# BW - <u>22</u>

## GENERAL CORRESPONDENCE

## **YEAR(S)**:

# 2007 -> 1997

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A       Quality Brine         DIFFERENT RESERVOR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH       Quality Brine         PROPOSALS.)       I. Type of Well: Oil Well Gas Well Other Brine Well       8. Well Number         1. Type of Well: Oil Well Gas Well Other Brine Well       9. OGRID Number         3. Address of Operator       9. OGRID Number         P.O. Box 2140, Lovington, NM 88260       10. Pool name or Wildcat         Unit Letter       M : 593 feet from the South line and 639 feet from the West I         Section       20         Township 12's Range 36'e       NMPM County Lea         11. Elevation (Show whether DR, RKB, RT, GR, etc.)       12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data         NOTICE OF INTENTION TO:       SUBSEQUENT REPORT OF:	130 W. Grand Ave, Artes, NM 8210       1220 South St. Francis Dr. Santa Fe, NM 8710       5. Indicate Type of Lease         130 W. Grand Ave, Artes, NM 8710       Santa Fe, NM 87505       5. Indicate Type of Lease         130 W. Brazes Rd, Artes, NM 8710       Santa Fe, NM 87505       5. Indicate Type of Lease         130 W. Brazes Rd, Artes, NM 8710       Santa Fe, NM 87505       5. Indicate Type of Lease         130 W. Brazes Rd, Artes, NM 8710       Santa Fe, NM 87505       5. Indicate Type of Lease         130 W. Brazes Rd, Artes, NM 8710       Santa Fe, NM 87505       5. Indicate Type of Lease         130 W. Brazes Rd, Artes, NM 8710       Gram EPORT SON WELLS       0. Call State Oil & Gas Lease No.         00 NOT USE THE PORM FOR PROPOSALS TO DELEORTS ON WELLS       0. Ual ity Brine       9. OGRID Number         1. Type of Well: Oil Well []       Gas Well [] Othe, Brine Well       8. Well Number         2. Name of Operator       [] Departor       10. Pool name or Wildeat         3. Address of Operator       [] Departor       [] Departor       10. Pool name or Wildeat         3. Address of Operator       [] Departor       [] Departor       [] Departor         3. Address of Operator       [] Departor       [] Departor       [] Departor         3. Address of Operator       [] Departor       [] Departor       [] Departor         3. Address	Submit 3 Copies To Appropriate District Office <u>District I</u>	State of New Mexico Energy, Minerals and Natural Resources	Form C-1 June 19, 2
130 W. Grand Ave, Anse, NM 8210       1220 South St. Francis Dr. Santa Fe, NM 8740       5. Indicate Type of Lease         130 W. Grand Ave, Anse, NM 8740       Santa Fe, NM 87505       5. Indicate Type of Lease         130 W. Brazes Rd, Asse, NM 8740       Santa Fe, NM 87505       5. Indicate Type of Lease         130 W. Brazes Rd, Asse, NM 8740       Santa Fe, NM 87505       5. Indicate Type of Lease         130 W. Brazes Rd, Asse, NM 8740       Santa Fe, NM 87505       7. Lease Name or Unit Agreement Nam         130 W. Brazes Rd, Asse, NM 8740       Gandy Corporation Of the Deater Top of Well Science Top of Science Top of Well Science Top of Well Science Top of Science Top of Well Science Top of Science Top of Sci	130 W. Grand Ave, Artes, NM 8210       1220 South St. Francis Dr. Santa Fe, NM 8710       5. Indicate Type of Lease         130 W. Grand Ave, Artes, NM 8710       Santa Fe, NM 87505       5. Indicate Type of Lease         130 W. Brazes Rd, Artes, NM 8710       Santa Fe, NM 87505       5. Indicate Type of Lease         130 W. Brazes Rd, Artes, NM 8710       Santa Fe, NM 87505       5. Indicate Type of Lease         130 W. Brazes Rd, Artes, NM 8710       Santa Fe, NM 87505       5. Indicate Type of Lease         130 W. Brazes Rd, Artes, NM 8710       Santa Fe, NM 87505       5. Indicate Type of Lease         130 W. Brazes Rd, Artes, NM 8710       Gram EPORT SON WELLS       0. Call State Oil & Gas Lease No.         00 NOT USE THE PORM FOR PROPOSALS TO DELEORTS ON WELLS       0. Ual ity Brine       9. OGRID Number         1. Type of Well: Oil Well []       Gas Well [] Othe, Brine Well       8. Well Number         2. Name of Operator       [] Departor       10. Pool name or Wildeat         3. Address of Operator       [] Departor       [] Departor       10. Pool name or Wildeat         3. Address of Operator       [] Departor       [] Departor       [] Departor         3. Address of Operator       [] Departor       [] Departor       [] Departor         3. Address of Operator       [] Departor       [] Departor       [] Departor         3. Address	1625 N. French Dr., Hobbs, NM 88240		WELL API NO. 30 - 025 - 2812
Monany       Address Area       Santa Fe, NM 87505       6. State Oil & Gas Lesse No.         Market State Strength Fe, NM 87505       6. State Oil & Gas Lesse No.       7. Lease Name or Unit Agreement Name         Market Strength Fe, NM 17555       SUNDRY NOTICES AND REPORTS ON WELLS       7. Lease Name or Unit Agreement Name         Monon Use THIS FORM FOR PROPOSALS TO DELPORT TO DEEPPO OR JUE BACK TO A DEPEROT HESE WORK USE "APPLICATION FOR PERMIT" (FORM CIOI) FOR SUCH       Quality Brine         1. Type of Well: Oil Well       Gas Well       Other, Brine Well       8. Well Number         2. Name of Operator       9. OGRID Number       8. Well Number       9. OGRID Number         3. Address of Operator       10. Pool name or Wildcat       9. OCRUD Number         4. Well Location       11. Elevation (Show whether DR, RKB, RT, GR, etc.)       11. Elevation (Show whether DR, RKB, RT, GR, etc.)         ILE Check Appropriate Box to Indicate Nature of Notice, Report or Other Data         NOTICE OF INTENTION TO:         SUBSEQUENT REPORT OF:         Remetodue Work I PLUG AND ABANDON	Monany       Address Area       Santa Fe, NM 87505       6. State Oil & Gas Lease No.         Market State Strength Fe, NM 87505       6. State Oil & Gas Lease No.       7. Lease Name or Unit Agreement Name or Unit Agreement Name or Unit Agreement Name or Unit Agreement Name or Operator         Name of Operator       9. OGRID Number       8. Well Number         Name of Operator       9. OGRID Number       9. OGRID Number         Address of Operator       10. Pool name or Wildcat       9. OGRID Number         Not Loter       11. Elevation (Show whether DR, RKB, RT, GR, etc.)       10. Pool name or Wildcat         12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data       SUNDRY NOT CE         NOTICE OF INTENTION TO:       SUBSEQUENT REPORT OF:         PERFORM REDEAU KORK I       PLUB ADA BANDON       REMEDIAL WORK       ALTERING CASING         TEMPORARILY ABANDON       Change PLANS       SUBSEQUENT REPORT OF:       REMEDIAL WORK       PLUB CASING         OTHER:       0THER:       OTHER:       OTHER:       OTHER:       OTHER:         13. Describe proposed or completed operations.       Clearly state all pertinent details, and give pertinent dates, including estimate of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach weilbord diagram of proposed completion and subsidence survey.       08/19/08       Run wire-line & sonar tools for capacity/cavity configuration and subsidence survey. <td>1301 W. Grand Ave., Artesia, NM 88210 District III</td> <td>1220 South St. Francis Dr.</td> <td>5. Indicate Type of Lease</td>	1301 W. Grand Ave., Artesia, NM 88210 District III	1220 South St. Francis Dr.	5. Indicate Type of Lease
SUNDRY NOTICES AND REPORTS ON WELLS         7. Lease Name or Unit Agreement Nam         Quality Brine         Construction For PERMET (FORM C-101) FOR SUCH         PROPOSALS         Introper Well: Oil Well Gas Well Other, Brine Well         Summe of Operator         Source of Construction For PERMET (FORM C-101) FOR SUCH         Proposal Sign of Detail on the Detail of the Meet I         Summe of Operator         Source of Operator         Proposal (Construction For PERMET Name)         Notice of Operator         Proposal (Construction for the South State and Construction for the South State and Construction for the Meet I         Notice of Operator         Proposal (Construction for the South State and Construction for the South State and Construction for the Meet I         Notice of Perator         Notice of Construction for the South State and Construction for the Meet I         Notice of Form the South State Notice, Report or Other Data         NOTICE OF INTENTION TO:         Subsequent Report of Other Data         NOTICE OF INTENTION TO:         Subsequent Report of Other Data         NOTICE OF INTENTION TO	SUNDRY NOTICES AND REPORTS ON WELLS (OD NOT USE THIS PORM FOR PROFOSALS TO DEFLL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOR. USE "APLICATION FOR PERMIT (FORM C-101) FOR SUCH PROFOSALS)       7. Lease Name or Unit Agreement Nam Quality Brine         1. Type of Well: Oil WellGas WellOneBrine Well       9. OGRID Number       9. OGRID Number         2. Name of Operator P.O. Box 2140, Lovington, NM 88260       9. OGRID Number       9. OGRID Number         3. Address of Operator P.O. Box 2140, Lovington, NM 88260       10. Pool name or Wildcat         Well Location Unit Letter      593 feet from the South line and639 feet from the West1       10. Pool name or Wildcat         12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK PLUG AND ABANDON       REMEDIAL WORK ALTERING CASING COMMENCE DRILLING OPNS PAND A CLAINE PLUL OR ALTER CASING         13. Describe proposed or completed operations. (Clearly state all perfinent details, and give perfinent dates, including estimate of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed component or recompletion.       OTHER: 08/15/08 Pull tubing.       OTHER: 08/25/08 Run packer and set perform MIT. 08/26/08 Run 2 3/8 tubing to approximately 2800' and return to Brine.       The second sec	District IV	Santa Fe, NM 87505	
DONOT USE THIS FORM FOR PEONORALS TO DRILL OR TO DEEPEN OR FLUCE BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH RECORDALS)       Quality Brine         1. Type of Well: Oil WellGas WellOtherBrine Well       8. Well Number       9. OGRID Number         2. Name of Operator P.O. Box 2140, Lovington, NM 88260       9. OGRID Number       10. Pool name or Wildcat         4. Well Location Unit Letter	ODO NOT USE THIS FORM FOR FROMOGALS TO DRILL OR TO DEEPEN OR FLUG BACK TO A DIFFERENT RESERVOR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH REOPOSALS)       Quality Brine         1. Type of Well: Oil WellGas WellOtec Brine Well       8. Well Number       9. OGRID Number         2. Name of Operator P.O. Box 2140, Lovington, NM 88260       9. OGRID Number       10. Pool name or Wildcat         Well Location Unit Letter	87505		
DIFFERENT RESERVOIR USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH       Quality Brine         1. Type of Well: Oil Well G Gas Well Other, Brine Well       8. Well Number         2. Name of Operator       9. OGRID Number         3. Address of Operator       9. OGRID Number         P.O. Box 2140, Lovington, NM 88260       10. Pool name or Wildcat         4. Well Location       11. Elevation (Show whether DR, RKB, RT, GR, etc.)         12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data         NOTICE OF INTENTION TO:       SUBSEQUENT REPORT OF:         PERFORM REMEDIAL WORK [] PLUG AND ABANDON []       REMEDIAL WORK [] ALTERING CASING         DOWNHOLE COMMINGLE []       OTHER:         13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimate of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed comport or configuration and subsidence survey.         08/15/08       Run wire=line & sonar tools for capacity/cavity configuration and subsidence survey.         08/25/08       Run packer and set perform MIT.         08/26/08       Run 2 3/8 tubing to approximately 2800' and returned to Brine.	DIFFERENT RESERVOIR USE 'APPLICATION FOR PERMIT' (FORM C-101) FOR SUCH       Quality Brine         1. Type of Well: Oil Well G Gas Well Other, Brine Well       8. Well Number         2. Name of Operator       9. OGRID Number         3. Address of Operator       9. OGRID Number         P.O. Box 2140, Lovington, NM 88260       10. Pool name or Wildcat         Vell Location       10. Pool name or Wildcat         Unit Letter       M. : 593 feet from the South line and 639 feet from the West 1         Section 20       Township 12's Range 36e         NOTICE OF INTENTION TO:       SUBSEQUENT REPORT OF:         PERFORM REMEDIAL WORK [] PLUG AND ABANDON []       REMEDIAL WORK [] ALTERING CASING         COMMENCE DRILLING OPNS.]       PAND A         DOWNHOLE COMMINGLE []       OTHER:         13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimate of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed comport recompletion.         08/15/08       Run wire=line & sonar tools for capacity/cavity configuration and subsidence survey.         08/25/08       Run packer and set perform MIT.         08/26/08       Run 2 3/8 tubing to approximately 2800' and reture of to Brine.			7. Lease Name or Unit Agreement Nam
1. Type of Well: Oil WellGas WellOtherBrine Well       8. Well Number         2. Name of Operator       9. OGRID Number         3. Address of Operator       9. OGRID Number         P.O. Box 2140, Lovington, NM 88260       10. Pool name or Wildcat         4. Well Location       10. Pool name or Wildcat         Unit Letter       M	1. Type of Well: Oil WellGas Well Other       Brine Well       8. Well Number         2. Name of Operator       9. OGRID Number         3. Address of Operator       9. OGRID Number         P.O. Box 2140, Lovington, NM 88260       10. Pool name or Wildcat         Well Location       10. Pool name or Wildcat         Unit Letter       M. 593       feet from the South line and 639 feet from the West 1         Section       20       Township 12s       Range 36e         NOTICE OF INTENTION TO:       II. Eleviation (Show whether DR, RKB, RT, GR, etc.)       SUBSEQUENT REPORT OF:         PERFORM REMEDIAL WORK []       PLUG AND ABANDON []       CMMERCE DRILLING OPNS.]       P AND A         PULL OR ALTER CASING []       MULTIPLE COMPL []       COMMENCE DRILLING OPNS.]       P AND A         DOWNHOLE COMMINGLE []       OTHER:       OTHER:       III. Eleviation and subsidence survey.       O8/15/08       Pull tubing.         08/15/08       Run wire-line & sonar tools for capacity/cavity configuration and subsidence survey.       O8/25/08       Run packer and set perform MIT.       O8/26/08       Run 2 3/8 tubing to approximately 2800' and reture and reture to Brine.	DIFFERENT RESERVOIR. USE "APPLIC		Quality Brine
Gandy Corporation       10. Pool name or Wildcat         3. Address of Operator       10. Pool name or Wildcat         P.O. Box 2140, Lovington, NM 88260       10. Pool name or Wildcat         4. Well Location       Unit Letter       M : 593 feet from the South ine and 639 feet from the West inset in the West inset in the West inset inset in the West inset ins	Gandy Corporation       10. Pool name or Wildcat         3. Address of Operator       10. Pool name or Wildcat         P.O. Box 2140, Lovington, NM 88260       10. Pool name or Wildcat         4. Well Location       Unit Letter       M : 593 feet from the South ine and 639 feet from the West inset in the Section 20 Township 12's Range 36's NMPM County Lea         11. Elevation (Show whether DR, RKB, RT, GR, etc.)       11. Elevation (Show whether DR, RKB, RT, GR, etc.)         II. Elevation (Show whether DR, RKB, RT, GR, etc.)         II. Elevation (Show whether DR, RKB, RT, GR, etc.)         II. Elevation (Show whether DR, RKB, RT, GR, etc.)         II. Elevation (Show whether DR, RKB, RT, GR, etc.)         II. Elevation (Show whether DR, RKB, RT, GR, etc.)         II. Elevation (Show whether DR, RKB, RT, GR, etc.)         II. Elevation (Show whether DR, RKB, RT, GR, etc.)         II. Elevation (Show whether DR, RKB, RT, GR, etc.)         II. Elevation (Show whether DR, RKB, RT, GR, etc.)         III. Elevation (Show whether DR, RKB, RT, GR, etc.)         III. Elevation (Show Work Colspan="2">SUBSEQUENT REPORT OF:         RENFORM REMEDIAL WORK [Delta WOR		Gas Well 🔲 Other Brine Well	8. Well Number
3. Address of Operator       10. Pool name or Wildcat         P.O. Box 2140, Lovington, NM 88260       10. Pool name or Wildcat         4. Well Location       Unit Letter       M       593 feet from the South line and 639 feet from the West line and Section 20       639 feet from the West line and 639 feet from the West line and 10. Pool name or Wildcat         Section 20       Township 12s Range 36e       NMPM County Lea         11. Elevation (Show whether DR, RKB, RT, GR, etc.)         12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data         NOTICE OF INTENTION TO:         SUBSEQUENT REPORT OF:         REMEDIAL WORK DIAND ADANDA DANDON COMMENCE DRILLING OPNS.         PAND A         PULOR ALTER CASING DIAND ADANDON COMMENCE DRILLING OPNS.         PAND A         OTHER:         OTHER:         OTHER:         ISE PRULE 1103. For Multiple Completions: Attach wellbore diagram of proposed compor recompletion.         O8/15/08 Pull tubing.         O8/15/08 Run wire-line & sonar tools for capacity/cavity configuration and subsidence survey.         08/25/08 Run packer and set perform MIT.         08/26/08 Run 2 3/8 tubing to approximately 2800' and retuge to Brine.	3. Address of Operator       10. Pool name or Wildcat         P.O. Box 2140, Lovington, NM 88260       10. Pool name or Wildcat         4. Well Location       Unit Letter       M       593 feet from the South line and 639 feet from the West line and Section 20       639 feet from the West line and 639 feet from the West line and 10. Pool name or Wildcat         14. Well Location       Unit Letter       M       593 feet from the South line and 639 feet from the West line and Section 20       10. Pool name or Wildcat         10. Ended Appropriate Box to Indicate Nature of Notice, Report or Other Data       11. Elevation (Show whether DR, RKB, RT, GR, etc.)       11. Elevation (Show whether DR, RKB, RT, GR, etc.)         12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data         NOTICE OF INTENTION TO:         PERFORM REMEDIAL WORK D PLUG AND ABANDON COMMENCE DRILLING OPNS.       P AND A         PULL OR ALTER CASING C MULTIPLE COMPL       COMMENCE DRILLING OPNS.       P AND A         DOWNHOLE COMMINGLE       OTHER:       OTHER:       OTHER:         13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimate of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed comp or recompletion.       08/15/08 Run wire-line & sonar tools for capacity/cavity configuration and subsidence survey.         08/19/08       Run packer and set perform MIT.       08/26/	2. Name of Operator	Corporation	9. OGRID Number
P.O. Box 2140, Lovington, NM 88260         4. Well Location         Unit Letter       M: 593 feet from the South line and for the South line and for the West line and set to set the set of the s	P.O. Box 2140, Lovington, NM 88260         4. Well Location         Unit Letter       M: 593 feet from the South line and 639 feet from the West 1         Section       20         Township 12s Range 36e       NMPM County Lea         11. Elevation (Show whether DR, RKB, RT, GR, etc.)       11. Elevation (Show whether DR, RKB, RT, GR, etc.)         II. Elevation (Show whether DR, RKB, RT, GR, etc.)         II. Elevation (Show whether DR, RKB, RT, GR, etc.)         II. Elevation (Show whether DR, RKB, RT, GR, etc.)         II. Elevation (Show whether DR, RKB, RT, GR, etc.)         II. Elevation (Show whether DR, RKB, RT, GR, etc.)         III. Elevation (Show whether DR, RKB, RT, GR, etc.)         III. Elevation (Show whether DR, RKB, RT, GR, etc.)         SUBSEQUENT REPORT OF:         REMEDIAL WORK [] PLUG AND ABANDON []         Commention of Notice, Report or Other Data         NOTICE OF INTENTION TO:         PULG AND ABANDON []         COMMENCE DRILLING OPNS.]         PULO ANTER CASING         OTHER:         OTHER:         OTHER:         OTHER:         OTHER:         OTHER		corporation	10. Pool name or Wildcat
Unit Letter       M       : 593 feet from the South 12s Range 36e       Imp County Lea         Section       20       Township 12s Range 36e       NMPM       County Lea         11. Elevation (Show whether DR, RKB, RT, GR, etc.)       11. Elevation (Show whether DR, RKB, RT, GR, etc.)       12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data         NOTICE OF INTENTION TO:         PERFORM REMEDIAL WORK [2]       PLUG AND ABANDON []         COMMENCE DRILLING OPNS.[]       PAND A         PULL OR ALTER CASING []       MULTPLE COMPL []         COMMENCE DRILLING OPNS.[]       PAND A         CASING/CEMENT JOB []       OTHER:         13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimate of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed comport recompletion.         08/15/08       Pull tubing.         08/19/08       Run wire-line & sonar tools for capacity/cavity configuration and subsidence survey.         08/25/08       Run packer and set perform MIT.         08/26/08       Run 2 3/8 tubing to approximately 2800' and retu 12 to Brine.	Unit Letter       M       : 593 feet from the South 12s Range 36e       Ime and 639 feet from the West 100 NMPM County Lea         Section       20       Township 12s Range 36e       NMPM County Lea         11. Elevation (Show whether DR, RKB, RT, GR, etc.)       11. Elevation (Show whether DR, RKB, RT, GR, etc.)         12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data         NOTICE OF INTENTION TO:         PERFORM REMEDIAL WORK [2]       PLUG AND ABANDON [2]         REMEDIAL WORK [2]         PUB AND ABANDON [2]         COMMENCE DRILLING OPNS[2]         PULO AND ABANDON [2]         COMMENCE DRILLING OPNS[2]         PULO AND ABANDON [2]         COMMENCE DRILLING OPNS[2]         PULO AND ABANDON [2]         PULO AND ABANDON [2]         PULO AND ABANDON [2]         PULO ANTER CASING         OTHER:         OTHER:         OTHER:         OTHER:         OTHER:         OTHER:         OTHER:         OTHER:         OTHER:         OTHER: <t< td=""><td></td><td>vington, NM_ 88260</td><td></td></t<>		vington, NM_ 88260	
Section       20       Township       12s       Range       36e       NMPM       County       Lea         11. Elevation (Show whether DR, RKB, RT, GR, etc.)       11. Elevation (Show whether DR, RKB, RT, GR, etc.)       11. Elevation (Show whether DR, RKB, RT, GR, etc.)       11. Elevation (Show whether DR, RKB, RT, GR, etc.)         12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data         NOTICE OF INTENTION TO:       SUBSEQUENT REPORT OF:         PERFORM REMEDIAL WORK © PLUG AND ABANDON         COMMENCE DRILLING OPNS.]       Altering CASING         PULL OR ALTER CASING         MULTIPLE COMPL       COMMENCE DRILLING OPNS.]       P AND A         PULL OR ALTER CASING         MULTIPLE COMPL       CASING/CEMENT JOB       Downhole COMMINGLE         OTHER:       0       OTHER:       OTHER:       III. Elevation.         13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimate of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed comp or recompletion.         08/15/08       Pull tubing.       08/19/08       Run wire-line & sonar tools for capacity/cavity configuration and subsidence survey.       08/25/08       Run packer and set perform MIT.         08/26/08       Run 2 3/8 tubing to approximately 2800' and returned to Brine.       To Brine.	Section       20       Township       12s       Range       36e       NMPM       County       Lea         11. Elevation (Show whether DR, RKB, RT, GR, etc.)       11. Elevation (Show whether DR, RKB, RT, GR, etc.)       11. Elevation (Show whether DR, RKB, RT, GR, etc.)       11. Elevation (Show whether DR, RKB, RT, GR, etc.)         12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data         NOTICE OF INTENTION TO:       SUBSEQUENT REPORT OF:         PERFORM REMEDIAL WORK I PLUG AND ABANDON         Commence Drilling OPNS         Altering Casing         PULL OR ALTER CASING         MULTIPLE COMPL       CASING/CEMENT JOB       Altering casing         DOWNHOLE COMMINGLE         OTHER:       OTHER:       Commence Drilling or proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimate of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed comport recompletion.         08/15/08       Pull tubing.       08/15/08       Pull tubing.         08/25/08       Run packer and set perform MIT.       08/26/08       Run 2 3/8 tubing to approximately 2800' and returned to Brine.			
Tange         11. Elevation (Show whether DR, RKB, RT, GR, etc.)         I. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data         NOTICE OF INTENTION TO:         SUBSEQUENT REPORT OF:         PERFORM REMEDIAL WORK I PLUG AND ABANDON           CHERMEDIAL WORK   ALTERING CASING         PULG AND ABANDON           CHERMEDIAL WORK   ALTERING CASING         PULO AND ABANDON           PULO AND ABANDON           COMMENCE DRILLING OPNS   P AND A         COMMENCE DRILLING OPNS   P AND A         OTHER:         OTHER:         OTHER:         OTHER:         OTHER:         OSCOMPUTE OF INTENTION	Table 11. Elevation (Show whether DR, RKB, RT, GR, etc.)         11. Elevation (Show whether DR, RKB, RT, GR, etc.)         12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data         NOTICE OF INTENTION TO:         SUBSEQUENT REPORT OF:         PERFORM REMEDIAL WORK PLUG AND ABANDON COMMENCE DRILLING OPNS         PULG AND ABANDON COMMENCE DRILLING OPNS         PULOR ALTER CASING         OTHER:         OS         OTHER:			
12. 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 COMPL         DOWNHOL E COMMINGLE       OTHER:         OTHER:       OTHER:         13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimate of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed compor recompletion.         08/15/08       Pull tubing.         08/15/08       Run wire-line & sonar tools for capacity/cavity configuration and subsidence survey.         08/25/08       Run packer and set perform MIT.         08/26/08       Run 2 3/8 tubing to approximately 2800' and returned to Brine.	12. 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 COMPL         DOWNHOL E COMMINGLE       OTHER:         OTHER:       OTHER:         13. Describe proposed or completed operations. (Clearly state all pertiment details, and give pertiment dates, including estimate of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed comport recompletion.         08/15/08       Pull tubing.         08/15/08       Run wire-line & sonar tools for capacity/cavity configuration and subsidence survey.         08/25/08       Run packer and set perform MIT.         08/26/08       Run 2 3/8 tubing to approximately 2800' and reture to Brine.	Section 20		
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I hereby certify that the information above is true and complete to the best of my knowledge and belief.			3	
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SIGNATURE <u>Larry Gandy</u> TITLE Secretary/Treasurer DATE 8-13-6 Type or print name Larry Gandy E-mail address: Gandy 20 Leaconet PHONE: 575-398	Type or print name Larry Gandy E-mail address: Gandy 20 Lacone + PHONE: 575-398	Type or print name Larry (		20 baconet PHONE: 575-398
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SIGNATURE <u>Larry Gandy</u> <u>TITLE Secretary/Treasurer</u> <u>DATE 8-13-0</u> Type or print name <u>Larry Gandy</u> E-mail address: <u>Gandy 20 Jeacone</u> PHONE: <u>575-398</u> <u>For State Use Only</u> APPROVED BY: <u>TITLE</u> <b>Geologist</b> DATE	Type or print name Larry Gandy E-mail address: Gandy 20 Jeacone PHONE: 575-398 For State Use Only Geologist DATE	Type or print name Larry ( For State Use Only APPROVED BY:	Gandy E-mail address: Gandy	logist
SIGNATURE <u>Larry Gandy</u> <u>TITLE Secretary/Treasurer</u> <u>DATE 8-13-0</u> Type or print name <u>Larry Gandy</u> E-mail address: <u>Gandy 20 Jeacone</u> PHONE: <u>575-398</u> <u>For State Use Only</u> APPROVED BY: <u>TITLE</u> <b>Geologist</b> DATE	Type or print name Larry Gandy E-mail address: Gandy 20 Jeacone PHONE: 575-398 For State Use Only Geologist DATE	Type or print name Larry ( For State Use Only APPROVED BY:	Gandy E-mail address: Gandy	logist
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#### Chavez, Carl J, EMNRD

From:Chavez, Carl J, EMNRDSent:Tuesday, August 14, 2007 11:52 AMTo:'gandy2@leaco.net'; 'seay04@leaco.net'Subject:BW-22 Final DP for Signature Mid-June 2007

Larry and Eddie:

It appears that Brad Jones mailed out the the DP for your signature and remittance with a final check in the amount of \$1700.00. Please sign and return the DP conditions so we may update our files and computer tracking system. 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")

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#### **GANDY CORPORATION**

**OILFIELD SERVICES** P.O. BOX 2140 Lovington, NM 88260 (505) 396-0522

LOVINGTON ACCOUNTING OFFICE FAX No. (505) 396-0797

#### FAX COVER SHEET

DATE:	
TOTAL NUMBER OF PAGES INCLUDING COVER SHEET:	en n Tra
TO: COMPANY WAter Quality Management.	, , I
ATTENTION: Brad A. Jones	fr : *
FAX NO. 505 - 476 -3462	
FROM: SENDER: GANDY CORPORATION BW-022	, <sup>1</sup> , .,
MESSAGE: this water discharge For RW022	* 4 ≩r 5×
wills sent of on Aug 17, 2007	
with a check For 1700 the check # 73156	4 59
reform receipt For This and the check has not cleared the BANK. We are Trying to	, i A
Track these papers. (copy of Certified MAIL receipt).	, pj
Larry Gundy	• · · ·
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#### ACKNOWLEDGEMENT OF RECEIPT OF CHECK/CASH

I hereby acknowledge receipt of check No. dated $\frac{7/2y/57}{2}$
or cash received on in the amount of \$ 20
from Gaudy Corporation
for <u>BW-032</u>
Submitted by: Low partie Remero Date: 9/27/07
Submitted to ASD by: Vaurine Converse Date: 9/27/27
Received in ASD by: Date:
Filing Fee New Facility Renewal
Modification Other
Organization Code521.07 Applicable FY2004
To be deposited in the Water Quality Management Fund.
To be deposited in the Water Quality Management Fund. Full Payment or Annual Increment
Full Payment or Annual Increment
Full Payment or Annual Increment
Full Payment or Annual Increment
Full Payment or Annual Increment



### 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 28, 2007

Mr. Larry Gandy Gandy Corporation PO Box 827 Tatum, New Mexico 88267

Re: Discharge Plan Renewal Permit BW-022 Gandy Corporation Tatum Brine Station Lea County, New Mexico

Dear Mr. Gandy:

The New Mexico Oil Conservation Division (OCD) has received Gandy Corporation's request, dated February 9, 2007, to renew BW-022 for the Gandy Corporation's Tatum Brine Station located in the SW/4, SW/4 of Section 20, Township 12 South, Range 36 East, NMPM, Lea County, New Mexico. The submittal provided the required information in order to deem the application "administratively" complete. The OCD approves the Lovington Daily Leader as the newspaper of general circulation for the published notice.

Therefore, the revised (2006) WQCC notice requirements of 20.6.2.3108 NMAC must be satisfied and demonstrated to the OCD. The OCD recommends a draft version of the public notice be provided for a pre-review prior to publishing in the newspaper, in order to ensure all of the required information is provided prior to translation into Spanish and to prevent the expenditure of additional funds to republish the public notice. Please review the attached revised (2006) WQCC notice requirements of 20.6.2.3108 NMAC for renewals. OCD 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 there are any questions regarding this matter, please do not hesitate to contact me at (505) 476-3487 or <u>brad.a.jones@state.nm.us</u>. On behalf of the staff of the OCD, I wish to thank you and your staff for your cooperation during this discharge permit review.

Sincerely, Brad A. Jones

Environmental Engineer

BAJ/baj

Attachment – 1

cc: OCD District I1 Office, Hobbs Eddie Seay, Eddie Seay Consulting, 601 W. Illinois, Hobbs, NM 88242

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Jones	, Brad A., EMNRD		unterent state and a state of the						
From: Sent: To: Subject	Chavez, Carl J, EMNRD Wednesday, March 21, 2007 6:57 AM Jones, Brad A., EMNRD t: BW-22 Quality Brine- Tatum								
Brad:									
Here's the	e info. on the BW with API#.								
GANDY CORP	QUALITY BRINE -TATUM	BW-22	30-025-28162						
	12/19/06 Site Inspection: No violations or items for DP renewal. GPS Coordinates: N 33.25868 W 103.333275								
You can a	also look up BWs on RBDMS for well construction and other	documents. Thnx.							
New Mex	navez, CHMM ico Energy, Minerals & Natural Resources Dept. ervation Division, Environmental Bureau								

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

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Distr 1301 Distr 1000 Distr	N. French Dr., Hobbs, NM 88240 Extended Department Revised June 10, 2003
	DISCHARGE PLAN APPLICATION FOR BRINE EXTRACTION FACILITES (Refer to the OCD Guidelines for assistance in completing the application)
I.	New Renewal     Tatum Brine Station BW-022
II.	Operator: Gandy Corporation
	Address: Box 827, Tatum, NM 88267
	Contact Person: Larry Gandy Phone: (505)398-4960
III.	SW /4       SW /4       Section       20       Township       12S       Range       36E         Submit large scale topographic map showing exact location.
IV.	Attach the name and address of the landowner of the facility site.
V.	Attach a description of the types and quantities of fluids at the facility.
VI.	Attach a description of all fluid transfer and storage and fluid and solid disposal facilities.
VII.	Attach a description of underground facilities (i.e. brine extraction well).
VIII.	Attach a contingency plan for reporting and clean-up of spills or releases.
IX.	Attach geological/hydrological evidence demonstrating that brine extraction operations will not adversely impact fresh water.
X.	Attach such other information as is necessary to demonstrate compliance with any other OCD rules, regulations and/or orders.
XI.	CERTIFICATION:
	I hereby certify under penalty of law that I have personally examined and am familiar with the information submitted in this document and all attachments and that, based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate and complete. I am aware that there are significant penalties for submitting false information including the possibility of fine and imprisonment.

Name: Eddie W Saay
Signature: Dalie W Sam
E-mail Address: sean 04 @ leaco. net
E-mail Address: Seal 04 @ Leaco . nel

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Title:	Agent	 

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Date: 2/9/2007 .

Item IV. Name and address of the land owner

Gandy Corporation PO Box 827 Tatum, NM 88267

Phone: (505) 398-4960

#### Item V. Types and quantities of fluids at facility

This facility will temporarily store for sale brine water and fresh water. No other fluids will be stored at this facility.

#### Item VI. Description of fluid transfer and storage

Please refer to the Site Facility Schematic and the Wellbore Schematic for the Brine Well for the following steps in fluid transfer and storage:

- 1) Fresh water is pumped from the fresh water well to the pump house.
- 2) The fresh water is transferred from the pump house into a 1000 barrel fresh water storage tank.
- 3) Fresh water is transferred to
  - a) The fresh water may be pumped directly into a truck loading system.
  - b) Fresh water may also be diverted into the annulus of the brine well.
- 4) Fresh water flows down the annulus of the brine well and brine water flows

Back up the tubing and is directed back into the pump house.

- 5) The brine fluid is pumped into one of two 1000 barrel storage tanks.
- 6) The brine fluid is finally removed from the storage tanks into truck loading outlets.

Tank trucks are loaded in a plastic lined dike loading area to retain fluids in event an accidental discharge or spill.

#### Item VII. Description of Underground Facility

The only underground facilities will be the brine well and its piping construction. Enclosed is the schematic of the existing and proposed wellbore. The well bore construction is as follows:

8 5/8" surface casing set at 53' with cement circulated to surface.
5 1/2" production casing from surface to 2249 with cement circulated to surface

2 3/8' plastic lined tubing set at approximately 2800'.

Item VIII. Contingency Plan for reporting and clean-up spills or releases

All above ground piping, pumps and tanks will be visually inspected for leaks by company personnel on a weekly basis and after each heavy rain. Any problems such as leaks, spills or well abnormality will be taken to the attention of Gandy Corporation supervisor immediately. Supervisor will assess the problem and proceed with proper notification and repairs as OCD Rule 116 requires. Gandy Corporation owns and operates vacuum trucks and construction equipment commonly employed on spill cleanups. In the event of an unplanned release of brine water, Gandy will immediately notify the Hobbs office of the NMOCD and remove all free liquids and transport to an approved disposal facility.

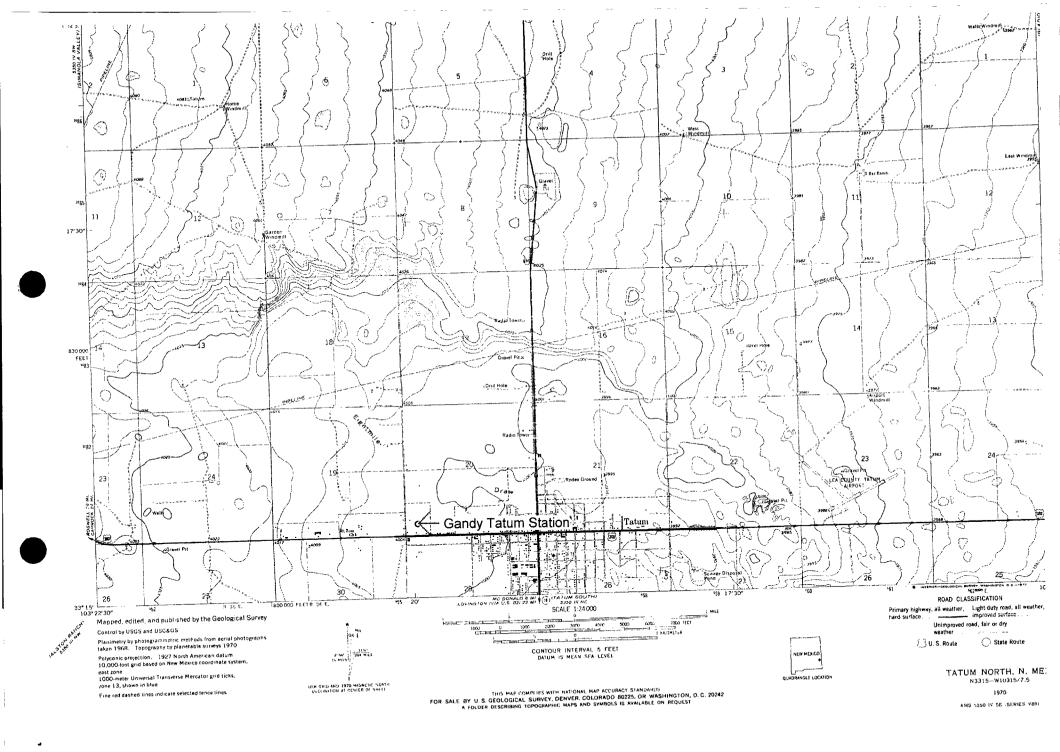
All impacted soils will be delineated as to both vertical and lateral extent and all affected soils removed to an approved disposal facility. Were soils have been removed new soil will be added to the excavated area and leveled to match the surrounding topography.

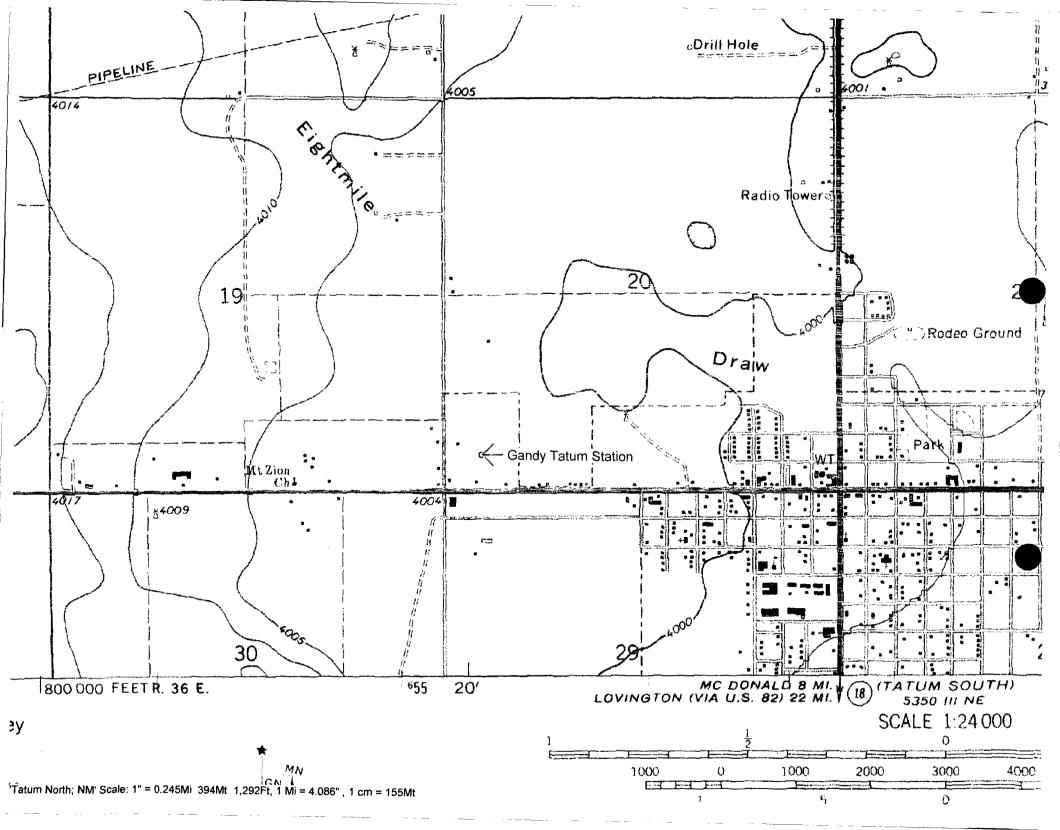
#### Item IX. <u>Geology</u>

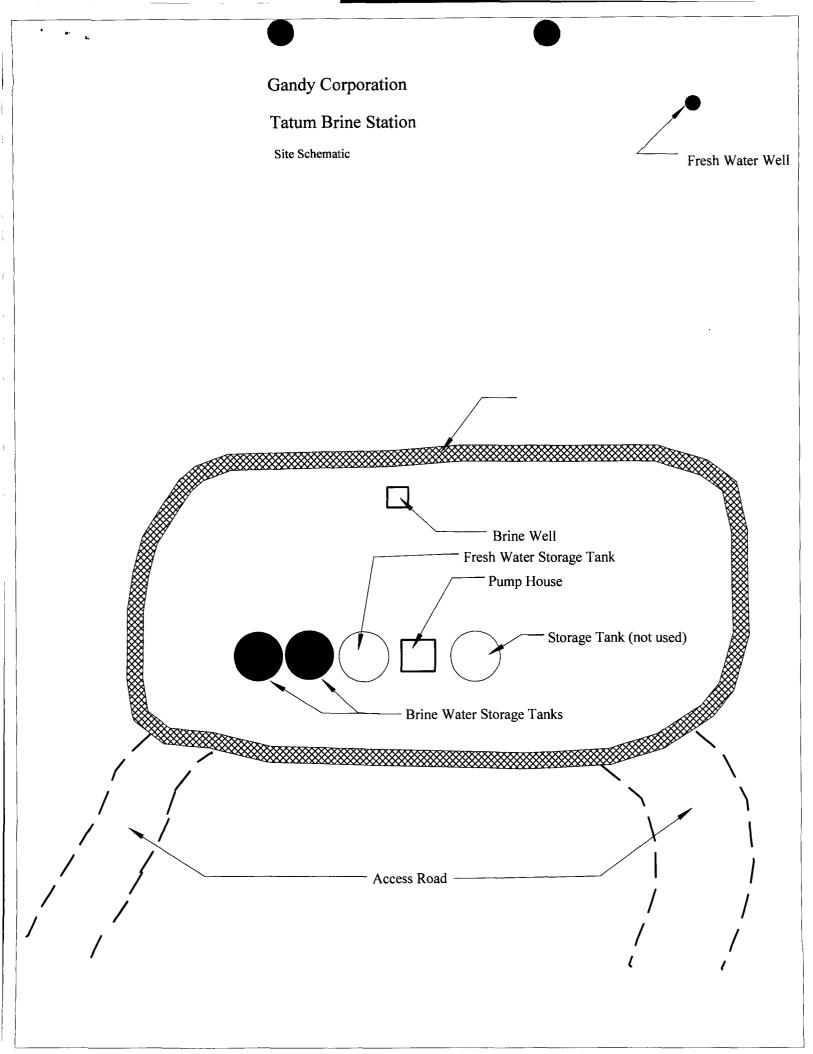
#### Hydrology:

Ground water in the Tatum area is confined to the Ogallala Formation. The depth to ground water in the Ogallala Formation is approximately 32'. The movement of ground water in the Ogallala is generally towards the southeast. (See the attached water analysis for the quality of water in the Ogallala Formation)

Beneath the Ogallala Formation at a depth of approximately 250' is the undifferentiated redbeds of the Dockum Group. The redbeds are relatively impermeable and act as a barrier to downward or upward movement of ground water. Item X. Gandy Corporation will comply with any rule regulation or order which the OCD or WQCC currently has or any new rule and regulation that pertains to this type of facility that the OCD or WQCC may initiate in the future.

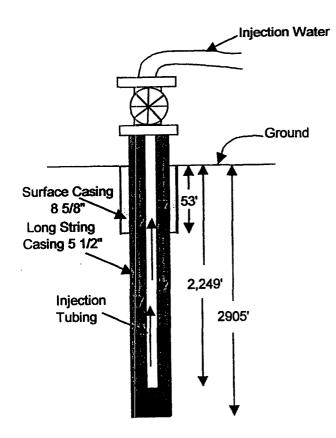






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Gandy Corporation Tatum Brine Station Exhibit 5 Brine Well Schematic



CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

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† Cardinal cannot accept verbal changes. Please fax written changes to 505-393-2476.



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

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

ANALYTICAL RESULTS FOR EDDIE SEAY CONSULTING ATTN: EDDIE SEAY 601 W. ILLINOIS HOBBS, NM 88242 FAX TO: (505) 392-6949

Receiving Date: 02/05/07 Reporting Date: 02/07/07 Project Owner: GANDY CORP. Project Name: TATUM BRINE FACILITY Project Location: TATUM, NM Sampling Date: 02/02/07 Sample Type: WATER Sample Condition: COOL & INTACT Sample Received By: HM Analyzed By: HM

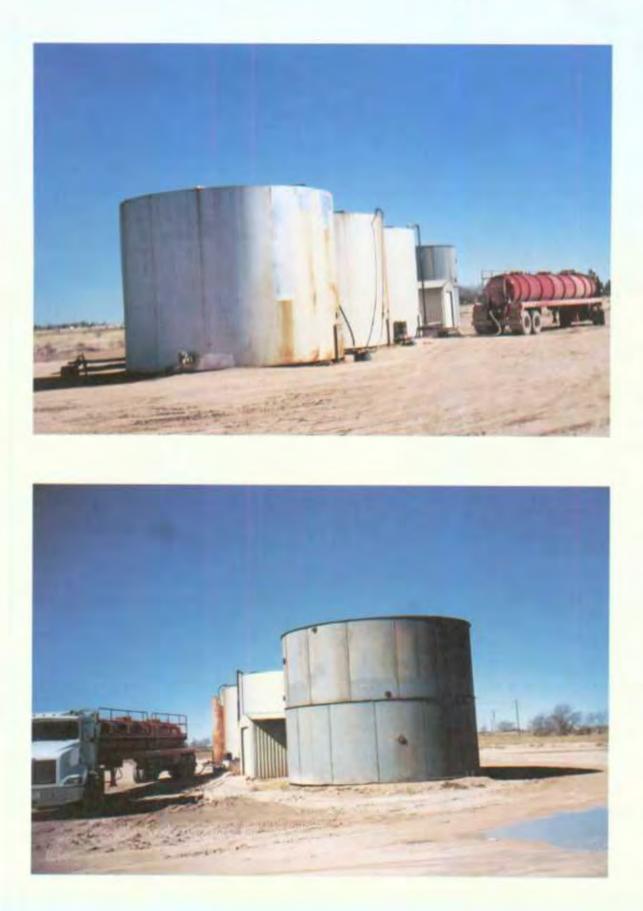
		Na	Ca	Mg	К	Conductivity	T-Alkalinity
LAB NUMBER	SAMPLE ID	(mg/L)	(mg/L)	(mg/L)	(mg/L)	( <i>u</i> S/cm)	(mgCaCO₃/L)
ANALYSIS DAT	Ē:	02/06/07	02/06/07	02/06/07	02/06/07	02/05/07	02/06/07
H12143-1	BRINE WATER #1	#VALUE!	1164	3923	6900	277600	68
H12143-2	FRESH WATER #2	147	92	15	1.87	1154	144
Quality Control		NR	53.2	51.6	1.94	1380	NR
True Value QC		NR	50.0	50.0	2.00	1413	NR
% Recovery		NR	106	103	97	98	NR
Relative Percer	t Difference	NR	7.8	1.6	4.2	0.3	NR
METHODS:		SM	3500-Ca-D	3500-Mg E	8049	120.1	310.1
		CI_	SO4	CO3	HCO3	pН	TDS
		(mg/L)	(mg/L)	(mg/L)	(mg/L)	(s.u.)	(mg/L)
ANALYSIS DAT	TE:	02/05/07	02/06/07	02/06/07	02/06/07	02/05/07	02/06/07
H12143-1	BRINE WATER #1	138957	13665	0		6.91	239980
H12143-2	FRESH WATER #2	208	169	0	176	7.57	693
Quality Control		510	20.8	NR	915	6.88	NR
True Value QC		500	20.0	NR	1000	7.00	NR
% Recovery	······································	102	104	NR	92	98	NR
Relative Percer	it Difference	1	4.4	NR	2.7	0.7	NR
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Chemist

-2 Date

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable server and the se



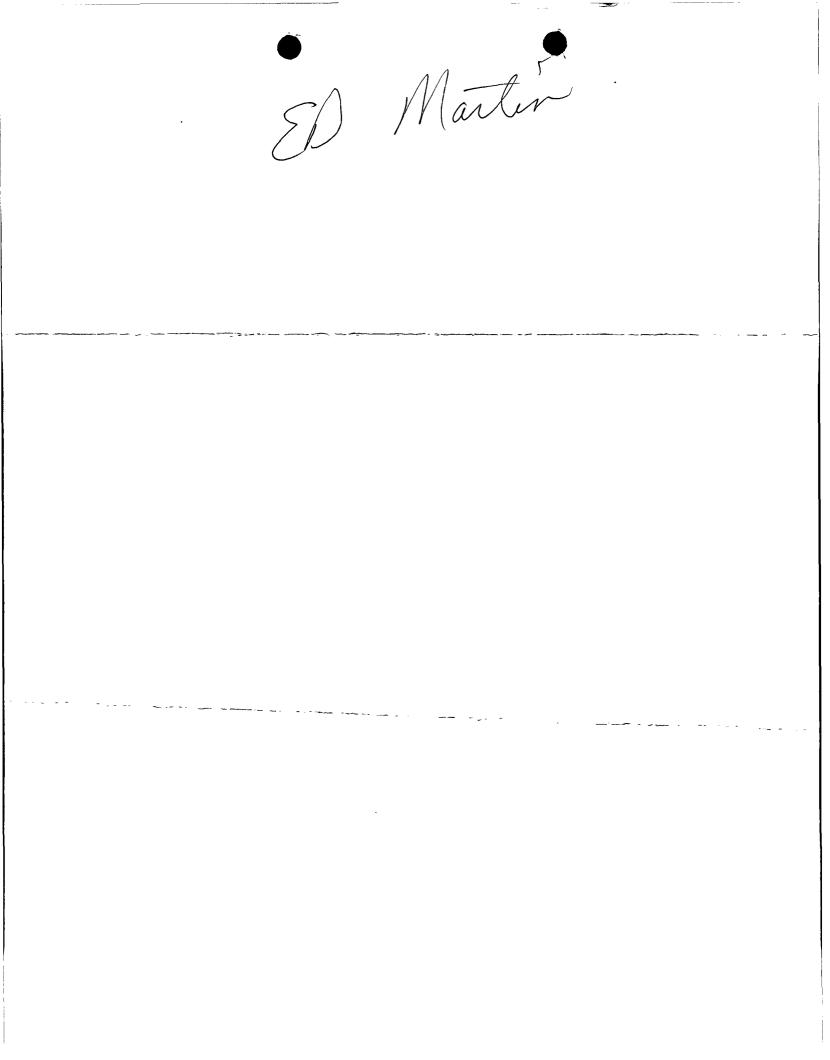


#### ACKNOWLEDGEMENT OF RECEIPT OF CHECK/CASH

I hereby acknowledge receipt of check No
or cash received on in the amount of \$OO
from Eddie Sear Consulting
for BW-022
Submitted by: LAWICARE FORMERS Date: 3/2/07
Submitted to ASD by: Muche Koneco Date: 3/2/07
Received in ASD by: Date:
Filing Fee New Facility Renewal
Modification Other
Organization Code <u>521.07</u> Applicable FY <u>2004</u>
To be deposited in the Water Quality Management Fund.
Full Payment or Annual Increment

PAY TO THE Water Quality Management Fund \$ 100. 02 One hundred and 10/100 Dollars Dol		EDDIE SEAY CONSULTING 601 W. ILLINOIS PH. (505) 392-2236 HOBBS, NM 88240	<u>2-9-07</u> DATE 95-219/1070	) 616
FARGO Wellsfargo.com		One hundred and 10/10	Dollars Fi	
	OWFB, N.A. Salety	FARGO New Mexico wellsfargo.com	Rena Seay	M <sup>e</sup>

State of New Maxico       Entropy, Minerals and Natural Resources       Revised Mark 22, 1999         Idea of The Areas, NM 8200       DIL CONSERVATION DIVISION       2010 </th <th></th> <th><b>2</b></th> <th>·</th> <th>86-00</th> <th>22</th> <th></th>		<b>2</b>	·	86-00	22	
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PULL OR ALTER CASING       MULTIPLE COMPLETION       CASING TEST AND CEMENT JOB         OTHER:       OTHER:       Image: 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 recompilation.         Pulled Tubing, Tubing parted 18 joints       down, Fished tubing and changed out tubing string.         Ihereby certify that the information above is true and complete to the best of my knowledge and belief.         SIGNATURE       TITLE         Bookkeeper       DATE 1/24/01         Type or print name       Donny         Collins       Telephone No. (505)         The or State use)       Total table of the state use			REMEDIAL WORK		ALTERING CASING	
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Type or print name Donny Collins Telephone No. (505) 398-496 (This space for State use)	I hereby certify that the information a	bove is true and complete to the l	best of my knowledge	and belief.		_
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District I 1625 N. French Dr., Hobbs, NM 88240 District II 811 South First, Artesia, NM 88210 District III 1000 Rio Brazos Road, Aztec, NM 87410 District IV	State of New Mexico Energy Minerals and Natural Rescues Oil Conservation Division 2040 South Pacheco Santa Fe, NM 87505	Revised March 17, 1999 Submit Original Plus 1 Copy to Santa Fe 1 Copy to Appropriate
2040 South Pacheco, Santa Fe, NM 87505		District Office

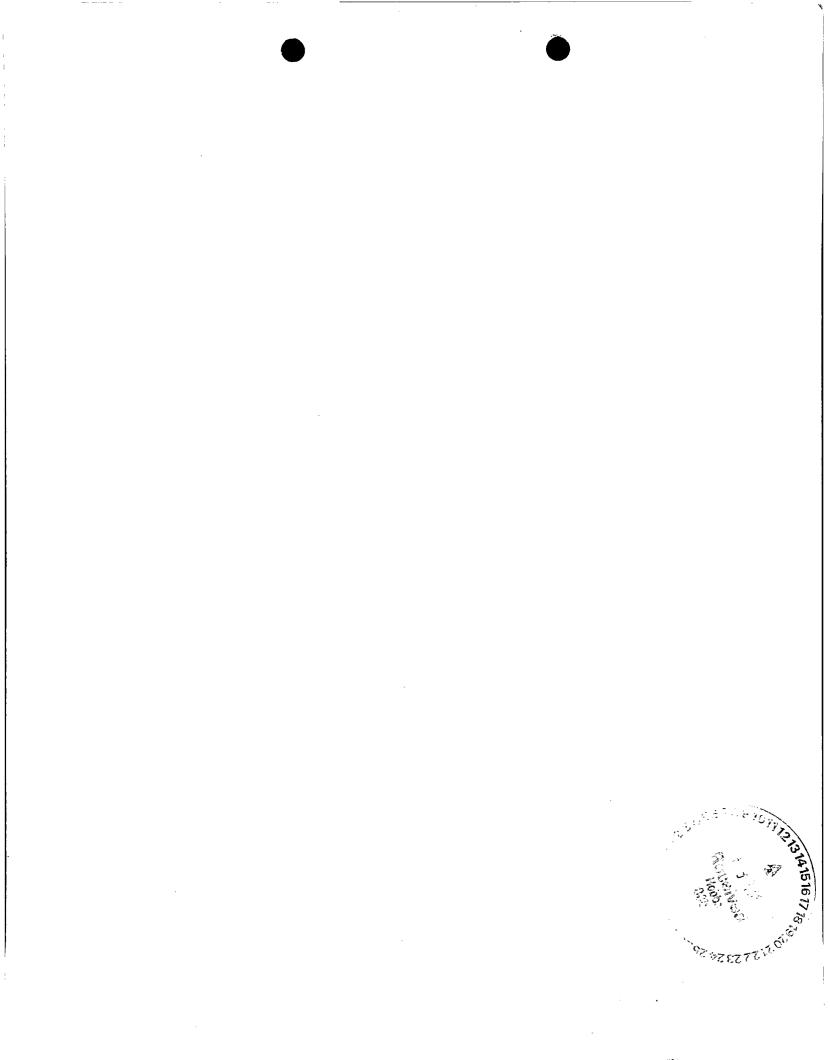
### DISCHARGE PLAN APPLICATION FOR SERVICE COMPANIES, GAS PLANTS. **REFINERIES, COMPRESSOR, AND CRUDE OIL PUMP STATIONS** (Refer to the OCD Guidelines for assistance in completing the application)

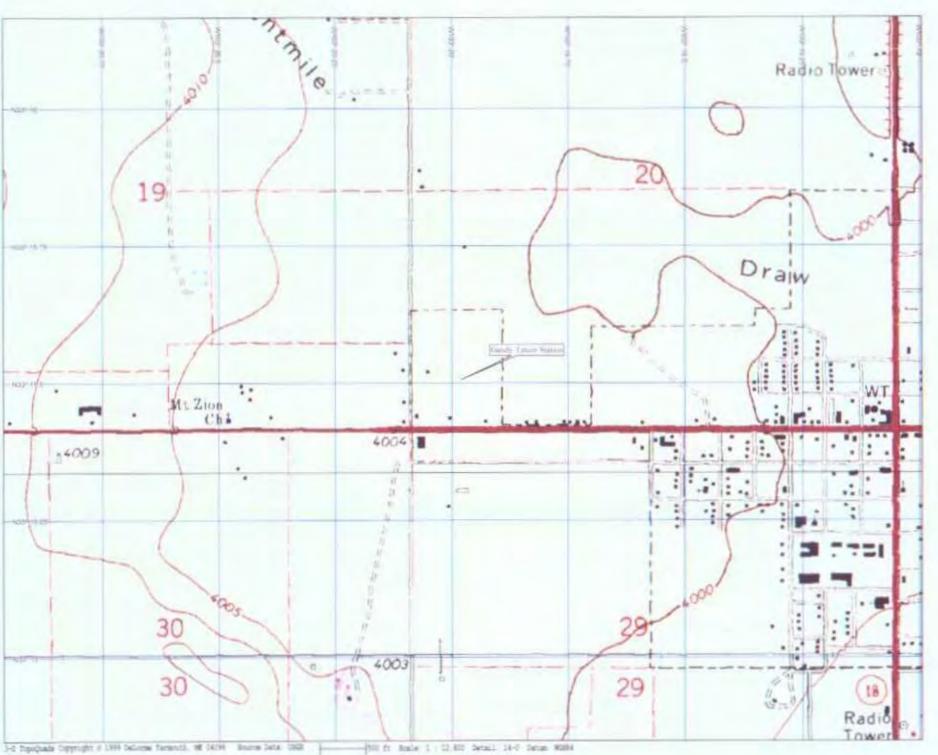
	New X Renewal Modification			
1.	Type: Brine Station (TATUM) BW-22			
2.	Operator:Gandy Corporation			
	Address: P.O. Box 827, Tatum, NM 88267			
	Contact Person: Larry Gandy Phone: Phone: Phone:			
3.	Location: SW /4 SW /4 Section 20 Township 12-S Range $\sim 36 - E$			
	Submit large scale topographic map showing exact location.			
4.	Submit large scale topographic map showing exact location.			
5.				
6.	Attach a description of all materials stored or used at the facility.			
7.	7. Attach a description of present sources of effluent and waste solids. Average quality and daily volume of waste water must be included.			
8.	8. Attach a description of current liquid and solid waste collection/treatment/disposal procedures.			
9.	Attach a description of proposed modifications to existing collection/treatment/disposal systems.			
10.	0. Attach a routine inspection and maintenance plan to ensure permit compliance.			
11.	1. Attach a contingency plan for reporting and clean-up of spills or releases.			
12.	2. Attach geological/hydrological information for the facility. Depth to and quality of ground water must be included.			
13.	3. Attach a facility closure plan, and other information as is necessary to demonstrate compliance with any other OCD rules, regulations and/or orders.			
	14. CERTIFICATIONI hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.			
	Name:Gandy Corporation Title: Vice-President			
	Signature: Date: February 13, 2001			
	$\sim$ )			

IV. Attach the name, telephone and address of the landowner of the facility site.

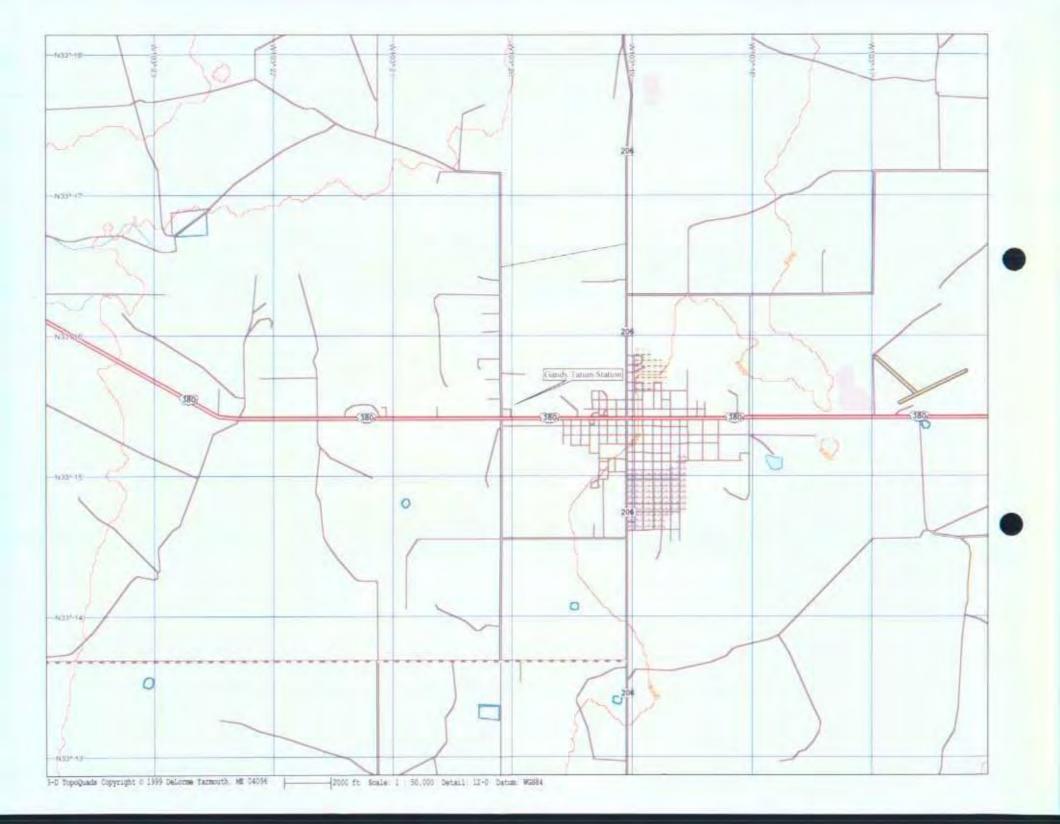
**Response:** The landowner of this facility is the Gandy Corporation, P.O. Box 827, Tatum, New Mexico 88267. Phone: (505) 398-4960.

The Gandy Corporation purchased the facility on April 1, 2000 from the Quality Brine Corporation.



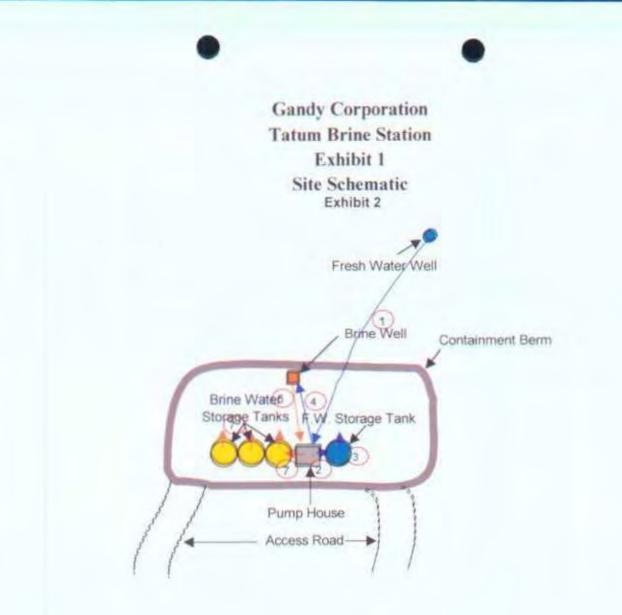


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## V. Attach the description of the facility with a diagram showing the location of fences, pits, dikes and tanks on the facility.

**Response:** Enclosed are Exhibits 1, 2 and 3 providing a schematic of the facility, location of flow lines, and a process description.



#### Exhibit 3 Tatum Brine Station Process Description

- 1. Fresh water is pumped from a well into a pump house.
- 2. The fresh water is transferred from the pump house into a 1,000 barrel storage tank.
- 3. The fresh water may be pumped directly into a truck loading system
- 4. Fresh water may also be diverted into the annulus of the brine well.
- 5. Brine water is directed back into the pump house.
- 6. The fluid is pumped into one of three 1,000 barrel storage tanks.
- 7. The fluid is finally removed from the storage tanks into truck loading outlets.





#### VI. Attach a description of all materials stored or used at the facility.

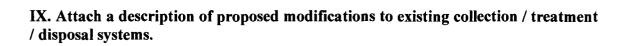
Response: There are no materials stored or routinely used at this facility.

## VII. Attach a description of present sources of effluent and solid waste. Average quality and daily volume of waste water must be included.

**Response:** The facility produces no solid waste. The average daily volume of effluent is 5 barrels per day. The quality of effluent is contained within Exhibit 4.

## VIII. Attach a description of current liquid and solid waste collection / treatment / disposal procedures.

**Response:** No solid waste is generated at this facility. Liquid waste consists of 10# brine water that is captured within a 55 gallon plastic drum situated immediately below the load-out port. These barrels are routinely inspected and any liquids contained within the sump catchment are removed and placed back within the storage tanks or transported to commercial disposal.



Response: No modifications to the facility are planned at this time.

#### X. Attach a routine inspection and maintenance plan to insure permit compliance.

**Response:** The facility will be inspected on a weekly basis and after each heavy rainfall event. The inspection will look for any leaks, breaks, or spills. All pumps and flowlines will be inspected for obvious wear or damage.

#### XI. Attach a contingency plan for reporting and clean up of spills or releases.

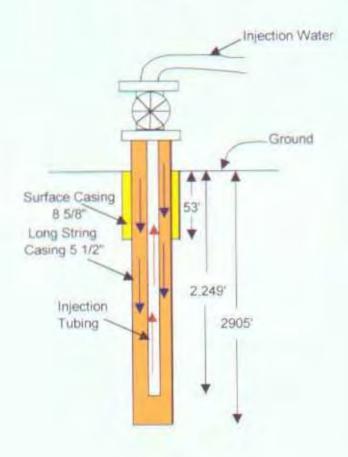
**Response:** Gandy Corporation owns and operates backhoes, vacuum trucks and other construction equipment commonly employed on spill clean-ups. In the event of an unplanned release of brine water, Gandy will immediately notify the Hobbs office of the NMOCD and remove all free liquids. Such removed liquids will be sent to commercial disposal.

All impacted soils will be delineated as to both vertical and lateral extent and all affected soils removed to commercial disposal. Replacement soils will be re-deposited within the excavated area and compacted to match the surrounding topographical elevations.

# XII. Attach geological hydrological information for the facility. Depth to and quality of groundwater must be included

**Response:** Exhibit 5 provides a cross section of the brine well. The quality of the well water is provided within Exhibit 6.

Gandy Corporation Tatum Brine Station Exhibit 5 Brine Well Schematic

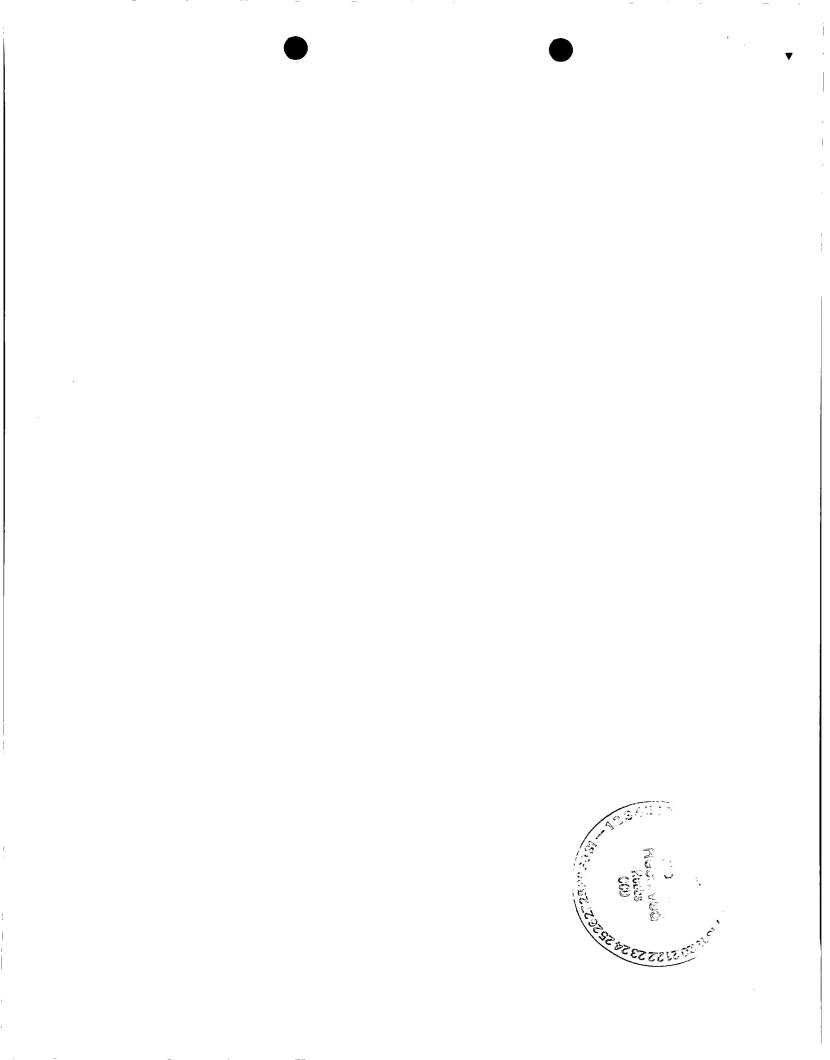


# XIII. Attach a facility closure plan, and other information as is necessary to demonstrate compliance with any other OCD rules, regulations and / or orders.

**Response:** There are five closure issues within this facility.

- **A. Wells:** At abandonment, the brine extraction well will be plugged in accordance with all appropriate state law.
- **B.** Lined Storage Reservoir Fluids: At abandonment, all non-commercial grade fluids contained within the lined surface impoundment will be collected and transported to a licensed disposal facility.
- C. Lined Surface Reservoir Solids: The plastic liner and associated solids consisting primarily of sodium chloride contaminated blow sands will be transported to a licensed commercial facility for disposal.
- **D. Tanks and Ancillary Equipment:** Storage tanks, pumps, fencing materials, piping and other structures will be removed from the site. The final disposition of these materials is dependent on their condition at the time of dismantlement. Cement structures will be removed and transported to commercial disposal.
- E. Contaminated Soils: After all surface structures are removed from the facility, the soils will be analyzed for the presence and concentrations of total petroleum hydrocarbons, benzene, toluene, ethylbenzene, xylene and chlorides. All soils containing criteria contaminant concentrations in excess of NMOCD closure guidelines will either be remediated in accordance NMOCD spill closure guidelines or transported to commercial disposal.

Quarterly reports for both fresh and brine water produced are sent to the proper authorities. Fresh water reporting goes to the State Engineer Office, 1900 West Second Street, Roswell, New Mexico 88201. Brine water reporting goes to the Commissioner of Public Lands, Box 1148, Sante Fe, New Mexico 87504. Fresh and brine water reporting goes to the Oil Conservation Division, State Land Office Building, P.O. Box 2088, Sante Fe, New Mexico 87504.





"Don't Treat Your Soil Like Dirt!"

WHOLE EARTH ENVIRONMENTAL ATTN: MR. MIKE GRIFFIN 19606 SAN GABRIEL HOUSTON, TEXAS 77084 FAX: 281-646-8996

Sample Type: Water Sample Condition: Intact/ 4 deg. C Project #: None Given Project Name: Tatum Station Project Location: None Given

1.1.1

Sampling Date: 12/04/00 Receiving Date: 12/09/00 Analysis Date: See Below

· . ·	ELT#	FIELD	CODE	 Sulfate mg/L	loride ng/L	Carbonat mg/L	te	Bicarbonate mg/L	TDS mg/L	Conductivity uS/cm
· ·	35145 35146	Salt Water Fresh Wate	•	17441 348	216245 85		<2 <2	62 142	31854 72	0 189900 1 1142

QUALITY CONTROL 50.5	5318	* *	*	1432
TRUE VALUE 50.0	5000	* *	*	1413
% PRECISION 101	106	*	*	101
BLANK <0.5	<10	<2 <2	<5	*

ANALYSIS DATE 12/13/00 12/12/00 12/12/00 12/12/00 12/11/00 12/12/00

METHODS: EPA 375.4, 325.3, 310, 160.1, 120.1

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Raland K. Tuttle

-27-00

12600 West I-20 East • Odessa, Texas 79765 • (915) 563-1800 • Fax (915) 563-1713

"Don't Treat Your Soil Like Dirtl" WHOLE EARTH ENVIRONMENTAL ATTN: MR. MIKE GRIFFIN 19606 SAN GABRIEL HOUSTON, TEXAS 77084 FAX: 281-646-8996

•.	Sample Type: Water Sample Condition: Intact/ 4 deg. C Sample Condition: Intact/ 4 deg. C	2/05/00
	Project #: None Given Project Name: Tatum Station Project Location: None Given	Specific Gravity 60 deg F
	ELT#         FIELD CODE         7.45         6750           35145         Salt Water         8.42         750           35146         Fresh Water         8.42         750	1.185 1.000

QUALITY CONTROL TRUE VALUE % PRECISION BLANK

ENVIRONMENTAL

LAB OF , INC.

METHODS: EPA 150.1, 130.2

CE Juin Raland K. Tuttle

12-27-00

Date

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12600 West I-20 East • Odessa, Texas 79765 • (915) 563-1800 • Fax (915) 563-1713



"Don't Treat Your Soil Like Dirt!"

WHOLE EARTH ENVIRONMENTAL ATTN: MR. MIKE GRIFFIN 19606 SAN GABRIEL HOUSTON, TEXAS 77084 FAX: 281-646-8996

Sample Type: Water	:			
Sample Condition: Intact/ 4 deg. C		•		 
Project #: None Given				•
Project Name: Tatum Station		· ·	••••	
Project Location: None Given	••	• • •		 · . ,

Sampling Date: 12/04/00 Receiving Date: 12/09/00 Analysis Date: 12/12, 12/14, 12/20/00

ELT#	FIELD CODE	Ca mg/L	Mg mg/L	Fe Ba mg/L mg/	L
	Salt Water	630	795	1.45 <0.1	0
35146	Fresh Water	69.5	28.4	0.54 <0.1	-

QUALITY CONTROL	10.29 4.91 0.99 2.01	•
TRUE VALUE	10.00 5.00 1.00 2.00	,
% PRECISION	103 - 93 99 100	•
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METHODS: SM 7000 series

Rel-dk Jum Raland K. Tuttle

12-27-00 Date

12600 West I-20 East • Odessa, Texas 79765 • (915) 563-1800 • Fax (915) 563-1713

Environmental Lab of Texas           12600 West I-20 East         Phone: 915-563-1800           Odessa, Texas 79763         Fax: 915-563-1713									СН	NN OF	cus	ΓΟΒΥ	' REC	ORD	ANE	) ANA	ILYSI	IS RE	QUE	ST		
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City/State/Zip:		·····							_													
Telephone No: <u>800, 854, 4358</u> Sampler Signature: <u>M. J. H</u>		Fax No:	28	<u>e) - c</u>	<u>64</u>	.8	796		_										_			
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## Affidavit of Pubication

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) ss.

STATE OF NEW MEXICO

#### COUNTY OF LEA

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

That the notice which is hereto attached, entitled

Legal Notice

was published in a regular and entire issue of THE LOV-

INGTON DAILY LEADER and not in any supplement there-

of, for one (1) day , beginning with the issue of

May 8 , 2002 and ending with the issue

of <u>May 8</u>, 2002.

And that the cost of publishing said notice is the sum of  $\frac{51.04}{1000}$  which sum has been (Paid) as

Court Costs. mens

Subscribed and sworn to before me this 14th day of May 2002

Debbie Schilling () Notary Public, Lea County, New Mexico My Commission Expires June 22, 2002

Ammed 5/23/07

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 applications has been submitted to the Director of the Oil Conservation Division, 1220 S. Saint Francis Drive, Santa <u>Fe</u>, New Mexico 87505, Telephone (505) 476-3440:

(BW-022) Gandy Corporation, Larry Gandy, (505) 398-4960, P.O. Box 827, Tatum, New Mexico, 88267 has submitted an application for renewal of its previously approved discharge plan for the Tatum Brine Station located in the SW/4 SW/4 of Section 20, Township 12 South, Range 36 East NMPM, Lea County, New Mexico. Fresh water is injected to an approximate depth of 2,300 feet and brine water is extracted with an average total dissolved solids concentration of 350,000 mg/l. Ground water most likely to be affected by an accidental discharge is at a depth of approximately 30 feet with a total dissolved solids concentration of approximately 700 mg/l. discharge The 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 pro-

posed discharge plan or its modification, the Director of the Oil Division Conservation 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 6th day of May 2002. STATE OF NEW MEXICO **OIL CONSERVATION** DIVISION LORI WROTENBERY, Director SFAL Published in the Lovington Daily Leader May 8, 2002. • NEW = MEXICON Founded 1849

THE SANTA FE

NM OIL CONSERVATION DIVISION 1220 S. ST. FRANCIS DR. SANTA FE, NM 87505 ATTN WAYNE PRICE AD NUMBER: 260391 ACCOUNT: 56689 LEGAL NO: 71418 P.O.#: 02199000249 185 LINES 1 time(s) at \$ 81.55 AFFIDAVITS: 5.25 TAX: 5.43 TOTAL: 92.23

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GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 6th day of May 2002.

STATE OF NEW MEXICO OIL CONSERVATION DIVI-SION

S E A L LORI WROTENBERY, Director Legal #71418 Pub. May 13, 2002

# STATE OF NEW MEXICO

being first duly sworn declare and Τ. 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 #71418 a copy of which is hereto attached was published in said newspaper 1 day(s) between 05/13/2002 and 05/13/2002 and that the notice was published in the newspaper proper and not in any supplement; the first publication being on the 13 day of May, 2002 and that the undersigned has personal knowledge of the matter and things set forth in this affidavit.

AFFIDAVIT OF PUBLICATION

/S/ ADVERTISEMENT REPRESENTATIVE LEGAL

Subscribed and sworn to before me on this 13 day of May A.D., 2002

Notarv 3103 Commission Expires

5/21

202 East Marcy Street, Santa Fe, NM 87501-2021 • 505.983.3303 • fax: 505.984.1785 • P.O. Box 2048, Santa Fe, NM 87504-2048

#### **NOTICE OF PUBLICATION**

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GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 6<sup>th</sup> day of May 2002.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

LORI WROTENBERY, Director

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GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 6<sup>th</sup> day of May 2002.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

LORI WROTENBERY, Director

SEAL



## NEW MEXICO ENERGY, MINERALS and TURAL RESOURCED DEPARTMENT

GARY E. JOHNSON Governor Jennifer A. Salisbury Cabinet Secretary Lori Wrotenbery Director Oil Conservation Division

GANDY BN-04022

October 20, 2001

NO TEST REQUIRED ALREADY TESTED 11

<u>CERTIFIED MAIL</u> <u>RETURN RECEIPT NO.</u> 5357 7485

## Attention: Brine Well Operators

Re: Mechanical Integrity Testing of Brine Supply Wells

The Underground Injection Control Program of the Federal Safe Drinking Water Act requires that operators demonstrate mechanical integrity of all injection wells by ensuring there are no leaks in the tubing, casing, or packer, and injected/produced fluids are confined within the piping and injection zones.

The Oil Conservation Division (OCD) requires operators of brine supply wells to perform the following mechanical integrity test:

- 1. At least once every five years isolate the cavern formation from the casing/tubing annuals and hydrostatic fluid pressure test the casing at 300 psig for 30 minutes. New brine wells and wells being worked over will have to be tested in this manner before operations begin.
- 2. Annually perform an open hole cavern formation pressure test by pressuring up the formation with fluids to one and one-half times the normal operating pressure or 300 psig whichever is greater for four hours. However, no operator may exceed surface injection or test pressures that may cause formation fracturing or system failures. Systems requiring test pressures less than 300 psig or methods that use testing media other than fluids, i.e. gas, must be approved by OCD prior to testing. Brine supply wells operating with isolation packers will have to pressure test both the cavern formation and casing/tubing annuals.

Please find enclosed an "OCD Brine Well Test Schedule November 2001" and "Brine Well Test Procedure Guidance Document" for this November 26 through November 30, 2001. Please have your well ready for testing on the date and time you are scheduled. Please refer to the Well Test Schedule attached for the <u>Tvpe of Test</u> you are scheduled to perform. You must receive prior OCD approval to alter the scheduled time or type of test.

# What's New!! Please note that operators are required to have their pressure recording devices calibrated to 500 psig and 8-hour clock. See Guidance Document attached.



# NEW MEXICO ENERGY, MINERALS and NTURAL RESOURCES DEPARTMENT

GARY E. JOHNSON Governor Jennifer A. Salisbury Cabinet Secretary Lori Wrotenbery Director Oil Conservation Division

GANDY BN-04122

October 20, 2001

NO TEST REQUIRED ALREADY TESTED

CERTIFIED MAIL RETURN RECEIPT NO. 5357 7485

## Attention: Brine Well Operators

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# What's New!! Please note that operators are required to have their pressure recording devices calibrated to 500 psig and 8-hour clock. See Guidance Document attached.

Brine Well Operators Oct 20, 2001 Page 2

# <u>What's New!!</u> All operators will provide to the OCD the maximum test pressure that will not cause formation fracturing or system failures.

Operators will be responsible for providing equipment and shall bear all costs incurred. All tests must be witnessed by the New Mexico Oil Conservation Division. Operators failing to abide by the procedures, type of test, and time schedules listed herein may be required to shut-in their systems until OCD has an opportunity to approve and witness testing.

If you require any further information or assistance please do not hesitate to write or call me at 505-476-3487 or E-mail WPRICE@state.nm.us.

Sincerely Yours,

Wagne Pini

Wayne Price- Senior Envr. Engr.. Environnemental Bureau

cc: OCD District Offices

Attachments-1.OCD Brine Well Test Schedule November 20012.Brine Well Testing Procedure Guidance Document

## Brine Well Testing Procedure Guidance Document

- The cavern and all piping must be filled, pressured up and stabilized for a period of at least 24 hours prior to testing. If this test requires a packer then casing/tubing annulus must be loaded with inert fluid 24 hours prior to testing.
- 2) Have manpower and equipment available for pressure test. Wellhead shall be prepared for test and all valves and gauges should be in good working order.
- 3) Pumps, tanks, external lines etc. must be isolated from the wellhead during test.
- 4) A continuous recording pressure device with an 8-hour clock (min) shall be installed on the casing/tubing annulus. The pressure range shall not be greater than 500 psig. The operator must provide proof that the pressure-recording device has been calibrated within the past 6 months. Note: Wells with packer installed: If this test requires both the casing/tubing annulus and cavern to be tested then two recording devices must be supplied or one recording device with two pins.
- 5) A minimum of one pressure gauge shall be installed on the casing/tubing annulus.
- 6) OCD must witness the beginning of test (putting chart on) and ending of test (removing chart). At the end of test operator may be required to bleed-off well pressure to demonstrate recorder and gauge response.
- 7) The Operator will supply the following information on the pressure chart:
  - A. Company Name, Well Name, API #, Legal Location.
  - B. Test Procedure (1) Casing + Formation (2) Casing Test Only (3) Both (4) Other
  - C. Testing Media: Water, Gas, Oil, Etc.
  - D. Date. time started and ending.
  - E. Name (printed) and signature of company representative and OCD Inspector
- 8) <u>TEST ACCEPTANCE</u>: The OCD will use the following criteria in determining if a well has passed the Mechanical Integrity Test:
  - A. <u>Passes</u> if Zero Bleed-Off during the test.
  - B. <u>Passes</u> if Final Test Pressure is within  $\pm 1\%$  of Starting Pressure, if approved by the OCD inspector.
  - C. <u>Fails</u> if any Final Test Pressure is greater than  $\pm 1\%$  of Starting Pressure. Operators must investigate for leaks and demonstrate that mechanical integrity of the well(s) by ensuring there are no leaks in the tubing, casing, or packer, and injected/produced fluids are confined within the piping and injection zones. Wells shall not resume operations until approved by OCD.
- Note: OCD recognizes that different operations, well designs, formation characteristics and field conditions may cause variations in the above procedures. If operator wishes to make or anticipate changes please notify the OCD for approval. All operators are responsible to notify OCD of any procedure that may cause harm to the well system or formation. Please be advised that OCD approval does not relieve any operator of liability should operations result in pollution of surface water, groundwater, or the environment.

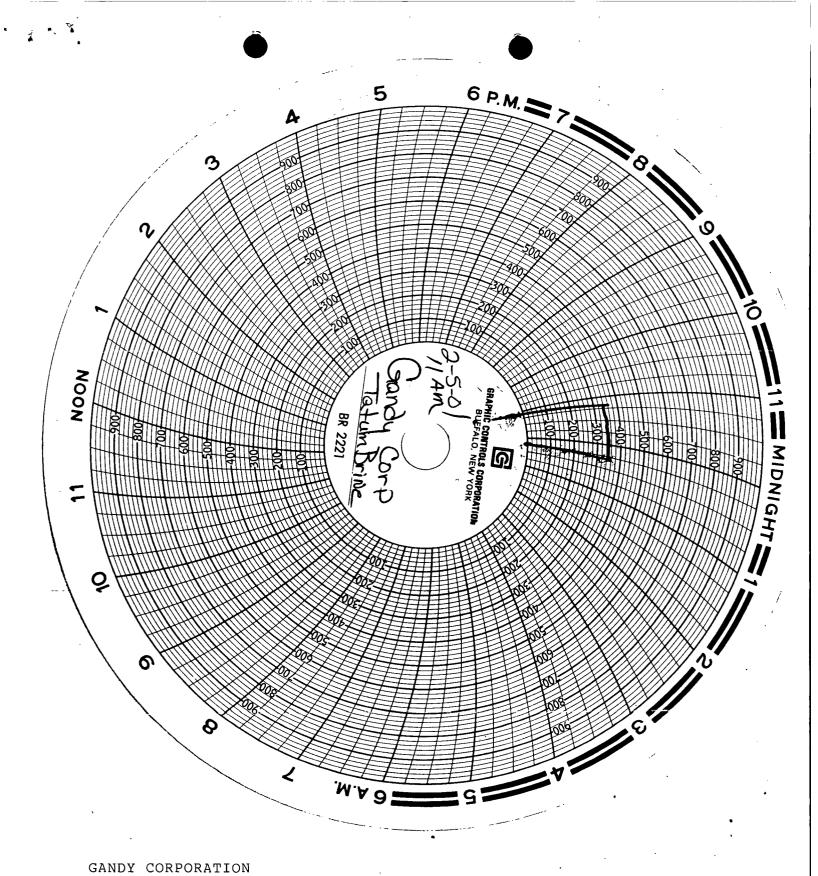
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		Hobbs Station	Wen	28-Nov-01	9:00 AM	1:00 PM		2 Pressure test cavern			392-698
	+	Salty Dog-Ark Jct								806-741-1080	
BW-015	+	Marathon Road	Wen	28-Nov-01	11:30 AM	3:30 PM		Pressure Test Casing	CW Trainer	T	
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		Tatum Brine St.								t	
BW-21	1	Loco Hills Brine St.									
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1 Casing Test	1-			Isolate cavern formatic	i from the cas			nd hadrostatic fluid pressure tool			
	+-		<u> </u>			and monthly man		and mydroetauc nulu pressure test	the casing at 500 psig t	or 30 minutes.	
	1-		t	t			┝┈┼			<u> </u>	
2 Open Hole C	aven	n Pressure Test	<u> </u>	Open hole cavern form	nation pressure	test by pressu	ning	up the formation with fuld to one	and one-half times the n	Ormal operating are	
	T		1	300 psig whichever is	areater for fou	rhours. Obera	tors :	shall not exceed surface pressures	that may cause format	ion fracturing or eve	asure or
				JUCU prior to test shall	approve test	pressures belov	v 300	) psig and methods that use media	a other than fluids		terri ranures,
				Brine supply wells ope	arating with par	kers will have	to pre	assure both the cavern formation a	and casing/tubing annua	is.	
I-I	1						LT			T	
									······································	†	
3 Others		L		Nitrogen-Brine Interfa	ce Test, Nitrog	en Test, Etc.				C)	
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Dodd "A" BW#1         BW-005       SE of Artesia         Hobbs Area         BW-018       Truckers #2 (Hobbs)         BW-018       Truckers #2 (Hobbs)         BW-018       Salty Dog-Ark Jct         BW-018       Salty Dog-Ark Jct         BW-015       Marathon Road         BW-002       Eunice Brine Station         BW-003A       Eunice Brine Station         BW-004       Carisbad Area         BW-005       Carisbad Area         BW-008       Carisbad Area         BW-019       Rowland Truckers         BW-019       Rowland Truckers         BW-027 & 27A       Carisbad Brine St.         BW-22       Tatum Brine St.         BW-22       Salado Brine #2- Jal         Wells Being Repained-       Image: Salado Brine #2- Jal         BW-25       Salado Brine #2- Jal         I       Casing Test       Image: Salado Brine #2- Jal         I       Casing Test <td>BW-013       Crossroads       Mon         Loco Hills Area       BW-029       M. 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Dodd "A" BW#1       Tue         BW-005       SE of Artesia       Tue         Hobbs Area       BW-018       Truckers #2 (Hobbs)       Wen         BW-012       Hobbs Area       Wen         BW-013       Truckers #2 (Hobbs)       Wen         BW-014       Truckers #2 (Hobbs)       Wen         BW-015       Marathon Road       Wen         BW-028       Eunice Brine Station       Thur         BW-028       Eunice Brine Station       Thur         BW-028       Eunice Brine Station       Thur         BW-029       Rowland Truckers       Fri         BW-029       Rowland Truckers       Fri         BW-027 & 27A       Carlsbad Brine St.       Fri         BW-021       Loco Hills Brine St.       Fri         BW-21       Loco Hills Brine St.       Fri         BW-25       Salado Brine #2- Jat       Image and	BW-013     Crossroads Area       BW-013     Crossroads       Mon     28-Nov-01       Loco Hills Area     27-Nov       BW-005     SE of Artesia     Tue       BW-005     SE of Artesia     Tue       BW-018     Truckers #2 (Hobbs)     Wen       BW-018     Truckers #2 (Hobbs)     Wen       BW-018     Truckers #2 (Hobbs)     Wen       BW-018     Salty Dog-Ark Jct     Wen       BW-018     Salty Dog-Ark Jct     Wen       BW-015     Marathon Road     Wen       BW-015     Marathon Road     Wen       BW-002     Eunice Area     28-Nov-01       BW-003     Eunice Brine Station     Thur       28-Nov-01     Eunice Brine Station     Thur       29-Nov-02     Eunice Brine Station     Thur       28-Nov-01     Eunice Brine Station     Thur       29-Nov-02     Eunice Brine Station     Thur       29-Nov-01     Rowland Truckers     Fri       30-Nov-01     BW-027 & ZrA     Carlsbad Area       BW-04     Wasserhund-Edison     Eunice       BW-027 & ZrA     Carlsbad Brine St.     Fri       BW-22     Tatum Brine St.     Eunice       BW-22     Satedo Brine #2- Jat     Eunice <t< td=""><td>BW-013     Crossroads Area     BW-013     Crossroads     Mon     28-Nov-01     12 noon       BW-013     Crossroads     Mon     28-Nov-01     12 noon       BW-029     M. 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Submit 3 Copies To Appropriate District	State of New	w Mexico	E)	Form C-103
Office District I	Energy, Minerals and	Natural Resources	WELL API NO.	Revised March 25, 1999
1625 N. French Dr., Hobbs, NM 88240 District 11 811 South First, Artesia, NM 88210	OIL CONSERVAT	<b>FION DIVISION</b>	30-025-	
District III 1000 Rio Brazos Rd., Aztec, NM 87410	2040 South		5. Indicate Type STATE	FEE
District IV 2040 South Pacheco, Santa Fe, NM 87505	Santa Fe, N	IM 87505		Gas Lease No.
SUNDRY NOTIC (DO NOT USE THIS FORM FOR PROPOSA DIFFERENT RESERVOIR. USE "APPLICA		OR PLUG BACK TO A		r Unit Agreement Name:
PROPOSALS.) 1. Type of Well:			QUALITY	
Oil Well Gas Well	Other BRINE	WELL		28881
2. Name of Operator Gandy Corporation	8426		8. Well No.	
3. Address of Operator P.O. Box 827, Tatu 4. Well Location	m, NM 88267		9. Pool name o	r Wildcat
M	593 feet from the SC	വനല്ലം	639	
Unit Letter <u>M</u> :			feet from	m the <u>WEST</u> line
Section 20	Township 12S 10. Elevation (Show whet	Range 36E	NMPM tc)	County LEA
11. Check Ap NOTICE OF INT	propriate Box to Indica ENTION TO:		SEQUENT RE	
	CHANGE PLANS			
لتسبيا		CASING TEST A		
OTHER:		OTHER:		
12. Describe proposed or complete of starting any proposed work). or recompilation.				
(2/4/01) Ran Casing $(2/5/01)$ Ran casing				
(2/5/01) Ran packer (2/6/01) Ran tubing				
(2/7/01) Tubing part	ted again and w	aited for uni	t.	
(2/26/01) Pulled tub (2/27/01) Started du				
ciruclate	clean.	-	÷	· •
(2/28/01) Drill out (3/01/01 clean out				
	ed up wellhead	and left well	circulatin	g
set T.D at	2715.58.			
And the second sec				
I hereby certify that the information a	bove is true and complete to	-	-	
SIGNATURE		TLEBookkeepe	r	_DATE <u>5/15/01</u>
Donny Coll Type or print name	108	,	Telep	hone No. (505) 398-4960
(This space for State use)	<i>(</i> ), <i>(</i> )			MAY 2 5 ZOON
APPPROVED BY <u>Aaug</u> (L) Conditions of approval, if any	Wink TIT	FIELD REPRES		_DATE





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TATUM BRINE STATION

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Submit 3 Copies To Appropriate District	State of New Me	avica	Form C-103
Office	Energy, Minerals and Nati		Revised March 25, 1999
District 1 1625 N. French Dr., Hobbs, NM 88240			WELL API NO.
District II 811 South First, Artesia, NM 88210	OIL CONSERVATION	I DIVISION	30-0 5. Indicate Type of Lease
District III 1000 Rio Brazos Rd., Aztec, NM 87410	2040 South Pac		STATE FEE
District IV	Santa Fe, NM 8	7505	6. State Oil & Gas Lease No.
2040 South Pacheco, Santa Fe, NM 87505		·	
SUNDRY NOTICE (DO NOT USE THIS FORM FOR PROPOSAL DIFFERENT RESERVOIR. USE "APPLICAT PROPOSALS.)		UG BACK TO A	7. Lease Name or Unit Agreement Name: QUALITY BRINE
1. Type of Well: Oil Well Gas Well	Other BRINE WEL	L	
2. Name of Operator Gandy Corporation			8. Well No.
3. Address of Operator	· · · · · · · · · · · · · · · · · · ·	···· .	9. Pool name or Wildcat
P.O. Box 827, Tatu	m, NM 88267		
4. Well Location			
Unit Letter M :	593 feet from the SOUT	H line and 6	539feet from the <u>WEST</u> line
Section 20	Township 12S Ra		NMPM County LEA
	10. Elevation (Show whether D	DR, RKB, RT, GR, et	tc.)
	propriate Box to Indicate N	· ·	-
		SUB REMEDIAL WOR	SEQUENT REPORT OF:
		COMMENCE DRI	
		CASING TEST AN CEMENT JOB	
OTHER:		OTHER:	
			ad give pertinent dates, including estimated date h wellbore diagram of proposed completion
<pre>(2/4/01) Ran Casing (2/5/01) Ran packer (2/6/01) Ran tubing (2/7/01) Tubing part (2/26/01) Pulled tub (2/27/01) Started dr ciruclate (2/28/01) Drill out (3/01/01 clean out</pre>	in the hole, test in the hole, dril ed again and wait ing, ran tubing a illing to 2400 ft clean. to 2623 and circu well to 2788, cir d up wellhead and	ed ok, ran led out to ed for unit nd bit in l . pull off lated clear culate clear	chart test. 2840, shut down. t. hole. bottom, n. an,
I hereby certify that the information al	oove is true and complete to the	hest of my knowled	ge and helief
	•	Bookkeepe	-
Donny Colli			
Type or print name (This space for State use)			Telephone No. (505) 398-496
APPPROVED BY Conditions of approval, if any:	TITLE		DATE
Conditions of approval, it any.			

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## ACXNOWLEDGEMENT OF RECEIPT OF CHECX/CASH

I hereby acknowledge receipt of check No. \_ dated 2-13-01 or cash received on \_\_\_\_\_ in the amount of \$  $(00^{\circ\circ})$ from <u>GANDY CORPORATION</u> for TATUM BRINE St. BW-022-Submitted by: WAYNE PRICE Date: 2/14/01 Submitted to ASD by: Man \_\_\_\_\_Date:\_\_\_\_\_2(16/01 Received in ASD by: \_\_\_\_\_ \_\_\_\_\_Date: Filing Fee X New Facility \_\_\_\_ Renewal \_\_\_\_ Modification \_\_\_\_ Other \_\_\_\_ Organization Code 521.07 Applicable FY 2001 To be deposited in the Water Quality Management Fund. Full Payment \_\_\_\_ or Annual Increment \_ WELLS FARGO BANK NEW MEXICO, N.A. LOVINGTON, NM 88260 GANDY CORPORATION P. O. BOX 827 PH. 398-4960 TATUM, NM 88267 DATE 2-13-01 95-219-1070 and and and and PAY TO THE ORDER \_\_\_\_DOLLARS \$ \*100.00 Γ Oil Conservation Division SW/4 SW/4 S 20 TS 125 36E Renewal Permit Brine Station VOID AFTER 90 DAYS Ilta Gandy O DELUXE - WE

162: Dist 811 Dist 100 Dist	rict I 5 N. French Dr., Hobbs, NM 88240 rict II South First, Artesia, NM 88210 rict III D Rio Brazos Road, Aztec, NM 87410 rict IV D South Pacheco, Santa Fe, NM 87505 D South Pacheco, Santa Fe, NM 87505
	DISCHARGE PLAN APPLICATION FOR SERVICE COMPANES, GAS PLANTS. REFINERIES, COMPRESSOR, AND CRUDE OIL PUMP STATIONS (Refer to the OCD Guidelines for assistance in completing the application)
	□ New X Renewal □ Modification
1.	Type: Brine Station
2.	Operator: Gandy Corporation
	Address:P.O. Box 827, Tatum, NM 88267
	Contact Person: Larry Gandy Phone: (505) 398-4960
3.	Location: $\underline{SW}$ /4 $\underline{SW}$ /4 Section $\underline{20}$ Township $\underline{12-S}$ Range $\underline{36-E}$ Submit large scale topographic map showing exact location.
4.	Attach the name, telephone number and address of the landowner of the facility site.
5.	Attach the description of the facility with a diagram indicating location of fences, pits, dikes and tanks on the facility.
6.	Attach a description of all materials stored or used at the facility.
7.	Attach a description of present sources of effluent and waste solids. Average quality and daily volume of waste water must be included.
8.	Attach a description of current liquid and solid waste collection/treatment/disposal procedures.
9.	Attach a description of proposed modifications to existing collection/treatment/disposal systems.
10	Attach a routine inspection and maintenance plan to ensure permit compliance.
11.	Attach a contingency plan for reporting and clean-up of spills or releases.
12	Attach geological/hydrological information for the facility. Depth to and quality of ground water must be included.
	Attach a facility closure plan, and other information as is necessary to demonstrate compliance with any other OCD rules, regulations and/or orders.
	14. CERTIFICATIONI hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.
	Name: <u>Gandy Corporation</u> Title: <u>Vice-President</u>
	Signature: Date: February 13, 2001

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Υ., ----\_ \_ \_\_\_\_

Date: February 13, 2001

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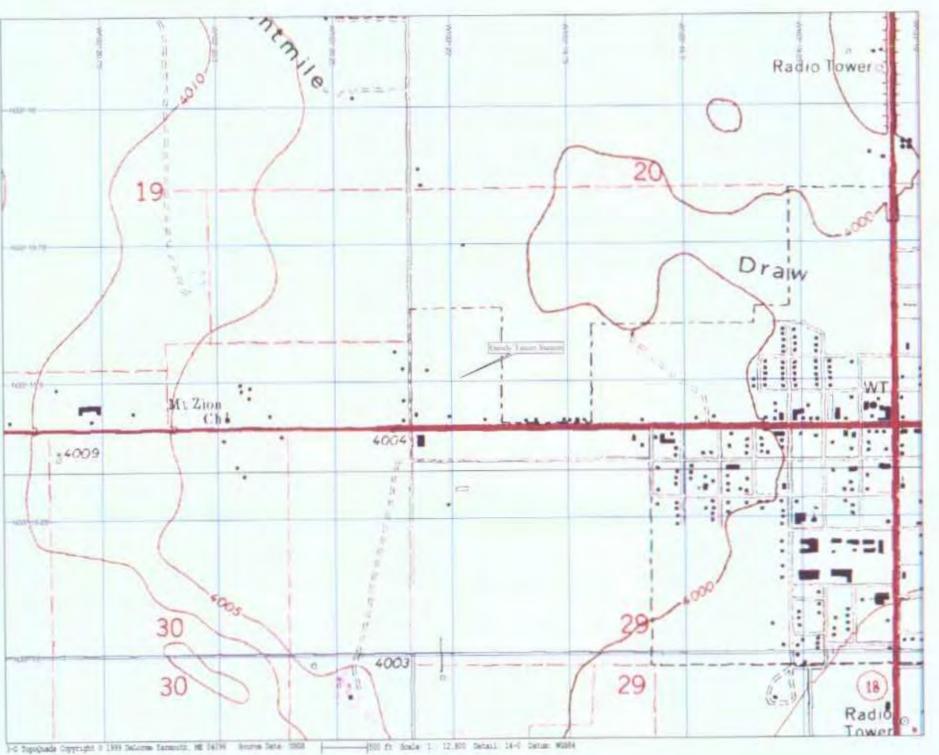
l

IV. Attach the name, telephone and address of the landowner of the facility site.

**Response:** The landowner of this facility is the Gandy Corporation, P.O. Box 827, Tatum, New Mexico 88267. Phone: (505) 398-4960.

The Gandy Corporation purchased the facility on April 1, 2000 from the Quality Brine Corporation.

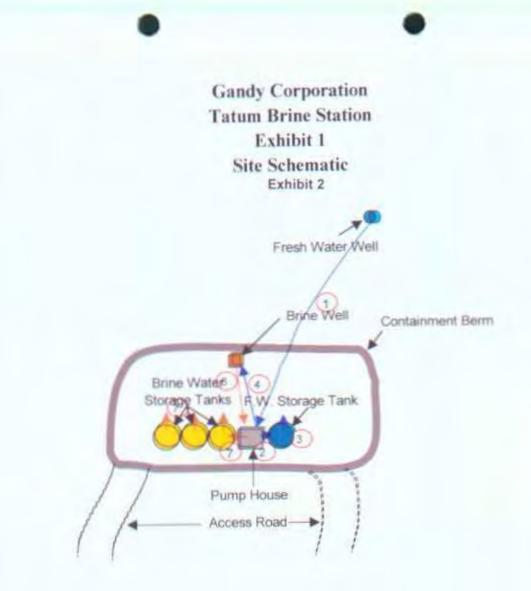
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# V. Attach the description of the facility with a diagram showing the location of fences, pits, dikes and tanks on the facility.

**Response:** Enclosed are Exhibits 1, 2 and 3 providing a schematic of the facility, location of flow lines, and a process description.



## Exhibit 3 Tatum Brine Station Process Description

- 1. Fresh water is pumped from a well into a pump house.
- 2. The fresh water is transferred from the pump house into a 1,000 barrel storage tank.
- 3. The fresh water may be pumped directly into a truck loading system
- 4. Fresh water may also be diverted into the annulus of the brine well.
- 5. Brine water is directed back into the pump house.
- 6. The fluid is pumped into one of three 1,000 barrel storage tanks.
- 7. The fluid is finally removed from the storage tanks into truck loading outlets.



## VI. Attach a description of all materials stored or used at the facility.

Response: There are no materials stored or routinely used at this facility.

# VII. Attach a description of present sources of effluent and solid waste. Average quality and daily volume of waste water must be included.

**Response:** The facility produces no solid waste. The average daily volume of effluent is 5 barrels per day. The quality of effluent is contained within Exhibit 4.

# VIII. Attach a description of current liquid and solid waste collection / treatment / disposal procedures.

**Response:** No solid waste is generated at this facility. Liquid waste consists of 10# brine water that is captured within a 55 gallon plastic drum situated immediately below the load-out port. These barrels are routinely inspected and any liquids contained within the sump catchment are removed and placed back within the storage tanks or transported to commercial disposal.

IX. Attach a description of proposed modifications to existing collection / treatment / disposal systems.

Response: No modifications to the facility are planned at this time.

## X. Attach a routine inspection and maintenance plan to insure permit compliance.

**Response:** The facility will be inspected on a weekly basis and after each heavy rainfall event. The inspection will look for any leaks, breaks, or spills. All pumps and flowlines will be inspected for obvious wear or damage.

### XI. Attach a contingency plan for reporting and clean up of spills or releases.

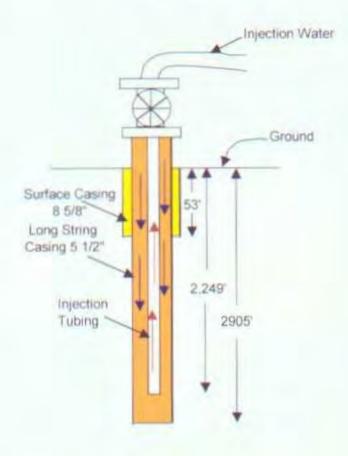
**Response:** Gandy Corporation owns and operates backhoes, vacuum trucks and other construction equipment commonly employed on spill clean-ups. In the event of an unplanned release of brine water, Gandy will immediately notify the Hobbs office of the NMOCD and remove all free liquids. Such removed liquids will be sent to commercial disposal.

All impacted soils will be delineated as to both vertical and lateral extent and all affected soils removed to commercial disposal. Replacement soils will be re-deposited within the excavated area and compacted to match the surrounding topographical elevations.

# XII. Attach geological hydrological information for the facility. Depth to and quality of groundwater must be included

**Response:** Exhibit 5 provides a cross section of the brine well. The quality of the well water is provided within Exhibit 6.

Gandy Corporation Tatum Brine Station Exhibit 5 Brine Well Schematic



## XIII. Attach a facility closure plan, and other information as is necessary to demonstrate compliance with any other OCD rules, regulations and / or orders.

**Response:** There are five closure issues within this facility.

- A. Wells: At abandonment, the brine extraction well will be plugged in accordance with all appropriate state law.
- **B.** Lined Storage Reservoir Fluids: At abandonment, all non-commercial grade fluids contained within the lined surface impoundment will be collected and transported to a licensed disposal facility.
- C. Lined Surface Reservoir Solids: The plastic liner and associated solids consisting primarily of sodium chloride contaminated blow sands will be transported to a licensed commercial facility for disposal.
- **D.** Tanks and Ancillary Equipment: Storage tanks, pumps, fencing materials, piping and other structures will be removed from the site. The final disposition of these materials is dependent on their condition at the time of dismantlement. Cement structures will be removed and transported to commercial disposal.
- E. Contaminated Soils: After all surface structures are removed from the facility, the soils will be analyzed for the presence and concentrations of total petroleum hydrocarbons, benzene, toluene, ethylbenzene, xylene and chlorides. All soils containing criteria contaminant concentrations in excess of NMOCD closure guidelines will either be remediated in accordance NMOCD spill closure guidelines or transported to commercial disposal.

Quarterly reports for both fresh and brine water produced are sent to the proper authorities. Fresh water reporting goes to the State Engineer Office, 1900 West Second Street, Roswell, New Mexico 88201. Brine water reporting goes to the Commissioner of Public Lands, Box 1148, Sante Fe, New Mexico 87504. Fresh and brine water reporting goes to the Oil Conservation Division, State Land Office Building, P.O. Box 2088, Sante Fe, New Mexico 87504.

# ENVIRONMENTAL LAB OF , INC.

"Don't Treat Your Soil Like Dirt!"

WHOLE EARTH ENVIRONMENTAL ATTN: MR. MIKE GRIFFIN 19606 SAN GABRIEL HOUSTON, TEXAS 77084 FAX: 281-646-8996

Sample Type: Water Sample Condition: Intact/ 4 deg. C Project #: None Given Project Name: Tatum Station Project Location: None Given Sampling Date: 12/04/00 Receiving Date: 12/09/00 Analysis Date: See Below

ELT#	FIELD CODE	Sulfate mg/L	Chloride mg/L	Carbonate mg/L	Bicarbonate mg/L	TDS mg/L	Conductivity uS/cm
35145 35146	Salt Water Fresh Water	17441 348	216245 85	<2 <2	62 142	318540 721	189900 1142
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		· · ·				,	
·	QUALITY CONTROL TRUE VALUE % PRECISION BLANK	50.5 50.0 101 <0.5	5318 5000 106 <10	* * <2	* * * <2	* * * <5	1432 1413 101 *
	ANALYSIS DATE	12/13/00	12/12/00	12/12/00	12/12/00	12/11/00	12/12/00

METHODS: EPA 375.4, 325.3, 310, 160.1, 120.1

Raland K. Tuttle

<u>12-27-00</u> Date

# ENVIRONMENTAL LAB OF , INC.

"Don't Treat Your Soil Like Dirt!"

WHOLE EARTH ENVIRONMENTAL ATTN: MR. MIKE GRIFFIN 19606 SAN GABRIEL HOUSTON, TEXAS 77084 FAX: 281-646-8996

Sample Type: Water Sample Condition: Intact/ 4 deg. C Project #: None Given Project Name: Tatum Station Project Location: None Given Sampling Date: 12/04/00 Receiving Date: 12/09/00 Analysis Date: 12/12/00

	, <	•				Specific	•	
	·	1	 •	рН	Hardness	Gravity		• •
ELT#	FIELD CODE		 	s.u.	mg/L	@ 60 deg F	·	<sup>.</sup>
35145	Salt Water	•		7.45	6750	1.185		•
35146	Fresh Water			8.42	750	. <b>.1.000</b>	$(1,\infty) \to 1$	

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QUALITY CONTROL	•	7.02	* .
TRUE VALUE	· .	7.00	*
% PRECISION		100	*
BLANK		· *	<10

METHODS: EPA 150.1, 130.2

Raland K. Tuttle

12-27-00 Date

12600 West I-20 East • Odessa, Texas 79765 • (915) 563-1800 • Fax (915) 563-1713

# ENVIRONMENTAL LAB OF , INC.

"Don't Treat Your Soil Like Dirt!"

WHOLE EARTH ENVIRONMENTAL ATTN: MR. MIKE GRIFFIN 19606 SAN GABRIEL HOUSTON, TEXAS 77084 FAX: 281-646-8996

Sample Type: Water Sample Condition: Intact/ 4 deg. C Project #: None Given Project Name: Tatum Station Project Location: None Given

Sampling Date: 12/04/00 Receiving Date: 12/09/00 Analysis Date: 12/12, 12/14, 12/20/00

ELT#	FIELD CODE	· · ·	 	Ca mg/L	Mg mg/L	Fe mg/L	Ba mg/L	
35145 35146	Salt Water Fresh Water			630 69,5	795 28.4	1.45 0.54	<0.10 <0.10	
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QUALITY CONTROL	10.29	4.91	0,99	2.01
TRUE VALUE	10.00	5.00	1.00	2.00
% PRECISION	103	93	99	100
BLANK	<0.10	<0.10	< 0.03	<0.10

METHODS: SM 7000 series .

Rel-dk Juin

Raland K. Tuttle

2-27-00 Date

/ 12600 West I-20 East • Odessa, Texas 79765 • (915) 563-1800 • Fax (915) 563-1713

### Environmental Lab of Texas, Inc.

12600 West I-20 East Odessa, Texas 79763	Phone: 915-563-1800 Fax: 915-563-1713										C	HAIN	OF	cusi	ΓΟΟΥ	Y RE	CORI	D AN	ID A	NAL	YSIS	S RE	QUE	ST		
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Company Address:					<b>.</b>								Ρ	гојес	t Lo	c:										
City/State/Zip:				<u></u>					·····						PO	#:										
Telephone No:	800.854.4358 M. J.H.		Fax No:	28	3/ .	·6L	16.	89	190	6																
Sampler Signature:	M. q. H :		······										1					Ar	nalyz	e Fo	or;					ſ
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Special Instructions:															- 2		e Co atory									
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## **OCD ENVIRONMENTAL BUREAU**

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### SITE INSPECTION SHEET

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DATE: 12/12/00 Time: 8:30 AM TERP 16 P
Type of Facility:       Refinery       Gas Plant       Compressor St.       Brine St.       Oilfield Service Co.         Surface Waste Mgt.       Facility       E&P Site       Crude Oil Pump Station         Other
Discharge Plan: No 🗆 Yes 🗹 DP#
FACILITY NAME: TATUM BRINE STATION
PHYSICAL LOCATION:
Legal: QTR <u>5WQTR5W Sec 20</u> TS <u>125</u> R <u>366</u> County LEA
OWNER/OPERATOR (NAME) GAWDY CORPORA ELON Contact Person: LANRY GAWDY Tele:#
Contact Person:
MAILING /
ADDRESS:StateZIP
Owner/Operator Rep's:
OCD INSPECTORS: WRick 1. <u>Drum Storage</u> : All drums containing materials other than fresh water must be stored on an impermeable pad with curbing. All empty drums will be stored on their sides with the bungs in and lined up on a horizontal plane. Chemicals in other containers such as sacks or buckets will also be stored on an impermeable pad and curb type containment. MA
2. Process Areas: All process and maintenance areas which show evidence that leaks and spills are reaching the ground surface must be either paved and curbed or have some type of spill collection device incorporated into the design.
3. Above Ground Tanks: All above ground tanks which contain fluids other than fresh water must be bermed to contain a volume of one-third more than the total volume of the largest tank or of all interconnected tanks. All new tanks or existing tanks that undergo a major modification, as determined by the Division, must be placed within an impermeable bermed enclosure.

OCD Inspection Sheet Page \_\_\_\_ of \_\_\_\_

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#### AREA 15 BERMED

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4. <u>Above Ground Saddle Tanks</u>: Above ground saddle tanks must have impermeable pad and curb type containment unless they contain fresh water or fluids that are gases at atmospheric temperature and pressure.

5. <u>Labeling:</u> All tanks, drums and containers will be clearly labeled to identify their contents and other emergency notification information.

6. Below Grade Tanks/Sumps: All below grade tanks, sumps, and pits must be approved by the OCD prior to installation or upon modification and must incorporate secondary containment and leak-detection into the design. All pre-existing sumps and below-grade tanks must demonstrate integrity on an annual basis. Integrity tests include pressure testing to 3 pounds per square inch above normal operating pressure and/or visual inspection of cleaned out tanks and/or sumps, or other OCD approved methods. The OCD will be notified at least 72 hours prior to all testing.

7. Underground Process/Wastewater Lines: All underground process/wastewater pipelines must be tested to demonstrate their mechanical integrity at present and then every 5 years thereafter, or prior to discharge plan renewal. The permittee may propose various methods for testing such as pressure testing to 3 pounds per square inch above normal operating pressure or other means acceptable to the OCD. The OCD will be notified at least 72 hours prior to all testing.

LINE FROM WELL TO TANKS BRINE

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8. Onsite/Offsite Waste Disposal and Storage Practices: Are all wastes properly characterized and disposed of correctly? Does the facility have an EPA hazardous waste number? \_\_\_\_\_Yes \_\_\_\_\_No

ARE ALL WASTE CHARACTERIZED AND DISPOSED OF PROPERLY? YES 🖅 NO 🗖 IF NO DETAIL BELOW.

OCD Inspection Sheet Page \_\_\_\_ of \_\_\_\_

9. Class V Wells: Leach fields and other wastewater disposal systems at OCD regulated facilities which inject nonhazardous fluid into or above an underground source of drinking water are considered Class V injection wells under the EPA UIC program. All Class V wells that inject non-hazardous industrial wastes or a mixture of industrial wastes and domestic wastes will be closed unless it can be demonstrated that groundwater will not be impacted in the reasonably foreseeable future. Closure of Class V wells must be in accordance with a plan approved by the Division's Santa Fe Office. The OCD allows industry to submit closure plans which are protective of human health, the environment and groundwater as defined by the WQCC, and are cost effective. Class V wells that inject domestic waste only must be permitted by the New Mexico Environment Department.

ANY CLASS V WELLS	NO 🖉 YES 🗆	IF YES DESCRIBE BELOW !	Undetermined
		· • •	
		<b>W</b> 4	

10. <u>Housekeeping:</u> All systems designed for spill collection/prevention will be inspected weekly and after each storm event to ensure proper operation and to prevent overtopping or system failure. A record of inspections will be retained on site for a period of five years.

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11. <u>Spill Reporting:</u> All spills/releases will be reported pursuant to OCD Rule 116 and WQCC 1203 to the proper OCD District Office.

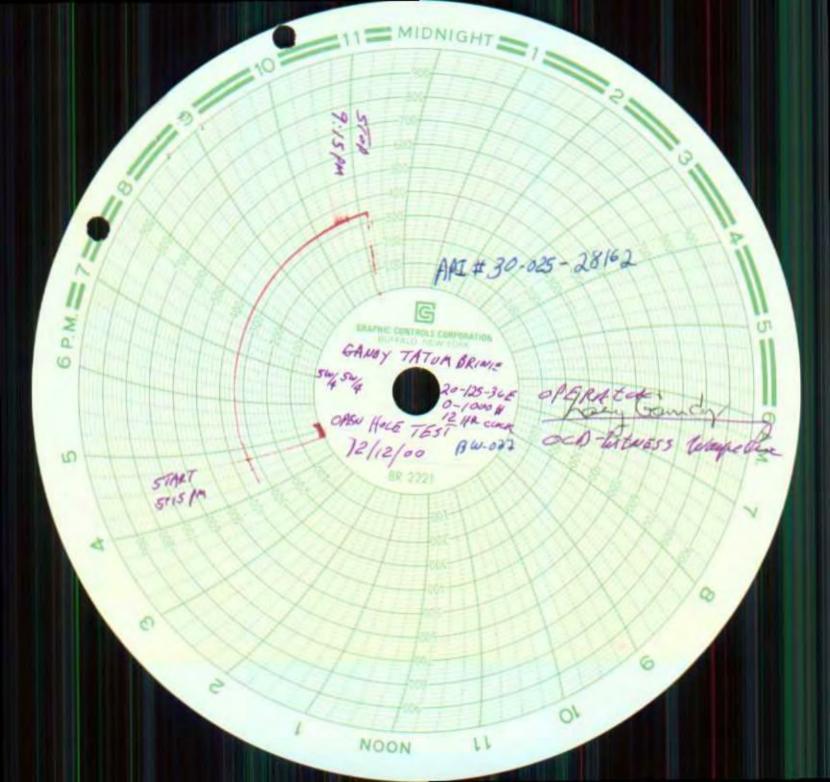
12. Does the facility have any other potential environmental concerns/issues?

. . . . . .

13. Does the facility have any other environmental permits - i.e. SPCC, Stormwater Plan, etc.?

14. ANY WATER WELLS ON SITE ? NO 🗆 YES 🗗 IF YES, HOW IS IT BEING USED ?

2 14 mi North **Miscellaneous Comments:** RECORDEN 12 KA 0 - 1000 5:15 PM 365 9:15 PM L C Number of Photos taken at this site: attachments-OCD Inspection Sheet Page \_\_\_\_ of \_\_\_\_





## NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON Governor Jennifer A. Salisbury Cabinet Secretary Lori Wrotenbery Director Oil Conservation Division

October 20, 2000

#### <u>CERTIFIED MAIL</u> <u>RETURN RECEIPT NO.</u> 5051 4447 BW-022 GAMY

Attention: Brine Well Operators

Re: Mechanical Integrity Testing of Brine Supply Wells

The Underground Injection Control Program of the Federal Safe Drinking Water Act requires that operators demonstrate mechanical integrity of all injection wells by ensuring there are no leaks in the tubing, casing, or packer, and injected/produced fluids are confined within the piping and injection zones.

The Oil Conservation Division (OCD) requires operators of brine supply wells to perform the following mechanical integrity tests:

- 1. At least once every five years isolate the cavern formation from the casing/tubing annuals and hydrostatic fluid pressure test the casing at 300 psig for 30 minutes. New brine wells and wells being worked over will have to be tested in this manner before operations begin.
- 2. Annually perform an open hole cavern formation pressure test by pressuring up the formation with fluid to one and one-half times the normal operating pressure or 300 psig whichever is greater for four hours. Operators shall not exceed surface pressures that may cause formation fracturing or system failures. OCD prior to test shall approve test pressures below 300 psig and methods that use media other than fluids. Brine supply wells operating with packers will have to pressure both the cavern formation and casing/tubing annuals.

Please find enclosed an "OCD Brine Well Test Schedule December 2000" and "Brine Well Test Procedure Guidance Document" for this December 8<sup>th</sup> through 18<sup>th</sup> 2000. Please have your well ready for testing on the date and time you are scheduled. Please refer to the Well Test Schedule attached for the <u>type of test</u> you are scheduled to perform. You must receive prior OCD approval to alter the scheduled time or type of test. Brine Well Operators 10/20/00 Page 2

Operators will be responsible for providing equipment and shall bear all costs incurred. All tests must be witnessed by the New Mexico Oil Conservation Division. Operators failing to abide by the procedures, type of test, and time schedules listed herein may be required to shut-in their systems until OCD has an opportunity to approve and witness testing.

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

Sincerely Yours,

Wape Pine

Wayne Price-Pet. Engr. Spec. Environmental Bureau

cc: OCD District Offices

Attachments- 1. OCD Brine Well Test Schedule December 2000.

2. Brine Well Testing Procedure Guidance Document.

#### OCD BRINE WELL TEST SCHEDULE December of 2000

Сотрапу	DP#	Facility Name	Date of Test	Start	Stop	Type of Test(s) Required	Contact Person	Telephone	FAX #
Marbob Brine Well	BW-029	M. Dodd "A" BW#1	December 08, 2000	1:00 PM	5:00 PM	2 Pressure test cavem	Doyle Davis Raye Miller	748-5975 cell 748-3303	1-505-746-2523
P&S Brine Simms-McCasland Salty Dog, Inc.	BW-002 BW-009A BW-008	Eunice Eunice Water ST. Eunice Brine Station Arkansas-Jct	December 11, 2000 December 11, 2000 December 11, 2000	8 am 9:30 am 11 am	12 noon 1:30 pm 3 pm	<ol> <li>Pressure test cavern</li> <li>Pressure test cavern</li> <li>Pressure test cavern</li> </ol>	Paul Prather Bob Patterson Mr. Piter Bergstein Walter Brisco	1-505-394-2545 1-505-394-2581 1-806-741-1080	
Steams Inc. Gandy Corp. Key Energy	BW-013 BW-022 BW-018	Crossroads Tatum Water St. Truckers #2 (Hobbs)	December 12, 2000 December 12, 2000 December 12, 2000	8:00 AM 9:00 AM 10:30 AM	12 noon 1:00 PM 2:30 PM	<ol> <li>Pressure test cavern</li> <li>Pressure test cavern</li> <li>Pressure test cavern</li> </ol>	L.A. Steams Larry Gandy Pete Turner	1-505-675-2356 1-505-398-4960 1-505-397-4994	cell 369-5721
I&W Trucking Loco Hills Brine	BW-006 &6A BW-021	Carlsbad Yard Loco Hills	December 13, 2000 December 13, 2000	8:00 AM 1:30 PM	12 noon 5:30 PM	<ol> <li>Pressure test cavern</li> <li>Pressure test cavern</li> </ol>	George Parchman D. Maloney or R. Harris	1-505-885-6663 1-505-677-2370	
Goldstar Quality Oil (Salado Brine Sales)	BW-028 BW-025	Eunice Brine Station Salado Brine St. #2	December 14, 2000 December 14, 2000	9:30 am 11am	- 1:30 pm 3 pm	<ol> <li>Pressure test cavern</li> <li>Pressure test cavern</li> </ol>	Royce Crowell see P&S	1-505-394-2504	1-505-394-2560
Key Energy-Carlsbad Scurlock/Permian Jims Water Ser.	BW-019 BW-027 &27A BW-005	Rowland Truckers Carlsbad Brine St. SE of Artesia	December 15, 2000 December 15, 2000 December 15, 2000	8:00 AM 9:00 AM 10:30 AM	12 noon 1:00 PM 2:30 PM	<ol> <li>Pressure test cavern</li> <li>Pressure test cavern</li> <li>Pressure test cavern</li> </ol>	John Hutcheson Jim Ephraim Sammy Stoneman	1-713-672-8092 1-505-748-1352	
Scurlock-Permian Gandy- WasserHaun	BW-012 BW-004	Hobbs Station Buckeye St.	December 18, 2000 December 18, 2000	8:00 AM 9:00 AM	12 noon 1:00 PM	2 Pressure test cavern 2 Pressure test cavern	Richard Lentz Larry Gandy	1-505-392-8212 1-505-398-4960	1-505-392-6988 cell 369-5721
Notes:									
Type of Pressure Test:	1 Casing Test		Isolate cavem formation	n from the casin	g/tubing annua	als and hydrostatic fluid pressure	test the casing at 300 psi	g for 30 minutes.	
	2 Open Hole Cave	em Pressure Test	Open hole cavem forma	ation pressure t	est by pressur	ing up the formation with fluid to o	one and one-half times the	normal operating	pressure or

Pressure Test Open hole cavem formation pressure test by pressuring up the formation with fluid to one and one-half times the normal operating pressure or 300 psig whichever is greater for four hours. Operators shall not exceed surface pressures that may cause formation fracturing or system failures. OCD prior to test shall approve test pressures below 300 psig and methods that use media other than fluids. Brine supply wells operating with packers will have to pressure both the cavem formation and casing/tubing annuals.

3 Others

Nitrogen-Brine Interface Test, Nitrogen Test, Etc.

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#### **Brine Well Testing Procedure Guidance Document**

- 1) The cavern and all piping must be filled, pressured up and stabilized for a period of at least 24 hours prior to testing. If this test requires or utilizes a packer then the casing/tubing annulus must be loaded with inert fluid 24 hours prior to testing.
- 2) Have manpower and equipment available for pressure test. Well head shall be prepared for test and all valves and gauges should be in good working order.
- 3) Pressure devices i.e pumps, truck pumps, etc. must be isolated from the well head during test.
- 4) A continuous recording pressure chart with an 8 hour clock shall be installed on the casing/tubing annulus, as directed by the OCD, with a pressure range of not greater than 500 psig. The operator must provide proof that pressure recording device has a range of 0-500 psig and has been calibrated within the past 6 months. Wells, with isolation packers installed, which requires both the casing/tubing annulus and cavern to be tested will require two recording devices or one recording device with two pins. Operators may utilize other types of pressure recording devices, such as electronic data loggers, etc., if approved by OCD.
- 5) A minimum of one pressure gage shall be installed in the system as directed by OCD.
- 6) OCD must witness the beginning of test (putting chart on) and ending of test (removing chart). At the end of test operator may be required to bleed-off pressure to demonstrate recorder response.
- 7) The Operator will supply the following information on the pressure chart before starting test:
  - 1. Company name, discharge plan #, well name and number, legal location UL, section, township, range and county.
  - 2. Type of Test: Open Hole, Casing Test, or Both.
  - 3. Date, time test started, time stop.

\$'

- 4. Chart and Recorder information. (can be attached)
- 5. Normal operating surface and formation fracture pressure. (can be attached)
- 6. After Test Completed:
  - Name (printed) and signature of company representative and OCD inspector.
- Note: NMOCD recognizes that different operations, well constructions, well designs and field conditions may cause variations in the above procedures. Operator is responsible to notify OCD of any procedure that may cause harm to the well or formation. If operator wishes to make or anticipate changes you must notify the OCD for approval.

OCD December of 2000 Brine Well Testing

#### **GANDY CORPORATION**

OILFIELD SERVICES P. O. BOX 827 TATUM, NEW MEXICO 88267 (505) 398-4960 FAX 505-398-6887

May 17, 2000

Mr. Wayne Price New Mexico Oil & Gas Division 2040 S. Pacheco Santa, Fe, NM 88205

Dear Wayne:

We are enclosing a copy of the C-104 that we sent to Donna in the Hobbs office showing a change of ownership on the brine station.

Gandy Corporation has taken over the ownership and assumed the discharge plan for the station.

Sincerely, an Larry Gandy

District I PO Box 1980, H	iobbs, NM 88	241-1980	East	State rgy, Minerals	of New	Mex	iCO • Departme	at (	Ì	Rev	vised (	Form C-104 October 18, 1994			
District II 811 South First,			OII	CONSE	RVATI	Instruction: TION DIVISION Submit to Appropriate Distri									
District III	District III 2040 South														
District IV		2		Santa	re, na	vi 8/2	005				AME	NDED REPORT			
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	Comple	tion Dat	a							· · · · ·					
<sup>B</sup> Spi	ud Date		* Ready Date		" TD	T	» PB	TD	* Perío	ations		» DHC, DC,MC			
	31 Hole Size	<u></u>	» C	asing & Tubin	g Size	┯┸╸	2	Depth S			× Sec	ks Cement			
	1 Test D		Delivery Date	<u>л</u> т.	st Date		" Test La		274		- <u>-</u>	A Core Durante			
Ditte	New On		Delivery Date		at Date		- 104 14		1 bg.	Pressure		<sup>44</sup> Cag. Pressure			
41 Cho	oke Size		4 Oil		Water		"Ge		e,	OF .	+	* Test Method			
		<u> </u>		[ 		!									
with and that	the informatio	nules of the O on given abov	il Conservation Di e is true and comp	vision have bee dete to the best	en complied of my		0	IL CO	ONSERVA'	TION D	IVIS	SION			
knowledge an Signature:		C.	rome i			Approv	ved by:								
Printed name	İorry	Gandy	rand			Title:									
1 Title:		~				Аррго	val Date:					······································			
Date:	<u>Vice-P</u> 05-17-	<u>reside</u> 00		05-398.	-4960	┣──-	<u> </u>								
" If this is a	a change of o		the OCRID and	nber and nam	e of the prev	-									
Hor.	Trevious	Operator Si		5818	Dani		atson				05 Kle	-17-00 Date			
1 4										<b>4</b> 1		Latt			

····· <u>محمد می جدید می میں میں محمد</u> محمد میں میں محمد میں میں میں میں میں م

	New Mexico Oil Con C-104 Inst		Division
IF THE	S IS AN AMENDED REPORT, CHECK THE BOX LABLED	31.	Inside diameter of the well bore
	IDED REPORT" AT THE TOP OF THIS DOCUMENT all gas volumes at 15.025 PSIA at 60°.	32.	Outside diameter of the casing and tubing
Report	all oil volumes to the nearest whole barrel.	33.	Depth of casing and tubing. If a casing liner show top bottom.
accom	est for allowable for a newly drilled or deepened well must be panied by a tabulation of the deviation tests conducted in ance with Rule 111.	34.	Number of sacks of cement used per casing string
	tions of this form must be filled out for allowable requests on a recompleted wells.	if the f	following test data is for an oil well it must be from a ted only after the total volume of load oil is recovered.
	only sections I. II. IV. and the operator certifications for	35.	MO/DA/YR that new oil was first produced
change	s of operator, property name, well number, transporter, or uch changes.	36.	MO/DA/YR that gas was first produced into a pipeline
A sepi	arate C-104 must be filed for each pool in a multiple	37. 38.	MO/DA/YR that the following test was completed Length in hours of the test
comple	roon. erly filled out or incomplete forms may be returned to	39.	Flowing tubing pressure - oil wells
operato	ors unapproved.	40.	Shut-in tubing pressure - gas wells Flowing casing pressure - oil wells
1. ว	Operator's name and address Operator's OGRID number. If you do not have one it will be		Shut-in casing pressure - gas wells
2	assigned and filled in by the District office.	41.	Diameter of the choke used in the test
3.	Reason for filing code from the following table:	42.	Barrels of oil produced during the test
	RC Recompletion CH Change of Operator (Include the effective date.)	43.	Barrels of water produced during the test
	AO Add oil/condensate transporter CO Change oil/condensate transporter	44.	MCF of gas produced during the test
	AG Add gas transporter CG Change gas transporter	45.	Gas well calculated absolute open flow in MCF/D
	RT Request for test allowable (include volume requested)	46.	The method used to test the well: F Flowing
	If for any other reason write that reason in this box.		P Pumping S Swabbing
4. E	The API number of this well The name of the wool for this completion	47	If other method please write it in.
5. 6.	The name of the pool for this completion The pool code for this pool	47.	The signature, printed name, and title of the p authorized to make this report, the date this report signed, and the telephone number to call for ques
ь. 7.	The property code for this completion		signed, and the telephone number to call for ques about this report
7. 8.	The property name (well name) for this completion	48.	The previous operator's name, the signature, printed r and title of the previous operator's represent
9.	The well number for this completion		authorized to verify that the previous operator no li operates this completion, and the date this report
10.	The surface location of this completion NOTE: If the United States government survey designates a Lot Number for this location use that number in the 'UL or lot no.' box.		signed by that person
11.	Otherwise use the OCD unit letter. The bottom hole location of this completion		
12.	Lease code from the following table:		•
	F Federal S State	، ۲۰۰۰ مەسىرى:	ین میشندهای از این این این این میشود. این میشندهای این این این میشود این
	J Jicarilla N Navajo U Ute Mountain Ute I Other Indian Tribe		
13.	The producing method code from the following table: F Flowing P Pumping or other artificial lift		
14.	MO/DA/YR that this completion was first connected to a gas transporter		
15.	The permit number from the District approved C-129 for this completion		
16.	MO/DA/YR of the C-129 approval for this completion		
17.	MO/DA/YR of the expiration of C-129 approval for this completion		
18.	The gas or oil transporter's OGRID number		
19.	Name and address of the transporter of the product	*	
20.	The number assigned to the POD from which this product will be transported by this transporter. If this is a new well or recompletion and this POD has no number the district office will assign a number and write it here.		ς.
21.	Product code from the following table: O Oil - G		
22.	The ULSTR location of this POD if it is different from the well completion location and a short description of the POD (Example: "Battery A", "Jones CPD",etc.)		
23.	The POD number of the storage from which water is moved from this property. If this is a new well or recompletion and this POD has monumber the district office will assign a number and write it here.		· · ·
24.	The ULSTR location of this POD if it is different from the well completion location and a short description of the POD (Example: "Battery A Water Tank", "Jones CPD Water Tank", etc.)		
25.	MO/DA/YR drilling commenced		
26.	MO/DA/YR this completion was ready to produce		
27.	Total vertical depth of the well		
28.	Plugback vertical depth		

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Write in 'DHC' if this completion is downhole commingled with another completion, 'DC' if this completion is one of two non-commingled completions in this well bore, or 'MC' if there are more than three non-commingled completions in this well bore. 30. . ...

Top and bottom perforation in this completion or casing shoe and TD if openhole

29.

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Kenneth Tark Service / Stearns, The.

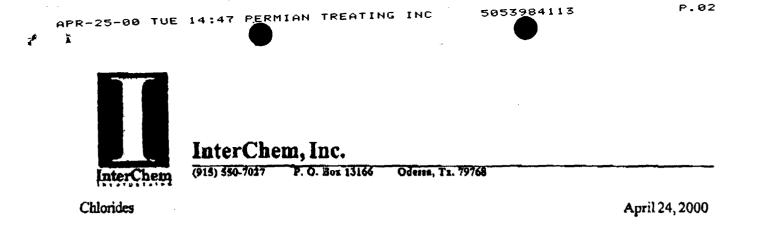
QUARTERLY REPORT IN COMPLIANCE OF: -

Discharge Plan DP-355 KENNETH TANK SERVICE BRINE PRODUCTION FACILITY Crossroads, NM

en en el la companya de la companya	T. T.
Average working pressure of brine	e well <u>\$90-310</u> ".
Average brine water weight	10.1 165/gal.
Water analysis reports attached.	,

Report submitted by:

Signature\_ ans Date 00



### Permian Treating Chemicals Stearns, Parkinson Fresh Waters

Tabulated below for your perusal are the results of the tests carried out on the sample from the above.

Location	mg./L. Chlorides
Stearns Fresh Water	900
Parkinson Fresh Water	340

If we may be of further assistance in the interpretation of the above observations, please call at your convenience.

José Luis Enriquez

Technical Services

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STATE OF NEW MEXICO OIL CONSERVATION DIVISION

MEMORANDUM OF MEETING OR CONVERSATION

Date Time 8.15.97 Telephone Personal 3:35 M Originating Party Other Parties MARK AGALEY, MATTHE KEDGUT WATSON MANAH ROBER ANDERSON Subject STORIGE BREVE ACLITY Ж Discussion LEAVE ROGER ANDERSON SXID DWNY W. GULD PROPSE STORAGE TUKS Ħ STORED OI TXT orl. MU-BOSMPT. Car SEDHRF!) Conclusions or Agreements DANNY W. WILL LENVE STOPALLE NOU HANDLE AND SPILLS IN PLAS Signed Distribution Mark Har