calcareous; 25% gravels, multicolored, fine-medium, subangular-subrounded (report: 103'-110' drilling rate increased)	Poor
110-120	100% clay, reddish brown, silty, faintly calcareous, pasty	Poor
120-130	90% clay, reddish brown, silty, slightly calcareous; 10% limestone, white, angular fragments	Poor
130-140	100% clay, reddish brown, silty, faintly calcareous, pasty	Poor
140-150	90% clay, reddish brown, sandy and silty, faintly calcareous; 10% gravels white-clear, fine, subrounded, chert and limestone composition	Poor
150-160	100% clay, reddish brown, silty, faintly calcareous, sticky and pasty	Poor
160-170	Same as above	Poor
170-180	80% clay, reddish brown, silty pasty; 20% gravels, white-yellow, fine-medium, subangular-subrounded, limestone and sandstone composition	Poor
180-190	90% clay, reddish brown, faintly calcareous, sticky; 10% coarse sand and fine gravels, subangular	Poor
190-200	Same as above	Poor
200-210	100% clay, reddish brown, sandy and silty, faintly calcareous, soupy	Poor
210-220	100% clay, reddish brown, silty, slightly calcareous, pasty	Poor

S.W.L. Blow Dry 1/24/83

LOCATION FWL, FSL, SW 1/4, Sec.16,

CASING 4" PVC

T17S, R30E, Eddy Co. N.M.

PERFORATIONS 4' to TD 6-3/4"/1.5', 1/8"
wide

DATE 1/20-21/83

WELL NUMBER MH-12 (Rustler Depth) DRILLER L. Scarborough

ELEVATION Est. 3,663'

Rustler Top 245' (+3.418')

6-1/2" bit, drilled with water, Location: slightly south of line connecting
MH-2 to MH-3

[illegible]

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
 Supersedes C-128
 Effective 1-1-65

All distances must be from the outer boundaries of the Section.

Operator LOCO HILLS BRINE CO.			Lease LOCO HILLS BRINE CO. STATE		Well No. 1
Unit Letter M	Section 16	Township 17 South	Range 30 East	County Eddy	
Actual Footage Location of Well: 600 feet from the South line and 230 feet from the West line					
Ground Level Elev. 3655.	Producing Formation		Pool		Dedicated Acreage: <div style="text-align: right;">Acres</div>

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. 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

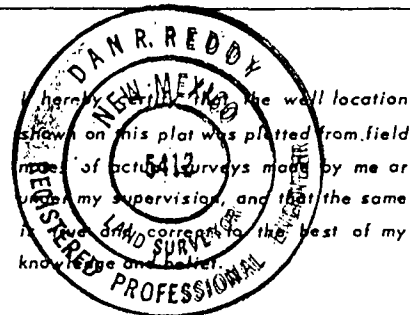
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name _____

Position _____

Company _____

Date _____



Date Surveyed

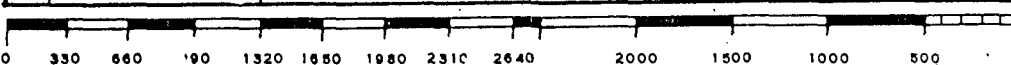
May 14, 1985

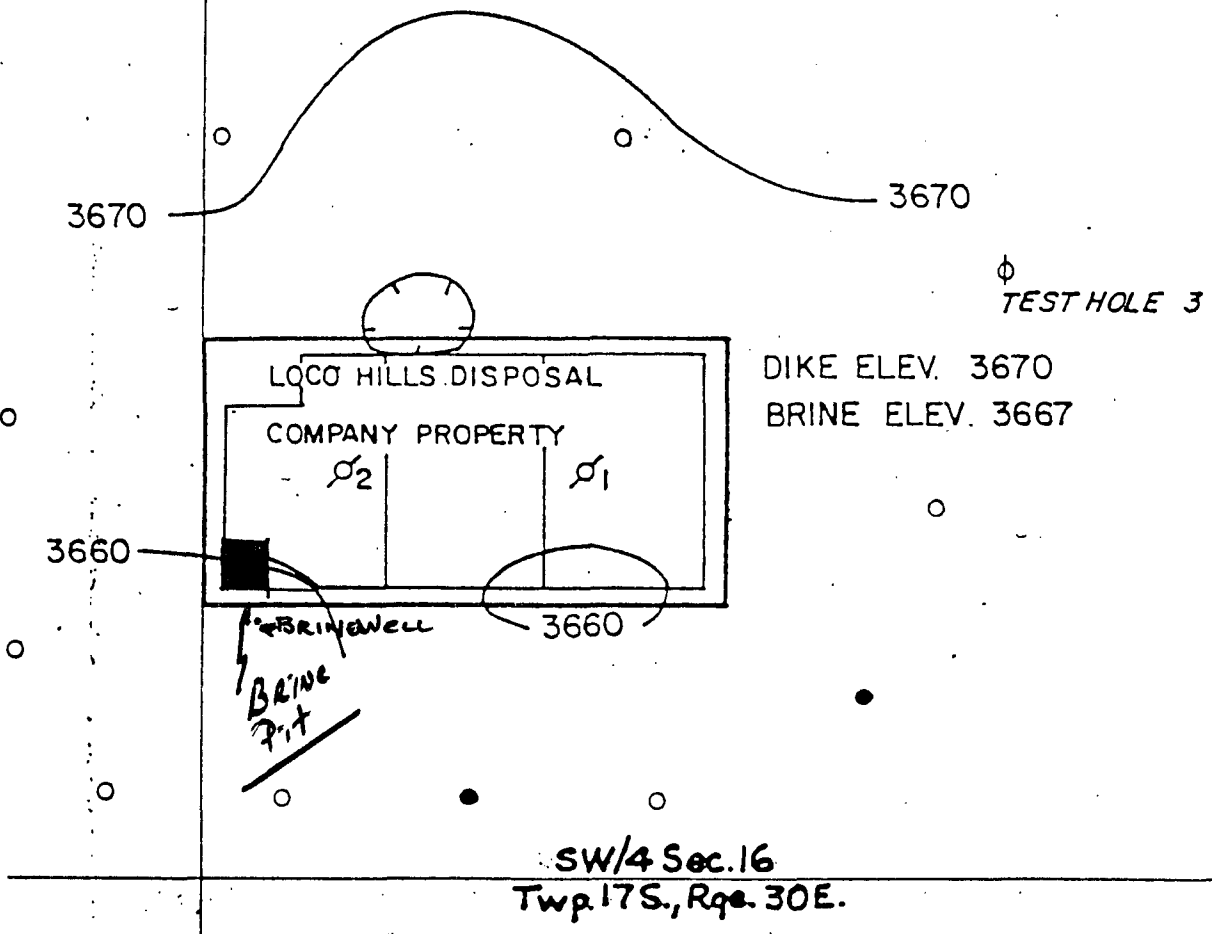
Registered Professional Engineer
 and/or Land Surveyor

Dan R. Reddy

Certificate No.

NM PE&LS NO. 5412





LEGEND

- 60' MONITOR HOLES
- RUSTLER DEPTH MONITOR HOLES
- ⌀ CORE HOLE



SCALE IN FEET



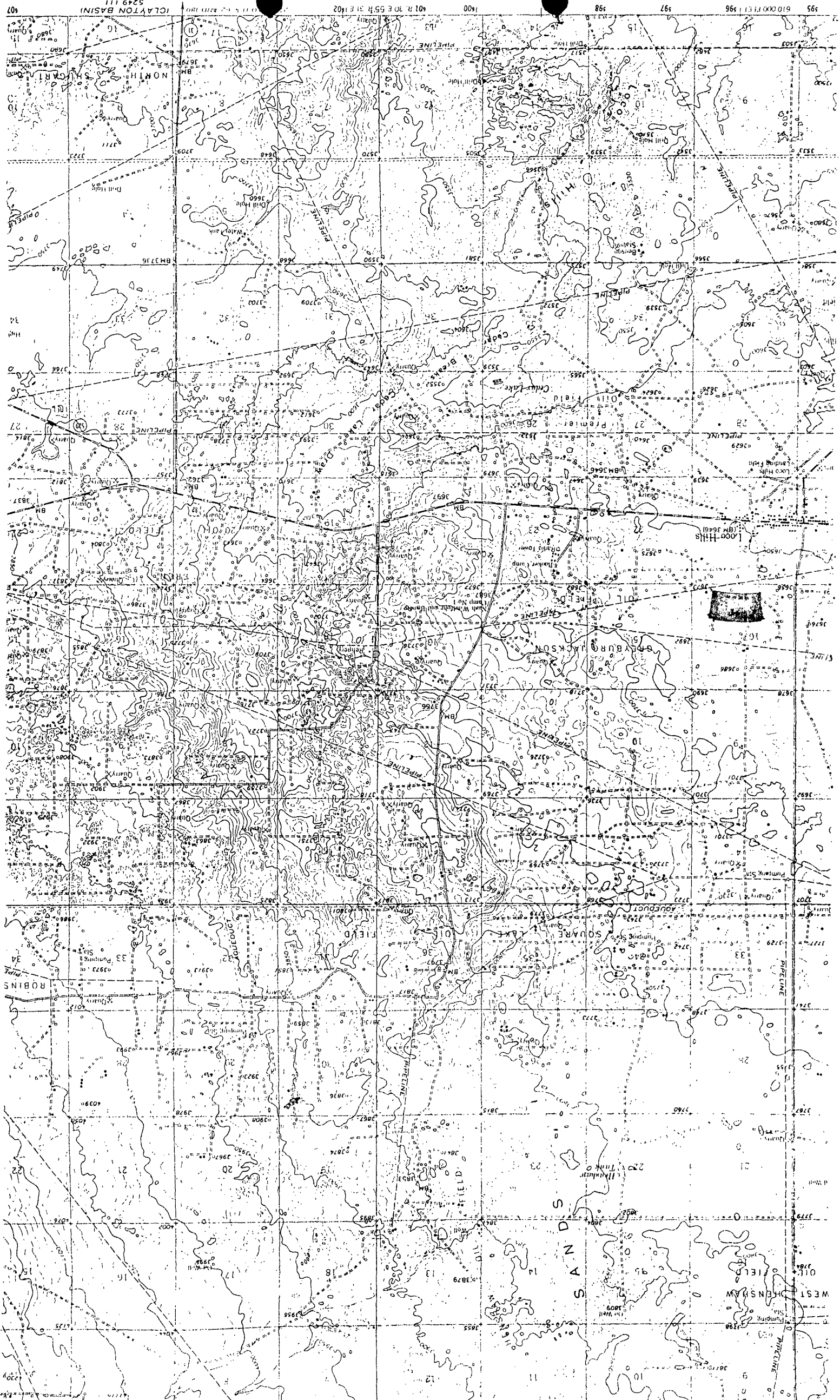
HEGWAR DRILLING COMPANY
ARTESIA, NEW MEXICO

DAILY DRILLING REPORT

LOCO HILLS BRINE WATER STATION

6-10-85	Moving rig from yard to location	
6-11-85	Moving rig waiting on dead men	
6-12-85	Rigged up and spudding hole	0-10' Sand
		10-50' Sand & Shale
6-13-85	Drilling	50-100' Red Sand & Shale
		100-105' Sand
		105-125' Broken Shale and Red Sand
6-14-85	Drilling	125-135' Red Bed
6-15-85	Drilling	135-140' Rd bed
		140-50' Broken Anhy
		150-60' Red Sticky Shale
6-16-85	Drilling	160-75' Sand, Shale, Anhy
6-17-85	Drilling	175-85' Sandy Anhy (Hard)
		185-90' Red Sand & Shale
6-18-85	Drilling	190-210 Red Sand & Shale
6-19-85	Drilling	210-220' Red Sand & Shale
6-20-85	Drilling	220-225' Red Shale
		225-240' Gyp & Shale
6-21-85	Drilling	240-50 Gyp & Shale
6-22-85	Drilling	250-65 Gyp & Shale Hard
6-23-85	Drilling	265-280 Gyp. Anhy, Shale
6-24-85	Drilling	280-95' Anhy, Gyp, Shale
6-25-85	Drilling	295-305 Gyp, Anhy, Shale
6-26-85	Drilling	305-20' Sandy Shale, Gyp, Anhy
6-27-85	Drilling	320-35 Sandy Shale, Gyp, Anhy
6-28-85	Drilling	335-45 Gyp & Shale
6-29-85	Drilling	345-60 Gyp, Blue Shale & Anhy
6-30-85	Drilling	360-70 Anhy
7-1-85	Drilling	370-80 Blue & Red Shale
7-2 thru 7-20	Rig down for repairs,	
7-21-85	Drilling	380-90 Red Shale & Anhy
7-22-85	Drilling	390-410 Sandy Anhy & Shale
7-23-85	Drilling	410-20 Blue Shale
7-24-85	Drilling	420-30 Anhy
7-25-85	Ran 420' 7" Fiberglass Casing and Circulated cement to surface	
7-26-85	Pressure tested casing to 1000# for 30 minutes	
7-27-85	Drilling	430-50 Anhy
7-28-85	Drilling	450-500 Anhy and Salt
7-29-85	Drilling	500-610 Salt
7-30-85	Drilling	610-670 Salt
7-31-85	Drilling	670-715 Salt
8-1-85	Drilling	715-775 Salt
8-2-85	Drilling	775-845 Salt
8-3-85	Drilling	845-900 Salt
8-4-85	Drilling	900-940 Salt
8-5-85	Drilling	940-980 Salt
8-6-85	Drilling	980-1005 Shale and Salt
8-7-85	Drilling	1005-1045 Shale and Salt
8-8-85	Ran 900' 2 7/8 Fiberglass tubing and flanged up well head.	

SCALE 1:62500



9/30/85: Dick Maloney called to go over
my letter and the P application
form to be sure he understood
what was being required. Said he
would send in a corrected appli-
cation in a couple of days.

Dave Morgan

5. of
amples Ion

FIELD TRIP REPORT
GROUND WATER SECTION

SLD USER CODES

Ground Water: 59300

NO₃, HC, & Toxics: 59600

UIC: 59500

County Eddy

FACILITY VISITED

Name of Facility: Loco Hills Brine Station

Location: 1/2 mi. W. of town of Loco Hills on County Rd. 217
at corner of Loco Hills Water Disposal Co. pits.

Discharge Plan Number: DP-394

Type of Operation: brine extraction well and associated surface facilities.

ENVIRONMENTAL IMPROVEMENT DIVISION FIELD VISIT

EID Inspector(s): Pidge Morgan / Steve Sares

Date of Inspection or Visit: 8/21/85

Discharger's Representative Present During EID Visit:

Name: Dick Maloney, Ray Westfall

Title or Position: partners?

Purpose of Visit:

- Evaluation of Proposed Discharge Plan ✓
- Compliance Inspection of Discharge with Approved Plan
- Other (specify)

Inspection Activities During Field Visit:

- Inspection of Facilities or Construction (specify)
Inspected location of well + pond, fiberglass casing
+ filling used in well construction
- Sampling of Effluents (give sampling locations)
- Sampling of Ground Water (give names or locations of wells)
- Evaluation of geology, soils, water levels or other physical characteristics of the location (specify)
Checked monitor wells to south and west of
brine well - all were dry.

e. Other (specify)

Discussed remainder of requirements to com-
plete discharge plan.

Observations and Information Obtained during the Visit:

ACTION REQUIRED

Loco Mining & Brine Co.

Dick Maloney

Yulbing TD 990

24 ft casing

casing + Yulbing both glass

salt about 525-550

not enough pressure in
water line to circulate yet

Checked monitor well $\approx 250'$

o of well - 60' depth - dry.

Just w. of County Rd 217

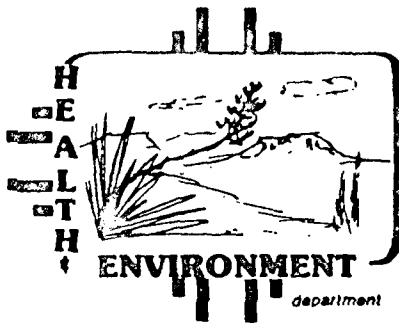
$\approx 30 \times 4.5$ ft. : monitor well #11

to Ruffler. (250' deep - we
only had 100' tape). Dry as
far as we could tell.

Another well #5 ≈ 45 paces
from #11 to WSW. 60' ft deep.
Dry.

#6 almost due w. ^{to true} of well location.
 $\approx 500'$ estimated dist.

60' - dry.



STATE OF NEW MEXICO

ENVIRONMENTAL IMPROVEMENT DIVISION

P.O. Box 968, Santa Fe, New Mexico 87504-0968
(505) 984-0020

Paige
TONEY ANAYA
GOVERNOR

DENISE D. FORT
DIRECTOR

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

August 1, 1985

Paige,

8-7-85
10:15

Loco Hills Brine Company
Box 68
Loco Hills, New Mexico 88255

Dick Malony from
Local Hills Water Disposal
returned your call.

Dear Sirs:

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 above address and telephone number (ext. 279).

Sincerely,

Maxine S. Goad

Maxine S. Goad
Program Manager
Ground Water Section

MSG:jba

Enclosure

P 612 425 224

RECEIPT FOR CERTIFIED MAIL

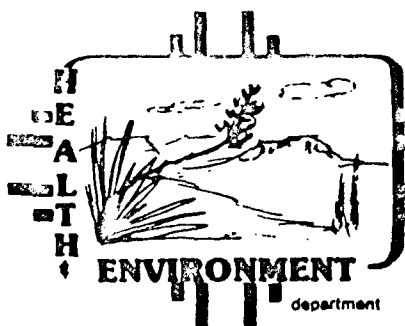
NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

Sent to Loco Hills Brine Co.	
Street and No. Box 68	
P.O., State and ZIP Code Loco Hills, N.M.	
Postage 88255	Certified Fee
Special Delivery Fee	Restricted Delivery Fee
Return Receipt Showing to whom and Date Delivered	
Return receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date	

* U.S.G.P.O. 1983-403-517

PS Form 3800, Feb. 1982



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

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

August 1, 1985

Eddy County Commissioners
County of Eddy
Artesia, New Mexico

Board of County Commissioners:

Enclosed is a public notice which includes notice of proposed discharge plan(s) for one or more operations located in your county.

If you have any questions, please do not hesitate to contact me at the address and telephone number given above.

Sincerely,

Maxine S. Goad

MAXINE S. GOAD
Program Manager
Ground Water Section

MSG:

Enclosure

PS Form 3800, Feb. 1982

★ U.S.G.P.O. 1983-403-517

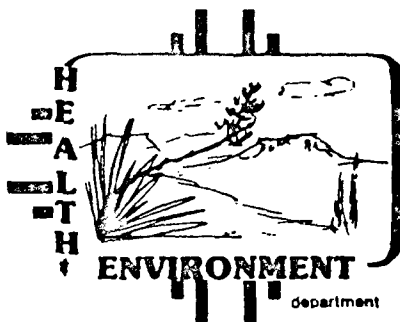
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to whom and Date Delivered	
Return receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date	

(See Reverse)

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

RECEIPT FOR CERTIFIED MAIL

P 612 425 175



STATE OF NEW MEXICO

ENVIRONMENTAL IMPROVEMENT DIVISION

P.O. Box 968, Santa Fe, New Mexico 87504-0968

(505) 984-0020

TONY ANAYA
GOVERNOR

DENISE D. FORT
DIRECTOR

August 1, 1985

Artesia Daily Press
503 West Main
Artesia, New Mexico 88210

Dear Sir or Madam:

Please publish the enclosed public notice concerning discharge plan(s) in the classified legal section on or before August 10, 1985.

Send your statement and two (2) copies of the Affidavit of Publication to me at the above address.

Please print only the section(s) highlighted in yellow.

Thank you.

Sincerely,

Maxine S. Goad

Maxine S. Goad
Program Manager
Ground Water Section

MSG:jba

Enclosure

AUGUST 1, 1985

TO BE PUBLISHED ON OR BEFORE AUGUST 10, 1985

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 Director of the New Mexico Environmental Improvement Division, P.O. Box 968, Crown Building, Santa Fe, New Mexico 87504-0968; telephone (505) 984-0020.

(DP-214 and DP-274) CHINO MINES CO., Hurley, New Mexico, 88043, proposes to amend their Whitewater Creek copper extraction facilities discharge plans by changing the ground water monitoring regimen. The affected operations are in Grant County, T17S, R12W; T18S, R12W; T18S, R13W; T19S, R12W; and T19S, R13W. Chino presently samples quarterly 76 ground water wells. It proposes to delete 11 wells from the sampling and to reduce frequency of sampling and number of parameters from the remaining wells. The ground water most likely to be affected is at depths ranging from approximately 19 feet to 3000 ft. with total dissolved solids ranging from 375 to 3,361 mg/l.

(DP-393) FIELDER & ASSOCIATES, INC., P.O. Box 37290, Albuquerque, New Mexico 87176 proposes to discharge approximately 8700 gallons per day of domestic sewage to a septic tank leach field system. The discharge would be from a 40 unit apartment complex located in T10N, R7E, Section 27, Santa Fe County, New Mexico. The ground water most likely to be affected is at a depth of approximately 250 ft. and has a total dissolved solids concentration of approximately 900 mg/l.

(DP-394) LOCO HILLS BRINE COMPANY, Box 68, Loco Hills, New Mexico 88255, has submitted a discharge plan for a brine station to be located in the SW1/4 SW1/4 of Section 16, T17S, R30E in Eddy County, on the property where the Loco Hills Water Disposal Company operates pits for the disposal of oilfield brine. In this locale, an old "waterflood" (secondary oil recovery operation) has resulted in the saturation of the typically dry salt beds of the Salado Formation. Loco Hills Brine Co. intends to drill an injection well to a depth of 400 to 900 feet, to encounter the brine. The well will be cased with fiberglass. Fresh water will be injected to create adequate pressure for the brine to flow to the surface, unless the brine turns out to be under sufficient pressure to flow of its own accord. The brine will be stored in a lined pond for sale on demand. Except for the saturated salt beds referred to above, there is no ground water in the immediate vicinity, as demonstrated by two coreholes and 13 monitor wells drilled as a condition of the permit for the disposal pits granted by the New Mexico Oil Conservation Division. The monitor wells have been and will continue to be monitored for lateral migration of the disposed brine. The brine sales pit will be located in such a way that leakage would be detected by the existing monitor wells. The brine well will be pressure-tested periodically to assure its integrity.



THE REPRODUCTION OF

THE

FOLLOWING

DOCUMENT (S)

CANNOT BE IMPROVED

DUE TO

THE CONDITION OF

THE ORIGINAL

(DP-396) PHELPS - DODGE CORPORATION, TYRONE BRANCH, Tyrone, New Mexico, 88065, proposes to operate a 285 acre copper leach dump, (the No. 1C) in Grant County at T19S, R15W, in parts of Sections 25 and 26. The pregnant leach solution will be collected in a lined 0.6 acre pond, piped to the precipitation plant for removal of copper and subsequently recycled on the dumps. The nearest ground water to be affected lies at 30 feet below the surface with a total dissolved solids concentration of approximately 400 mg/l.

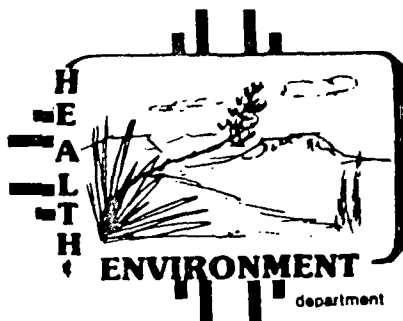
(DP-47) PICACHO HILLS LAND DEVELOPMENT COMPANY, P.O. Box 448, Mesilla, New Mexico, proposes to revise their existing discharge plan DP-47 for disposal of sewage from their residential subdivision located in Dona Ana County in T23S, R1E, Sections 5 and 8 by decreasing the number of monitoring wells from four to two. The design flow is 25,000 gallons per day. The ground water most likely to be affected is at a depth of approximately 65 to 120 feet and has a total dissolved solids concentration of approximately 300 mg/l.

(DP-397) ROBERTS OIL COMPANY, Mr. William Roberts, P.O. Box 11397, Albuquerque, New Mexico 87192, proposes to discharge up to 60,000 gallons per day of water produced by pumping a recovery well for the purpose of cleaning up gasoline and contaminated ground water from an underground gasoline storage system leak at the Roberts Pump 'N Save filling station located at 4257 Isleta, Albuquerque in Bernalillo County (T9N, R2E, Section 13, NE1/4 of NW 1/4). Gasoline will be separated and recovered from water and the contaminated water will be treated by air-stripping to remove volatile organic contaminants. This treated water will then be discharged to a recharge trench located on-site. Ground water beneath the site is at a depth of five to six feet and has a total dissolved solids concentration of approximately 700 milligrams per liter.

(DP-392) U.S. ARMY WHITE SANDS MISSILE RANGE, White Sands Missile Range, New Mexico 88002, proposes to discharge a maximum of 6460 gallons per day of domestic sewage into a clay-lined evaporation lagoon located in Section 2, T21S, R3E, Dona Ana County, New Mexico. The ground water below the site is at a depth of approximately 175 feet and has a total dissolved solids concentration of approximately 525 mg/l.

(DP-395) WESTGATE SUBDIVISION, Los Alamos County Utilities Department, 901 Trinity Drive, Los Alamos, New Mexico 87544 proposes to discharge 16,000 gallons per day of treated domestic waste into an ephemeral stream located in Section 35, T19N, R35E (projected) Los Alamos County, New Mexico. The principal ground water beneath the site is at a depth of over 1200 feet and has a total dissolved solid content of approximately 200 mg/l.

Any interested person may obtain further information from the Ground Water Section, Ground Water/Hazardous Waste Bureau, EID, and may submit written comments to the Director of the EID at the address given above. Prior to ruling on any proposed discharge plan or its modification, the Director of EID will allow thirty (30) days after the date of publication of this Notice during which comments may be submitted to her and a public hearing may be requested by any interested person. Requests for public hearing shall set forth the reasons why the hearing should be held. A hearing will be held if the Director determines that there is significant public interest.



STATE OF NEW MEXICO

ENVIRONMENTAL IMPROVEMENT DIVISION

P.O. Box 968, Santa Fe, New Mexico 87504-0968

(505) 984-0020

TONEY ANAYA
GOVERNOR

DENISE D. FORT
DIRECTOR

July 24, 1985

James T. Jennings
Jennings & Christy
PO Box 1180
Roswell, NM 88202-1180

Re: Discharge plan DP-394 for Loco Hills Brine Station.

Dear Mr. Jennings:

On the basis of the discharge plan application which you submitted to EID on behalf of Loco Hills Brine Company on July 12, 1985, my conversation with you and Mr. Westall on June 18th, the hearing record for Case No. 7720 (Order No. R-6811-B) which I obtained from the Oil Conservation Division, and a telephone conversation with Mr. Maloney on July 23rd, I was able to glean enough information on the proposed Loco Hills Brine Station to write a public notice regarding that facility. The public notice will be published on or before August 10th. By law, EID must wait 30 days from that date before approving or disapproving a discharge plan, to allow sufficient time to receive any expression of concern from the public regarding a proposed operation. Therefore, the earliest date on which I could recommend approval of the Loco Hills Brine Co. discharge plan is September 10, 1985. Please bear in mind that operation of the facility prior to approval of its discharge plan would be in violation of the Water Quality Control Commission (WQCC) regulations.

As it stands, the discharge plan is not approvable. Please address the following deficiencies in the plan you have submitted:

Discharge Plan Application

1. Submit a topographic map to place the facility in a regional context.
2. Specify what type of facility it is that you are describing.
3. The injection well is also a means of discharge.
5. Your remark under #7, "Source of Information", belongs here. However, it is meaningless to report "ppm" without indicating ppm of what. Assuming you mean TDS, the dissolved solids content of brine has been known to be much higher than what you report.

6. You have not answered the question. Please demonstrate on the topographic map submitted in response to question #1, that there are no bodies of water, wells, seeps, or springs within a mile of the outside perimeter of the Loco Hills disposal pits. *OK*

7. Where is the ground water that you indicate occurs at a depth of 750 feet and has a TDS concentration of 110 to 330 mg/l? Your response to this question appears to contradict your contention that there is no ground water in the vicinity of the proposed brine station. Your answer under "Source of information" is a complete non sequitur (see #5, above).

8. Your answer to the question about flooding potential more properly answers the question about flood protection measures - I assume you mean to indicate that with a 3' freeboard, it is unlikely that rain could cause the brine sales pit to overtop. The question about flooding potential remains. Does the topographic location of the site make it unlikely that it could be flooded by overland flow during a heavy rain? Also: what are the dimensions of your brine sales pit? *answered in 83*

10. Another non sequitur. You have submitted a plot plan to show the location of the proposed brine sales pit, and it indicates the location of monitor wells (albeit the locations differ from those shown on the map accompanying Steve Reed's 2/8/83 letter to you, as discussed below.) This is your response to question #10.

According to the OCD hearing record referenced above, there are water wells 9 (not 10) miles south of the Loco Hills brine disposal facility; there may be water nearer than that.

12. The appropriate response is "not applicable". Your answer has no bearing on the question.

13. b. How many brine sales ponds are planned?

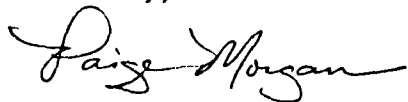
c. Even though there is no ground water in the immediate area, you do plan to continue monitoring the existing monitor wells to ensure that there are no excursions from the disposal pits, the brine sales pit or at a shallow depth in the injection well. It is conceivable that the injection well could develop a leak deeper than the monitoring wells would be able to detect it. EID will require periodic pressure tests to ensure that the well is sound. If the well were found to be leaking, you should commit to shutting down operations until the well could be repaired. A continuous, undetected leak could result in contamination of distant aquifers. *Paul H. H.*

Lochis
With regard to the map accompanying the discharge plan application: as mentioned above, the Stevens map shows several additional monitor wells. Please submit a corrected map, indicating the location of the injection well in addition to the location of the brine sales pit. *OK*

The additional information listed in my letter to you of June 12, 1985, will also be required before this discharge plan can be considered complete.

Thank you for your attention to completing the discharge plan process for this facility.

Sincerely,

A handwritten signature in cursive script, reading "Paige Morgan".

Paige Grant Morgan
Water Resource Specialist

PGM:pgm

cc: Ray Westall, Loco Hills Brine Co. President.

7/23/85-

Called fiberglass casing mfg to ask what kinds of cement would bond to fiberglass. They put me on to a consultant Jack Mann: 713-367-7363 or 520-9900. He has done research on various aspects of use of fiber casing & has installed a number of such wells. He says:

any kind of oilfield cement will bond to fiberglass as long as the casing is scratched slightly - he prefers "brush-pass sand-blast", does not recommend rough-cutting. Scratch 3-4 feet above joint end and below box end.

recommends getting the best stuff in terms of tensile strength & collapse resistance, because manufacturers don't really know the material, can't give a clear idea of collapse strength.

it is possible to set a packer in fiberglass. They did so as a test, withdrew it, then visually inspected casing at that point - no apparent damage.

LAW OFFICES OF
JENNINGS & CHRISTY

900 UNITED BANK PLAZA
P. O. BOX 1180
ROSWELL, NEW MEXICO 88202-1180

TELEPHONE 622-8432
AREA CODE 505

JAMES T. JENNINGS
SIM B. CHRISTY IV
PHIL T. BREWER
VICTORIA S. ARENDS
A. D. "DIRK" JONES

July 8, 1985

Environmental Improvement Division
Ground Water Section
P. O. Box 968
Santa Fe, New Mexico 87504-0968

Attention: Paige Grant Morgan,
Water Resource Specialist

Re: Loco Hills Brine Company

Dear Ms. Morgan:


In accordance with our conversation in your office on June 18, 1985, the Discharge Plan Application-Part A has been executed by Loco Hills Brine Company and is attached hereto. This will grant the necessary information so that we can proceed with the completion of the well and construction of the necessary facility.

Loco Hills Brine Company has tried to give you all the necessary information and I think that in light of the fact that we have had the OCD hearing, there should be sufficient information available to find early approval.

If you have any problems or if you need anything further or additional, please call me so that we can get it to you without further delay.

Yours very truly,

JENNINGS & CHRISTY


James T. Jennings

JTJ:el

Enclosure

cc: Ray Westall

RECEIVED

JUL 12 1985

GW / HAZARDOUS WASTE SECTION

NEW MEXICO ENVIRONMENTAL IMPROVEMENT DIVISION

DISCHARGE PLAN APPLICATION - Part A

DP 394

Name of discharger or person legally responsible for discharge:

Loco Hills Brine Company

Address: Box 68

Loco Hills, New Mexico 88255

Telephone: (505) 677-3113, 677-2118

Local representative or contact person if different from above:

Name: Dick Maloney or Ray Westall

Address: Hughes Services

Loco Hills, New Mexico 88255

Telephone: 677-3113 or 677-2118

General Information Required of All Discharge Plans

1. Location of Discharge

County Eddy, T 17S, R 30E, Sec. 16, SW $\frac{1}{4}$ of SW $\frac{1}{4}$
(use state coordinates or latitude/longitude on unsurveyed land)

NOTE: A topographic map or detailed aerial photograph should be used in conjunction with a written description to depict the locations of the discharge and other relevant objects.

2. Type of operation, facility or development. facility

3. The means of discharge (To a lagoon, flowing stream, watercourse, arroyo, cropland, septic tank-leach field, other - specify. lined pit)

4. Quantity

Total volume in gallons per day (gpd), of each discharge or combination of discharges. 84,000 gpd.

If more than one discharge stream and/or discharge point, give gpd for each.

5. Quality

Concentrations, in milligrams per liter (mg/l), of any contaminants listed in Section 3-103, total nitrogen, and any toxic pollutants as defined in Subsection 1-101.U.U. of the regulations that may be present in the discharge.

Contaminant

Concentration (mg/l)

one-time analysis for major ions

tell us when after start-up of operations. Analyses will be submitted

? \leftarrow

6. Name, description, and location of any bodies of water or watercourses and ground water discharge sites (wells, seeps & springs) within one mile of the outside perimeter of the discharge site. This brine station will be adjacent to the Loco Hills Salt Water Disposal. The brine pit will be part of the existing pits.

map

7. Depth to and total dissolved solids (TDS) concentration of the ground water most likely to be affected by the discharge.

Depth 750' feet. TDS 110 to 330 mg/l. — *Contradicts rest of info.*

Source of information: 10# Brine has 180,000 to 190,000 ppm — *non sequitur*

8. Flooding potential of the discharge site. A 3' free board will be maintained on brine pit at all times. — *has nothing to do w/ potential flooding*

dimensions?

Flooding protection measures (berms, channels, other, if applicable): due to heavy rainfall

9. Describe the monitoring system proposed in the plan in which adequate provision for sampling of effluent and adequate flow monitoring is included, so that the amount(s) being discharged onto or below the surface of the ground can be determined.

The Loco Hills Salt Water Disposal has a ring of monitor holes that are tested monthly, for migration of produced water.

10. Location(s) of existing or proposed wells to be used for monitoring ground water quality. Specify below or locate on map.

Township Range Section % of % of %

Thru extensive studies studies for the Loco Hills Salt water Disposal

fresh water is non existant in the areas within 10 miles of this site.

Geologic description of discharge site. If drillers log(s) are available, please attach.

Soil (sand, clay, loam, caliche, etc.) sand, clay, caliche. will furnish drillers
log as soon as well is completed.

Name of aquifer _____

Aquifer material (e.g. alluvium, sandstone, volcanic, etc.) _____

Depth to rock at base of alluvium (if available) 420 feet

12. Copies of plans and specifications for sewerage and flow systems, including materials specifications provided by the manufacturer, must be submitted to the EID District Engineer and to the Ground Water Section of the EID Ground Water and Hazardous Waste Bureau. No fresh water in area.

13. What conditions naturally exist, or what actions will the discharger take to assure that New Mexico ground water standards are not going to be exceeded at any place of present or foreseeable future use as a result of the operation? Use separate attachments when necessary. No fresh water in area.

- a. Specific hydrologic, geologic and/or agricultural information?

Hydrologic study for Loco Hills Salt Water Disposal

- b. Minimizing discharge (e.g. synthetically lined ponds with leak detection system)?

Synthetically Lined Ponds.

- c. Ground water monitoring program with contingency plan should ground water standards be threatened?

No ground water in area.

NOTE: To demonstrate that ground water standards are not going to be violated, additional information may be requested of the discharger.

I certify that I am familiar with the information contained in the application and that to the best of my knowledge and belief such information is true, complete and accurate.

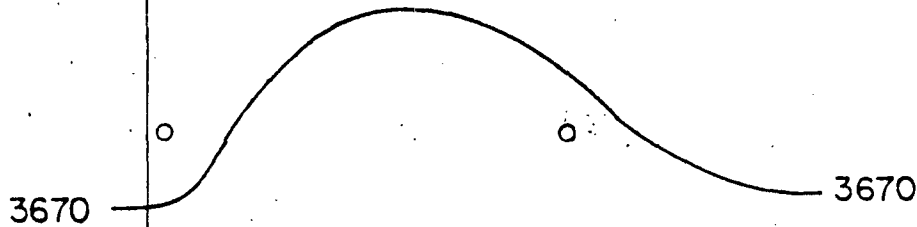
Signature

Date

7-1-85

Printed Name of Person Signing

Title

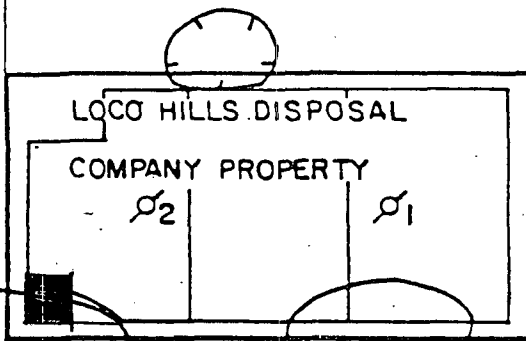


φ
TEST HOLE 3

LOCO HILLS DISPOSAL
COMPANY PROPERTY

DIKE ELEV. 3670
BRINE ELEV. 3667

3660



where's the well?

*these holes all
perforated for
full length: not
specific for
you*

SW/4 Sec. 16
Twp 17S., Rge. 30E.

LEGEND

- 60' MONITOR HOLES
- RUSTLER DEPTH MONITOR HOLES
- σ CORE HOLE



SCALE IN FEET



*how are
wells
numbered?*

*this map
superceded by
later one w/
letter from Ed Reed
for Jennings, 2/6/83?*

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

Operator LOCO HILLS BRINE CO.			Lease LOCO HILLS BRINE CO. STATE			Well No. 1		
Unit Letter M	Section 16	Township 17 South	Range 30 East	County Eddy				
Actual Footage Location of Well: <div style="display: flex; justify-content: space-between; align-items: center;"> 600 feet from the South line and 230 feet from the West line </div>								
Ground Level Elev. 3655.	Producing Formation			Pool			Dedicated Acreage: Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. 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

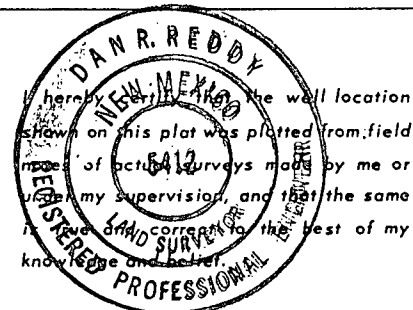
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name _____

Position _____

Company _____

Date _____



Date Surveyed

May 14, 1985

Registered Professional Engineer
and/or Land Surveyor

Dan R. Reddy

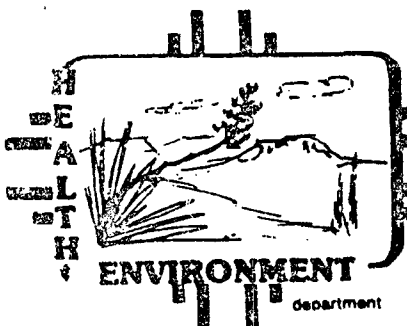
Certificate No.

NM PE&LS NO. 5412



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

June 12, 1985

Ray Westall, President
Loco Hills Brine Company
PO Box 68
Loco Hills, NM 88255

Dear Mr. Westall:

Pursuant to New Mexico Water Quality Control Commission regulations (enclosed), and specifically to Section 5-104, you are hereby notified that a discharge plan as defined in Section 1-101.P. is required for your proposed brine extraction well to be located in the SW1/4 Section 16, T17S R30E in Eddy County, New Mexico.

This notification of discharge plan requirement is pursuant to Sections 3-104 and 3-106 of the regulations. Please be advised that any discharge from this facility without prior approval from EID would be in violation of the regulations.

Enclosed for your convenience are a discharge plan application form and a brief description of discharge plan procedures. If you have any questions, please contact Paige Grant Morgan of the Environmental Improvement Division staff at the above address and telephone number, ext. 206.

Sincerely,

Denise Fort
Denise Fort, Director

PGM:pgm

cc: James T. Jennings, Jennings & Christy
John Guinn, EID District IV Manager.

P 612 426 801

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

U.S.G.P.O. 1983-403-517 Form 3800, Feb. 1982	Sent to	Ray Westall
	Street and No.	PO Box 68
	P.O., State and ZIP Code	Loco Hills, NM 88255
	Postage	\$
	Certified Fee	
	Special Delivery Fee	
	Restricted Delivery Fee	
	Return Receipt Showing to whom and Date Delivered	
	Return receipt showing to whom, Date, and Address of Delivery	
	TOTAL Postage and Fees	\$
Postmark or Date		

E I D B U C K S L I P

CHECK ONE:

☒ LETTER TO Loco Hills Brine Co.
for Pache's signature (for Denise)

☐ MEMO TO _____

☐ PRESS RELEASE

☐ OTHER

SUBJECT: Discharge Plan required

DRAFTED BY: Ladze Morgan

6/12/85
(Date)

CONCURRENCES:

NAME:	INITIAL	DATE REC'D	DATE APPROVED
<u>Kent Braddock, Actg. Sect. Mgr.</u>	<u>KB</u>	<u>6/14/85</u>	<u>6/14/85</u>
<u>Peter Pache Actg. Actg. Bur. Chief</u>	<u>PP</u>	<u>6-14</u>	<u>6/14</u>
<u>Richard Holland</u> Dep. Dir.	_____	_____	_____
<u>Denise Fort</u> Director	_____	_____	_____

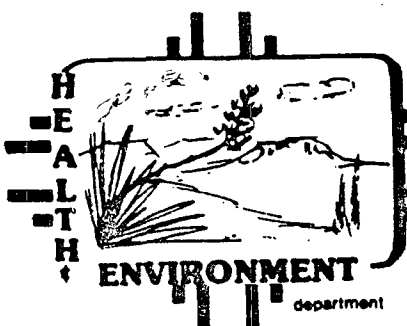
FINAL DECISION NEEDED BY ASAP BECAUSE to avoid
(date) redrafting letter.

COMMENTS BY DRAFTER OR REVIEWER(S):

Apparently no ground water where this
brine well is being installed, but
regs require that all ^{injection} ~~extraction~~ wells
have at least a Part 3 DP.

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

June 12, 1985

James T. Jennings
Jennings & Christy
PO Box 1180
Roswell, NM 88202-1180

Dear Mr. Jennings:

With regard to the enclosed copy of a letter to your client Mr. Westall: according to Part 5 of the Water Quality Control Commission regulations, all in situ extraction and effluent disposal wells require a discharge plan, whether or not there is ground water with a total dissolved solids content of 10,000 milligrams per liter or less in the vicinity of the operation. (Brine extraction wells are one category of in situ extraction well.)

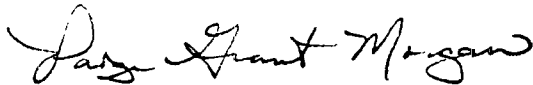
Pursuant to Section 5-104, "Where ... an in situ extraction well ... does not penetrate, or inject into or above ground water having 10,000 mg/l or less TDS, the director may ... approve a discharge plan pursuant to the requirements of Part 3 of these regulations" - rather than a full-scale Part 5 discharge plan. To this end, I have enclosed an outline which summarizes the basic requirements of a Part 3 discharge plan. In addition to filling in the blanks in this outline, please provide the EID with:

- (1) the descriptive log of formations encountered as the brine well is drilled; ✓
- (2) copies of any other logs run by your client; ✓
- (3) a scaled map showing the location of the brine well and brine storage facilities with respect to the disposal pits and monitor wells presently operated by your client. Please indicate what steps will be taken to prevent and/or contain surface spillage of brine or other contaminanats at the facility. ✓
- (4) a description of the casing and cementing program. The foot of the casing must be set in the salt, or at least well into an anhydrite layer immediately overlying the salt, but at any rate not in the Santa Rosa or Dockum formations. Cement must be circulated from the foot of the casing to ground surface.
- (5) results of a pressure test on the casing; ✓
- (6) predicted operating pressure, and

(7) a plan for the plugging and abandonment of the brine well at the end of its operating life. The plan should specify plugging the entire casing with cement. A bond or other demonstration of financial responsibility for plugging the brine well will be required (see Section 5-210.B.17). 27

Please note that your client may begin to drill or construct at any time, but he may not begin to operate until the discharge plan is approved. If you have any questions, please do not hesitate to contact me at the address and telephone number given on the letterhead, extension 206.

Sincerely,



Paige Grant Morgan
Water Resource Specialist

PGM:pgm

cc: John Guinn, EID District IV Manager

LAW OFFICES OF
JENNINGS & CHRISTY

900 UNITED BANK PLAZA
P. O. BOX 1180
ROSWELL, NEW MEXICO 88202-1180

TELEPHONE 622-8432
AREA CODE 505

JAMES T. JENNINGS
SIM B. CHRISTY IV
PHIL T. BREWER

VICTORIA S. ARENDS
A. D. "DIRK" JONES

May 22, 1985

RECEIVED

MAY 25 1985

Environmental Improvement Division
State of New Mexico
P. O. Box 968
Santa Fe, New Mexico 87504-0968

Attention: Paige Grant Morgan
Water Resource Specialist

LIQUID WASTE/GROUND WATER
SURVEILLANCE

Re: Loco Hills Brine Company

Dear Ms. Morgan:

In accordance with your letter of instructions and our prior conversations, I am enclosing herewith a Notice of Intent in duplicate in connection with the proposed construction of a Brine facility to be located on State Lease M-20375 in Section 16, Township 17 South, Range 30 East.

You will note that this matter has been heard by the Oil Conservation Commission and a copy of the Commission Order No. R-6811-B is attached to the Notice of Intent. You will further note that there is a specific finding in this Order which was made after the hearing that there is no fresh water in the immediate vicinity of the disposal system. The findings reflect that the disposed water will not affect any fresh water in the vicinity of the lands described in the Notice of Intent.

We hope that the enclosed Notice meets with your approval and if you have any questions let me hear from you.

Yours very truly,

JENNINGS & CHRISTY



James T. Jennings

JTJ:el

cc: Loco Hills Brine Company

NOTICE OF INTENT

1. Name and address of the person making the discharge. _____

Loco Hills Brine Company

P. O. Box 68

Loco Hills, New Mexico 88255

677-3113 or
Telephone: (505) 677-2118

2. Location of the discharge (in Township, Range and Section, $\frac{1}{4}, \frac{1}{4}, \frac{1}{4}$, if available).

Township 17 South, Range 30 East

Section 16: SW $\frac{1}{4}$ SW $\frac{1}{4}$ and NW $\frac{1}{4}$ SW $\frac{1}{4}$

containing 80 acres (See State Brine Lease No. M-20375 attached)

3. The means of discharge (To a lagoon, Flowing Stream, Water Course, Arroyo, Septic Tank-Leach field, Other - Specify. _____)

Injection Well

4. The estimated concentration of contaminants in the discharge. _____

Fresh water to be injected. Estimated that extracted brine will

contain from 100,000 to 300,000 TDS ^{parts} per million or 110 to 330 grams per liter.

5. The type of operation from which the discharge is derived. _____

Brine extraction well

6. The estimated flow to be discharged per day. 3,000 bbls.

7. The estimated depth to ground water (if available). _____

No fresh water in immediate vicinity of location

(See copy of Oil Conservation Department Order No. R-6811-B
Case No. 7720 attached)

LOCO HILLS BRINE COMPANY

Signed: By: Ray Westall
Ray Westall, President

Date: May 16, 1985

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION COMMISSION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 7720
Order No. R-6811-B

APPLICATION OF LOCO HILLS WATER
DISPOSAL COMPANY FOR AN AMENDMENT
TO DIVISION ORDER No. R-6811-A,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on November 29, 1982, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 30th day of December, 1982, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Loco Hills Water Disposal Company, seeks an order amending Division Order No. R-6811-A to remove the present maximum disposal limit of 2,500 barrels per acre per month imposed upon the salt water disposal facility authorized, therein, in Section 16, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico.

(3) That said Order No. R-6811-A was issued by the Commission following the hearing of Case No. 7329 De Novo on July 14, 1982.

(4) That in said Order No. R-6811-A, the Commission made, among others, the following findings:

"(6) That Order (3) of Division Order No. R-3221, as amended, prohibits in that area encompassed by Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico, the disposal, subject to minor exceptions, of water produced

in conjunction with the production of oil or gas, or both, on the surface of the ground, or in any pit, pond, lake, depression, draw, streambed, or arroyo, or in any watercourse, or in any other place or in any manner which would constitute a hazard to any fresh water supplies and said disposal has not previously been prohibited.

(7) That the aforesaid Order No. R-3221 was issued in order to afford reasonable protection against contamination of fresh water supplies designated by the State Engineer through disposal of water produced in conjunction with the production of oil or gas, or both, in unlined surface pits.

(8) That the State Engineer has designated, pursuant to Section 65-3-11 (15), N.M.S.A., 1953 Compilation, all underground water in the State of New Mexico containing 10,000 parts per million or less of dissolved solids as fresh water supplies to be afforded reasonable protection against contamination; except that said designation does not include any water for which there is no present or reasonably foreseeable beneficial use that would be impaired by contamination.

(9) That the applicant seeks an exception to the provisions of the aforesaid Order (3) of Division Order No. R-3221, as amended, to permit the commercial disposal of produced salt water into the aforesaid pits at the site described above.

(10) That the applicant proposes to install and operate an effective system, composed of holding and separating tanks, and a skimming pit, for the removal of oily and solid wastes from the waters to be disposed of into said system.

(11) That there is no fresh water in the immediate vicinity of said disposal system, but there are wells producing fresh water some nine miles south of the proposed disposal pits.

(12) That the native soils underlying said pits will permit the vertical percolation of some of the waters disposed of in said system.

(13) That the vertical percolation of waters from said system should not endanger any fresh waters.

(14) That to ensure that waters percolating from said pits move only vertically, monitor wells should be

drilled in a pattern as shown on Exhibit "A" designed to detect horizontal movement of water from said disposal area.

(15) That in the event salt water is detected in any monitor well, Case No. 7329 should be reopened within 90 days to permit applicant to appear and show cause why the authority to use said pits for water disposal should not be rescinded.

(16) That the maximum volume of produced water to be disposed of through said system should not exceed 2500 barrels per acre per month.

(17) That a freeboard of a minimum of three feet should be maintained at all times."

(5) That said Order No. R-6811-A did contain provisions limiting the maximum disposal volume to 2500 barrels per acre per month, requiring maintenance of a minimum three foot freeboard in all pits and the drilling and equipping of monitor wells.

(6) That the applicant now seeks the amendment of said Order No. R-6811-A to remove only the 2500 barrels per acre per month disposal volume limitation.

(7) That the application was opposed by a surface and ground water interest owner in the area which might be affected by the disposal operation.

(8) That the applicant presented evidence designed to demonstrate that the change in disposal volume would not significantly alter the hydrologic regime established by institution of the disposal operation nor threaten contamination of any fresh water supplies.

(9) That the protestant presented new evidence which tended to show that there were both southeast and southwest trending slopes on the interface between the Santa Rosa formation and the Rustler formation under the disposal pits.

(10) That the protestant further presented testimony tending to show that an impermeable clay barrier exists at the base of the Santa Rosa formation which would effectively stop the vertical infiltration of the disposed waters into the Rustler formation.

(11) That if the disposed water which percolates through the Santa Rosa formation from said pits cannot move into the Rustler formation, it may move laterally through the Santa Rosa formation where it may endanger fresh water supplies.

(12) That in order to verify that any water percolating from said pits ultimately enters the Rustler formation and does not move laterally within the Santa Rosa formation, the well monitoring system provided for in said Order No. R-6811-A should be expanded.

(13) That the additional monitor wells should be drilled to the Rustler formation and should be located at points approximately 250 feet north of the present monitor well No. 9 located to the east of the disposal facility, approximately 150 feet from monitor well No. 2 along a line connecting monitor well 2 and monitor well 3, and at a third location approximately midway between the present monitor holes No. 4 and 5 all as depicted on Exhibit "A" to said Order No. R-6811-A.

(14) That provided that these additional monitor wells are drilled and utilized in the same manner as the original monitor wells, no increased threat to fresh water supplies should result from lifting the 2500 barrels-per-acre disposal limitation contained in Order No. R-6811-A.

(15) That the application should be approved and the additional monitor wells should be required.

(16) That the granting of this application restricted in the manner set forth above will not cause waste, or impair correlative rights, or endanger designated fresh water supplies.

IT IS THEREFORE ORDERED:

(1) That the application of Loco Hills Water Disposal Company for an amendment of Division Order No. R-6811-A to remove the 2500 barrel per acre per month disposal limitation included in Order No. (1), thereof, is hereby approved.

PROVIDED HOWEVER, that this order shall not become effective until the applicant has drilled and completed three additional monitor wells located approximately (1) 250 feet to the North of present monitor hole No. 9, (2) 150 feet from present monitor well No. 2 along a line connecting monitor well No. 2 and 3 and (3) midway between the present monitor holes Nos. 4 and 5.

PROVIDED FURTHER, that each of said monitor wells shall be drilled to the top of the Rustler formation and that such wells

shall be cased and operated in the same manner as those monitor wells required by Order No. R-6811-A.

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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

OIL CONSERVATION COMMISSION

ALEX J. ARMIJO, Member

Ed Kelley
ED KELLEY, Member

Joe D. Ramey
JOE D. RAMEY, Member & Secretary



NEW MEXICO STATE LAND OFFICE

SALT MINING LEASE

SALT MINING LEASE

NO. M-20375

THIS AGREEMENT, dated this 28TH day of JANUARY 1985, made and entered into between the STATE OF NEW MEXICO, acting by and through the undersigned, its COMMISSIONER OF PUBLIC LANDS, hereinafter called the "Lessor", and

LOCO HILLS BRINE COMPANY, BOX 68, LOCO HILLS, NEW MEXICO 88250

, hereinafter called the "Lessee".

WITNESSETH:

WHEREAS, the lessee had duly filed an application for a mining lease for the purpose stated herein, covering the lands hereinafter described, and with said application has tendered as the first annual rental the sum of \$ 25.00, and the further sum of \$30.00 application fee, and the lessor has accepted said application as tendered:

WHEREFORE, lessor does grant, demise and lease for the sole and only purpose of exploring for, mining and removing chloride of sodium, usually called and known as "common salt", thereon and therefrom, the following described lands situated in EDDY County, New Mexico:

INSTITUTION	SECTION	TOWNSHIP	RANGE	SUBDIVISION	ACRES
C.S.	16	17S	30E	SW $\frac{1}{4}$ SW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$	80.00

TO HAVE AND TO HOLD said land for a term of ten (10) years and as long thereafter as said salt in paying quantities shall be produced from the leased land, subject to the terms and conditions hereinafter provided:

1. In addition to the advance annual rental of \$ 25.00 hereinafter provided, lessee agrees to pay the lessor a sum equal of ten percent (10%) of the actual sale price at the place of extraction, as royalty for all salt mined and removed from the premises. Payment of said royalty shall be made on the 20th day of the month next following the first calendar quarter in which the salt was sold. Further, lessee agrees to keep an accurate record of all production and to submit quarterly reports of same to the lessor upon forms to be furnished by the lessor.

2. The right and privilege of the lessee to mine and remove the salt shall be exclusive, in that the lessor will not grant the same rights and privileges to anyone else during the term of this lease.

3. The lessee, with the consent of the lessor, may at any time surrender or relinquish this lease, in whole or in part, to the lessor; provided, however, that no relinquishment of any undivided interest herein nor less than a legal subdivision shall be approved or recognized by the lessor. Provided, further, that no relinquishment shall be approved or recognized by the lessor where the rentals and royalties have not been paid and the lessee is not otherwise in good standing.

4. The lessee, with the consent of the lessor, may assign this lease, in whole or in part; provided, however that no assignment of an undivided interest in the lease, or any part thereof, nor any assignment of less than one legal subdivision, shall be recognized or approved by the lessor. Upon approval of an assignment in writing by the lessor, the assignor shall stand relieved from all obligations to the lessor with respect to the lands embraced in the assignment, and the lessor shall likewise be relieved from all obligations to the assignor as to such tracts, and the assignee shall succeed to all of the rights and privileges of the assignor with respect to such tracts and shall be held to have assumed all of the duties and obligations of the assignor to the lessor as to such tracts.

5. Lessor may cancel this lease for violation of any of the terms, covenants, and conditions thereof; provided, however, that before any such cancellation shall be made, lessor must mail to the lessee, by registered mail addressed to the post office address of such lessee as shown by the records, a thirty day notice of intention to cancel said lease, specifying the default for which the lease is subject to cancellation. No proof of receipt of notice shall be necessary and thirty days after such mailing the lessor may enter cancellation unless the lessee shall have sooner remedied the default.

- (a) Lessees, including their heirs, assigns, agents, and contractors shall at their own expense fully comply with all laws, regulations, rules, ordinances, and requirements of the city, county, state, federal authorities and agencies, in all matters and things affecting the premises and operations thereon which may be enacted or promulgated under the governmental police powers pertaining to public health and welfare, including but not limited to conservation, sanitation, aesthetics, pollution, cultural properties, fire, and ecology.
- (b) The State has a continuing option to purchase at any time and from time to time, at the market price prevailing in the area on the date of purchase, all or any part of the minerals (SALT) that will be produced from the lands covered by this lease (or other conveyance).

6. Lessor shall have the right to inspect all records, books or accounts pertaining to mining, extraction, transportation and returns of materials taken from the lands.

7. Lessee may make or place such improvements and equipment upon the land as may be reasonably necessary to explore for, mine and remove the materials, and upon termination of this lease for any reason, lessee may remove such improvements and equipment as can be removed without material injury to the premises; provided, however, that all rentals and royalties have been paid and that such removal is accomplished within two years of the termination date or before such earlier date as the lessor may set upon thirty days' written notice to the lessee. All improvements and equipment remaining upon the premises after the removal date, as set in accordance with this paragraph, shall be forfeited to the lessor without compensation.

8. Before lessee shall commence development or operations upon the lands embraced herein, he shall execute and file with the lessor a good and sufficient bond in the amount of \$ 500.00 in favor of the State of New Mexico, for the benefit of the lessor, its surface lessee, patentee or contract purchaser, to secure the payment of such damage to the livestock, water, crops or other tangible improvements on the lands as may be suffered by reason of development, use and occupation of the lands by the said lessee, and the lessee shall be liable and agrees to pay for all such damages to the livestock, growing crops, or other improvements upon the land. In addition, lessee shall furnish a bond in the amount of \$ 1,000.00 in favor of lessor to guarantee payment of royalties to become due under this lease, or in the alternative to filing said performance bond, lessee may pay to the lessor on or before the first day of each calendar quarter of the year, in advance, the sum of \$ 250.00 as advance royalty to be credited against royalty becoming due during the quarter.

9. This lease is made subject to all the provisions and requirements applicable thereto which are to be found in various acts of the Legislature of New Mexico, the same as though they were fully set forth herein, and said laws, so far as applicable to this lease, are to be taken as a part hereof.

10. Nothing herein contained shall be held or construed to prevent the lessor from leasing or letting the said lands or any portion thereof for grazing or agricultural purposes, or for leasing them for the exploration, development and production of products from deposits other than the item, including but not limited to oil and gas, potash and coal, or for leasing them for the operation of a business, or for selling them under a deferred purchase contract with minerals reserved, or for patenting them with minerals reserved, or for the issuance of rights of way, and easements over, upon, or across them for public highways, railroads, tramways, telegraph, telephone and power lines, irrigation works, mining, logging, and for any of the purposes mentioned hereinabove in this paragraph, and for other purposes.

11. The lease herein is issued subject to all valid existing rights and with special but not exclusive reference to the present existence of the matters mentioned in the paragraph above.

12. All mining operations hereunder shall be in conformance with good mining practices, shall be carried on in a workmanlike manner, and shall be in conformance with all of the laws of the State of New Mexico and all rules and regulations of the State Land Office as may be issued from time to time under authority of law for the protection of valuable deposits of other minerals in or upon the lands but not covered by this lease.

13. Payment of all sums due the lessor by the lessee under the terms of this lease, including but not limited to payment for royalties and fees, shall be made at the office of the Commissioner of Public Lands, P. O. Box 1148, Santa Fe, New Mexico 87501, and after notice given, lessor may require such payments to be made in cash or certified exchange.

14. The lessee agrees to pay interest on delinquent royalty payments under this contract at the rate of one percent (1%) per month, or fraction of a month, accruing from the date said payment becomes due.

15. See attached special stipulations to be made part of this Lease (SEE STIPULATION BELOW).

✓ LEASE WILL BE AUDITED AT A PRICE AS IS GIVEN IN THE U.S. BUREAU OF MINES ANNUAL REPORT ON SALT. IF PRICE CHANGES AFTER ANNUAL PRODUCTION REPORTS HAVE BEEN FILED, YOU WILL HAVE 30 DAYS FOLLOWING PUBLICATION TO MAKE ROYALTY CHANGE. THE CURRENT RATE IS \$6.30 PER TON OF SALT.

IN WITNESS WHEREOF, the State of New Mexico has hereunto signed and caused its name to be signed by its Commissioner of Public Lands thereunto duly authorized, with the seal of his office affixed, and the lessee has signed this agreement to be effective the day and year above written.

STATE OF NEW MEXICO

BY:

Jim Baca
COMMISSIONER OF PUBLIC LANDS
Lessor

Loco Mills Brine Company

Ray Westfall
Lessee

Pres.

PERSONAL ACKNOWLEDGMENT

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me on this _____ day of _____, 19 _____
by _____

My commission expires:

Notary Public

ACKNOWLEDGMENT BY ATTORNEY

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me on this _____ day of _____, 19 _____
by _____ as attorney-in-fact on behalf of _____

My commission expires:

Notary Public

ACKNOWLEDGMENT BY CORPORATION

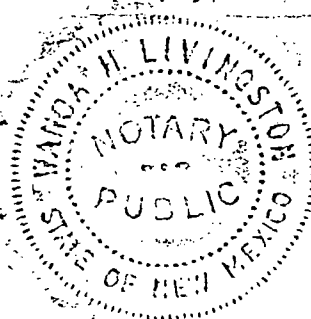
STATE OF New Mexico)
COUNTY OF Eddy) ss

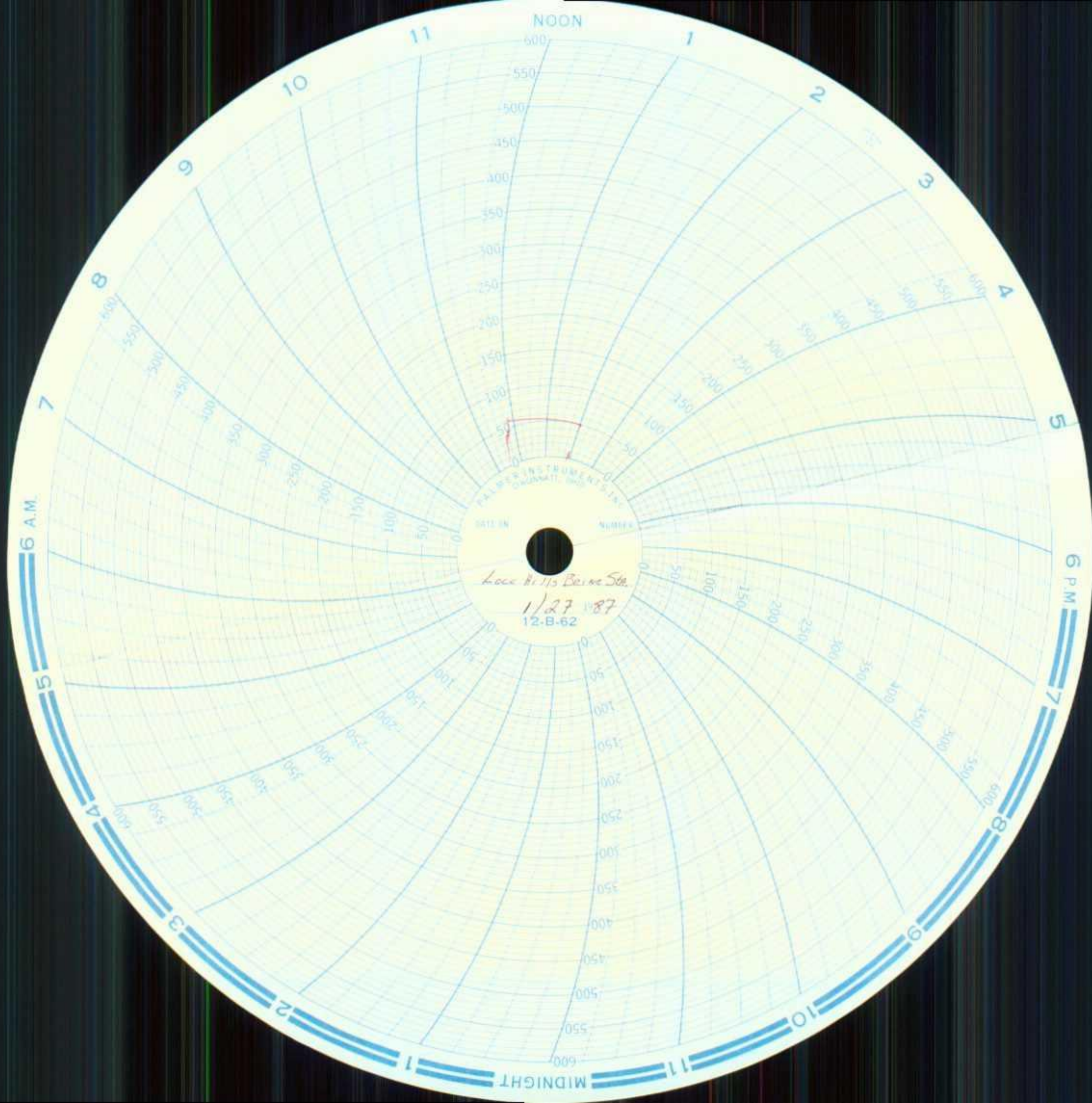
The foregoing instrument was acknowledged before me on this 1st. day of April, 19 85
by Ray Westall, President of Loco Hills Brine Company
name
a New Mexico corporation, on behalf of said corporation.

My commission expires:

12/14/85

Wanda H. Livingston
Notary Public







12/6/88

Loco Hills Brine Company

Wellhead



12/6/88

Loco Hills Brine Company
Brine Storage Lagoon



Loco Hills Brine Company
Brine Storage Lagoon



2108
Loco Hills Brine Company
Loading Area



12/6/88

Loco Hills Brine Company
Spill Collection System



10-10-93

LOCO HILLS



15-10-73 Loco Hills



10-12-95- LAGO HILLS



10-10-95 LOCO HILLS



10-10-95

LOCO HILLS



10-10-95 LOCO HILLS



LOCO HILLS

10-10-95



10-10-95 LOCO HILLS



10-10-95 LOCO HILLS



10-10-95 LOCO HILLS



10-10-95

LOCO NILLS



10-10-95 LOCO HILLS



10-12-95 LOCO NZLS



~~13~~-N-95 Loco Mills



10-12-95 Loco HILLS



10-10-95 LOCO HILLS



10-10-95

LOCO HILLS



10-10-95 LOCO HILLS



10-10-75 LOCO HILLS



10-10-95 LOW HILLS



10-10-95 LOCO HILLS