

AP - 020

**GENERAL
CORRESPONDENCE**

YEAR(S):
2003-1999

September 15, 2003

NMOCD Environmental
ATTN: William Olson
Box 6429
1220 S. Saint Francis Drive
Santa Fe, NM 87504

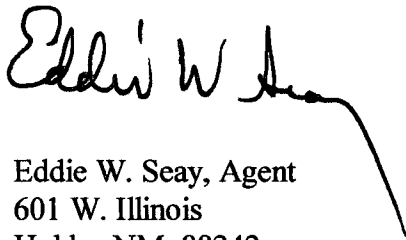
RE: MNA Site
Osborn Ranch

Mr. Olson:

As we discussed concerning additional contamination North of the MNA SWD line. Find copies of photos and analytical of same. This is an area that is very near EOTT Pipeline, and Mr. Osborn had some concerns about. A composite sample was run and tested for TPH and chloride.

If you have any questions, please call.

Sincerely,

A handwritten signature in black ink, appearing to read "Eddie W. Seay". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

Eddie W. Seay, Agent
601 W. Illinois
Hobbs, NM 88242
(505)392-2236



ARDINAL LABORATORIES

PHONE (325) 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:

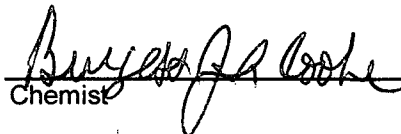
Receiving Date: 08/26/03
Reporting Date: 08/27/03
Project Owner: D. ALEXANDER
Project Name: HANAGAN SWD LEAK SITE
Project Location: JAL, NM

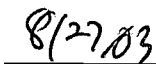
Sampling Date: 08/26/03
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: AH
Analyzed By: BC/AH

LAB NUMBER SAMPLE ID	GRO	DRO	CI*
	(C ₆ -C ₁₀) (mg/Kg)	(>C ₁₀ -C ₂₈) (mg/Kg)	(mg/Kg)
ANALYSIS DATE	08/26/03	08/26/03	08/27/03
H7951-1 NORTH #1	<10.0	287	352
Quality Control	767	825	1070
True Value QC	800	800	1000
% Recovery	95.8	103	107
Relative Percent Difference	6.5	6.7	1.9

METHODS: TPH GRO & DRO: EPA SW-846 8015 M; CI: Std. Methods 4500-CI-B

*Analysis performed on a 1:4 w:v aqueous extract.


Chemist


Date

H7951.XLS

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 service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise.

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Page of

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

[illegible]

+ Cardinal cannot accept verbal changes. Please fax written changes to 915-673-7020.













May 12, 2003

Clay Osborn
P.O. Box 1285
Jal, NM 88252

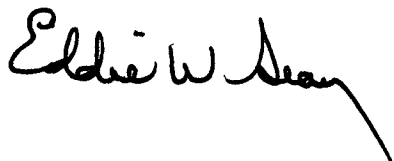
R: MNA - Hanagan
Water Well or Soil Borings

Mr. Osborn:

Find within a copy of the MNA Hanagan report. Also, find information on the soil borings we did for you. Sorry we did not find any water. Both holes were advanced to redbed, logs attached. An analytical was run for chlorides at top of redbed.

If you have any questions, please call.

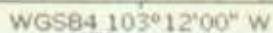
Thanks,

A handwritten signature in black ink, reading "Eddie W. Seay". The signature is written in a cursive style with a long, sweeping underline that extends to the right.

Eddie W. Seay, Agent for MNA
601 W. Illinois
Hobbs, NM 88242
(505)392-2236

RECEIVED
MAY 19 2003
ENVIRONMENTAL BUREAU
OIL CONSERVATION DIVISION

WGS84 103°12'00" W



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

Receiving Date: 04/25/03
Reporting Date: 04/28/03
Project Owner: D. ALEXANDER
Project Name: MNA-HANAGAN
Project Location: OSBORN RANCH-JAL, NM

Analysis Date: 04/28/03
Sampling Date: 04/24-04/25/03
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: AH
Analyzed By: AH

LAB NUMBER	SAMPLE ID	Cl ⁻ (mg/Kg)
H7619-14*	OSBORN #1	400
H7619-15	OSBORN #2	96
Quality Control		1030
True Value QC		1000
% Recovery		103
Relative Percent Difference		2.0

METHOD: Standard Methods	4500-Cl ⁻ B
--------------------------	------------------------

Note: Analyses performed on 1:4 w:v aqueous extracts.

*Matrix interference (color) observed.

Amy Hill
Chemist

4/28/03
Date



2111 Beechwood, Abilene, TX 79603 101 East Marland, Hobbs, NM 88240
(915) 673-7001 Fax (915) 673-7020 (505) 393-2326 Fax (505) 393-2476

Page ____ of ____

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Company Name: Eddie's Security Consulting		BILL TO		ANALYSIS REQUEST	
Project Manager: Eddie W Shaw	P.O.#:				
Address: 601 W Illinois	Company:				
City: Adams	Attn:				
State: NM Zip: 87242	Address:				
Phone #: 2-2234	Fax #: 2-6949	City:			
Project #: MNH	Project Owner: D. Alexander	State:			
Project Location: Osborn Ranch - JAG N.M.	Phone #:				
Sampler Name: Eddie W Shaw	Fax #:				

Lab I.D.	Sample I.D.	(G)RAB (C)OMP.	# CONTAINERS	MATRIX						PRESERV.	SAMPLING DATE	TIME									
				GROUNDWATER	WASTEWATER	SOIL	CRUDE OIL	SLUDGE	OTHER :												ACID/BASE:
H71619-14	Osborn # 1	V	1	V							4/24	8:30		V							
-15	Osborn # 2	V	1	V							4/25	11:50		X							

PLEASE NOTE: Liability and Damages. Contractor'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 the client for the services. All claims including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Certified within 30 days after completion of the applicable service. In no event shall Certified be liable for incidental or consequential damages, including without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services furnished by Certified, regardless of whether such claim is based upon any of the above stated reasons or otherwise.

Sampler Relinquished: _____
Date: 4/25 **Received By:** _____
Time: 3:00

Relinquished By: _____
Date: _____
Time: _____

Received By: (Lab Staff) _____
Sample Condition: Cool ☒ Yes ☐ No
☒ Dry ☐ Wet

CHECKED BY: _____
(Initials)

REMARKS:

Phone Result: ☐ Yes ☐ No **Add'l Phone #:** _____
Fax Result: ☐ Yes ☐ No **Add'l Fax #:** _____

Terms and Conditions: Payment will be charged on all accounts more than 30 days past due at the rate of 24% per annum from the original date of invoice, and all costs of collections, including attorney's fees.

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

Company Drilled for:		Drilling Log					
Location:		Well/Bore Number:	Date Drilled:	Driller:	Logged By:		
MNA / Osborn		Osborn SB 2	4-25-03	A. Hodge	A. Hodge		
GPS 32° 07' 26" N 103° 12' 51" W		Depth of Well:	Length of Casing:	Length of Screen:			
Drilling Method:		Depth of Boring:	NA	NA	NA		
Air ROTARY		55'	NA	NA	NA		
Bore Diameter:		Casing Diameter:	Screen Diameter:	Slot Size:	Well Material:		
4 3/4"		NA	NA	NA	NA		
Depth	Uthology	Sample Type	DVA (PPM)	Remarks	Well Design	Depth	
0	RED BROWN TOP SOIL			THE PURPOSE OF THIS BORING WAS TO CHECK FOR GROUND WATER NONE WAS FOUND		0	
5	WHITE CALICHE					5	
10	RED SAND					10	
15						15	
20	RED SAND + SILT WITH ABOUT 50% SMALL GRAVEL					20	
25						25	
30						30	
35						35	
40						40	
45	RED BROWN SHALE	42'-44' SAMPLE		SOIL BORING WAS PLUGGED BACK WITH BENTONITE		45	
50	RED BED					50	
55	NO WATER					55	
	TD @ 55'						
60						60	
65						65	
70						70	
75						75	
80						80	
85						85	
90						90	
95						95	
100						100	
105						105	

Company Drilled for:		Drilling Log			
Location:		Well/Bore Number:	Date Drilled:	Driller:	Logged By:
GPS		Depth of Well:	Length of Casing:	Length of Screen:	
Drilling Method:		Bore Diameter:	Casing Diameter:	Screen Diameter:	Slot Size:
Bore Diameter:		Casing Diameter:	Screen Diameter:	Slot Size:	Well Material:
MNA / Osborn		Osborn SB #1	4-24-03	A. Hodge	A. Hodge
Unit H Sec 13, T25S, R36E		NA	NA	NA	NA
103° 08' 02" N 103° 12' 37" W		NA	NA	NA	NA
Air Rotary		55'	NA	NA	NA
4 3/4"		NA	NA	NA	NA
Depth	Uthology	Sample Type	DVA (PPM)	Remarks	Well Design
0	Red Brown TOP SOIL			THE PURPOSE OF THIS BORING WAS TO CHECK FOR GROUND WATER. NONE WAS FOUND	
5	WHITE CALICHE				
10	YELLOW CLAY with About 50% SAND				
15					
20					
25	YELLOW CLAY				
30					
35					
40	BROWN CLAY				
45	Red SHALL / Red BED	-40'-42' SAMPLE			
50	NO WATER				
55	TDC @ 55'			SOIL BORING WAS PLUGGED BACK WITH Bentonite	
60					
65					
70					
75					
80					
85					
90					
95					
100					
105					



Osborn #1



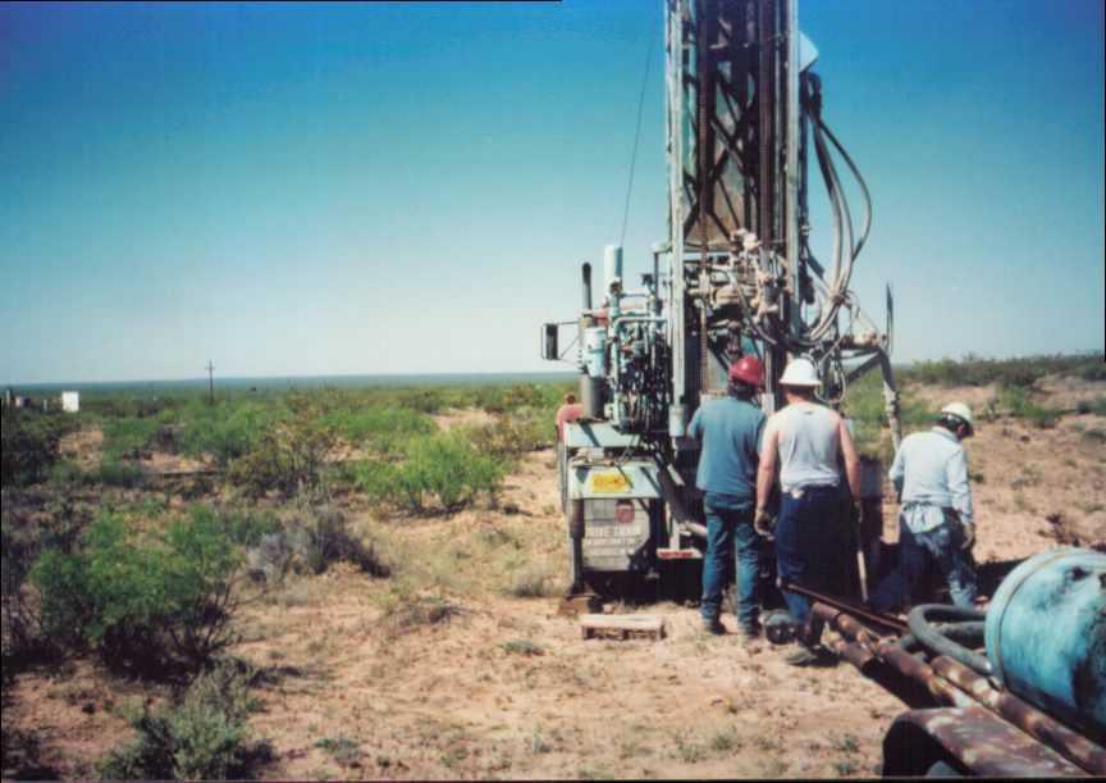
480 MGA

DRIVE TO WIN
THE CRAFT SHOP
HOBBS, N.M.

Osborn #1



Shorn #1



Osborn #2



Osborn #2



Osborn #2

Olson, William

From: Eddie Seay [seay04@leaco.net]
Sent: Tuesday, April 29, 2003 7:03 AM
To: Bill Olson
Subject: MNA

April 29, 2003

Bill Olson
NMOCD Environmental
Box 6429
1220 S. Saint Francis Drive
Santa Fe, NM 87504

RE: MNA Hanagan
Abatement Plan
Osborn Ranch

Bill:

As we discussed on Friday, MNA has completed drilling the test boring on Osborn property. It will take a week to ten days to get analytical back. Once we receive all data, a full report will be sent. We will miss the deadline a few days, but will get information as soon as possible.

Thanks for your help.

Sincerely,

Eddie W. Seay, Agent
601 W. Illinois
Hobbs, NM 88242
(505)392-2236

4/29/2003

Olson, William

From: Eddie Seay [seay04@leaco.net]
Sent: Friday, April 18, 2003 10:51 AM
To: Bill Olson
Subject: MNA Abatement

DATE: April 17, 2003

TO: William Olson
NMOCD Environmental
Box 6429
1220 S. Saint Francis Drive
Santa Fe, NM 87504

FROM: Eddie Seay Consulting
Eddie W. Seay

RE: MNA Abatement
Hanagan Site
Osborn Ranch
Jal, NM

Mr. Olson:

Just to inform you that MNA and Osborn have reached an agreement concerning work to be performed on Osborn Ranch. We anticipate starting drilling sometime the week of April 21. We will notify Hobbs OCD before we begin. Also, we have a deadline of May 3 for completion and report. I do not think this time frame can be met, but I will try. If you have any questions, please call.

Thanks,

Eddie W. Seay

4/21/2003



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

April 1, 2003

CERTIFIED MAIL

RETURN RECEIPT NO: 7001-1940-0004-7923-0735

Mr. Daniel Alexander
MNA Enterprises Ltd.
106 W. Alabama
Hobbs, New Mexico 88242

**RE: NOTICE OF VIOLATION
STAGE 1 ABATEMENT PLAN (AP-20)
W.F. HANAGAN SWD LINE LEAK**

Dear Mr. Alexander:

On August 27, 2002, the New Mexico Oil Conservation Division (OCD) granted MNA Enterprises Ltd. (MNA) an extension of the deadline for submission of a Stage 1 investigation report of the extent of contamination related to MNA's W.F. Hanagan SWD Line Leak site located in the SE/4 SW/4 of Section 12, Township 25 South, Range 36 East, NMPM, Lea County, New Mexico. The report was to be submitted to the OCD by October 31, 2002. No such report has been submitted by MNA. MNA is in violation of OCD rules for the failure to conduct the actions required by NMAC 19.15.1.19. Pursuant to NMAC 19.15.1.19.C(2), the OCD requires that MNA submit the required Stage 1 investigation report by May 2, 2003. The report shall be submitted to the OCD Santa Fe Office with a copy provided to the OCD Hobbs District Office. If MNA fails to submit this document, the OCD will set a show cause hearing requiring MNA to appear and show cause why they should not be ordered to comply, a penalty should not be assessed, a civil action should not be commenced in district court or any other appropriate action should not be taken by the Division. If you have any questions, please contact Bill Olson of my staff at (505) 476-3491.

Sincerely,

Roger C. Anderson
Environmental Bureau Chief

RCA/wco

cc: Chris Williams, OCD Hobbs District Office
Eddie Seay

Olson, William

From: Olson, William
Sent: Tuesday, August 27, 2002 10:50 AM
To: 'Eddie Seay'
Subject: MNA Abatement Plan

Eddie,

The below referenced extension request is approved. MNA shall submit the Stage 1 investigation report to the OCD by October 31, 2002.

If you have any questions, please contact me.

Sincerely,

William C. Olson
New Mexico Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505
(505) 476-3491

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

From: Eddie Seay [mailto:seay04@leaco.net]
Sent: Thursday, August 08, 2002 2:04 PM
To: Bill Olson
Subject: MNA Abatement

August 8, 2002

Mr. William Olson
NMOCD Environmental
1220 S. Saint Francis Drive
Santa Fe, NM 87504

RE: MNA Abatement

Mr. Olson:

As we discussed a few days ago, I am working for MNA, and have plans of doing the field activities on Mr. Osborn's Ranch, Jal, NM. The two parties, MNA and Osborn, have not completed an agreement on the damages.

I would like to have a 60 day extension in completing these activities. Hopefully things will be agreed upon soon. Our original deadline is for August 11, 2002.

Thanks for your consideration.

8/27/2002

Sincerely,

Eddie W. Seay, Agent
601 W. Illinois
Hobbs, NM 88242
(505)392-2236

8/27/2002



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Betty Rivera

Acting Cabinet Secretary

Lori Wrotenberg

Director

Oil Conservation Division

February 18, 2002

Mr. Scotty Holloman
Holloman & Maddox, P.C.
P.O. Box 2508
Hobbs, New Mexico 88241-2508

**RE: ABATEMENT PLAN AP-20
W.F. HANAGAN SWD LINE LEAK**

Dear Mr. Holloman:

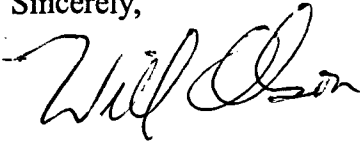
The New Mexico Oil Conservation Division (OCD) has reviewed your November 29, 2001 correspondence regarding the OCD's requirement for submission of an abatement plan for ground water contamination at MNA Enterprises, Ltd.'s (MNA) Hanagan SWD Line Leak site located in the SE/4 SW/4 of Section 12, Township 25 South, Range 36 East, Lea County, New Mexico. In this correspondence you request information about why MNA was required to submit an abatement plan and copies of OCD documents in the matter.

The New Mexico Oil Conservation Division (OCD) reviewed information submitted by EOTT Energy Pipeline Limited Partnership (EOTT) and Mr. Clay Osborn regarding an EOTT investigation of contamination from a crude oil pipeline spill at a site that EOTT has designated as the Hanagan West Site. Since the file is small, enclosed you will find a copy of the documents that the OCD has on file regarding this case. During EOTT's investigation of the extent of contamination they discovered that shallow ground water was present at a depth of 21 feet and that the ground water was contaminated with chloride and total dissolved solids (TDS) in excess of the New Mexico Water Quality Control Commission (WQCC) standards. This contamination was not related to EOTT's crude oil spill and appears to be related to a spill of produced water from MNA's W.F. Hanagan SWD Line that runs parallel to EOTT's crude oil pipeline. Therefore, MNA was required to submit an Stage 1 abatement plan investigation proposal for the site pursuant to OCD Rule 19.E.1. and OCD Rule 19.E.3. The purpose of the Stage 1 abatement plan is to investigate the extent of contamination related to MNA's activities and determine the need for submission of a Stage 2 abatement plan for remediation of the site to state standards.

For your information, on November 19, 2001, MNA submitted a Stage 1 abatement plan as required and, on February 18, 2002, the OCD required that MNA issue public notice of the Stage 1 abatement plan. Based upon the public comments and a technical review of the proposal, the OCD will either notify MNA of deficiencies in the plan or conditionally approve the proposal.

If you have any questions, please contact me at (505) 476-3491.

Sincerely,

A handwritten signature in black ink, appearing to read "Will Olson", written in a cursive style.

William C. Olson
Hydrologist
Environmental Bureau

Enclosures

xc: Chris Williams, OCD Hobbs District Office
Clay Osborn



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Betty Rivera
Acting Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

February 18, 2002

CERTIFIED MAIL

RETURN RECEIPT NO: 7001-1940-0004-3929-7167

Mr. Daniel Alexander
MNA Enterprises Ltd.
106 W. Alabama
Hobbs, New Mexico 88242

**RE: ABATEMENT PLAN AP-20
W.F. HANAGAN SWD LINE LEAK**

Dear Mr. Alexander:

The New Mexico Oil Conservation Division (OCD) has reviewed MNA Enterprises, Ltd.'s (MNA) November 19, 2001 correspondence titled "MNA ENTERPRISE LTD., ABATEMENT PLAN AP-20, W.F. HANAGAN SWD LINE" which was submitted on behalf of MNA by their agent Eddie W. Seay. This document contains MNA's proposed Stage 1 abatement plan for investigation of the extent of contamination related to MNA's W.F. Hanagan SWD Line which is located in the SE/4 SW/4 of Section 12, Township 25 South, Range 36 East, NMPM, Lea County, New Mexico.

The OCD has determined that the above referenced Stage 1 Abatement Plan Proposal is administratively complete. Before the OCD can complete a review of the Stage 1 proposal, the OCD requires that:

1. MNA issue by March 6, 2002 the enclosed Stage 1 notice of publication in the Albuquerque Journal, Lovington Daily Leader and Hobbs News Sun pursuant to OCD Rule 19.G.(2).
2. Prior to issuing public notice, MNA shall issue written notice of the Stage 1 proposal pursuant to OCD Rule 19.G.(1). A listing of "those persons, as identified by the Director, who have requested notification" pursuant to OCD Rule 19.G(1)(d) can be found at www.emnrd.state.nm.us/oed/Bureaus/envirom.htm. The listing also contains the contact for the New Mexico Trustee for Natural Resources which must be notified according to OCD Rule 19.G(1)(e).

3. MNA provide the OCD with proof of publication and proof of written notice by March 21, 2002. Proof of notice shall include a map of the surface owners of record within one (1) mile of the perimeter of the site and shall identify compliance with each of the provisions of OCD Rule 19.G.

If you have any questions, please contact Bill Olson of my staff at (505) 476-3491.

Sincerely,

A handwritten signature in black ink, appearing to read "Roger C. Anderson", with a long horizontal flourish extending to the right.

Roger C. Anderson
Environmental Bureau Chief

RCA/wco

Enclosures

cc: Chris Williams, OCD Hobbs District Office
Eddie Seay

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 Oil Conservation Division Regulations, the following Stage 1 Abatement Plan Proposal has been submitted to the Director of the Oil Conservation Division, 1220 St. Francis Dr., Santa Fe, New Mexico 87505, Telephone (505) 476-3440:

MNA Enterprises, Ltd., Daniel Alexander, Environmental Coordinator, Telephone (505) 392-2702, 106 W. Alabama, Hobbs, New Mexico, 88242, has submitted a Stage 1 Abatement Plan Proposal (AP-20) for the W.F. Hanagan SWD Line Leak Site, located in Unit N of Section 12, Township 25 South, Range 36 East, Lea County, New Mexico. An underground produced water flow line released produced water at the site. Chloride contamination in excess of New Mexico Water Quality Control Commission standards has been observed in the ground water. The Stage 1 Abatement Plan Proposal presents the following activities: determine site geology and hydrogeology; conduct a registered water well search within a 1 mile radius of the site; install monitoring wells; collect soil samples for field screening and/or laboratory analysis from each boring; collect ground water samples for laboratory analysis from each monitoring well; obtain depth to ground water measurements and calculate the ground water gradient and direction; survey all well locations by a professional land surveyor registered in the State of New Mexico; and preparation of a report of all investigation activities.

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 Stage 1 Abatement Plan Proposals may be viewed at the above address or at the Oil Conservation Division Hobbs District Office, 1625 N. French Dr., Hobbs, New Mexico 88240, Telephone (505) 393-6161 between 8:00 a.m. and 4:00 p.m., Monday through Friday. Prior to ruling on the proposed Stage 1 Abatement Plan Proposal, the Director of the Oil Conservation Division shall allow at least thirty (30) days after the date of publication of this notice during which written comments may be submitted.

MADDOX & HOLLOMAN, P.C.

ATTORNEYS AND COUNSELORS AT LAW

JAMES M. MADDOX
SCOTTY HOLLOMAN

POST OFFICE BOX 2508
HOBBS, NEW MEXICO 88241-2508
(505) 393-0505

MAIL: PO BOX 2508
OFFICE: 220 W. BROADWAY
SUITE 200
HOBBS, NEW MEXICO 88240
FAX: (505) 397-2646

Writer's E-MAIL: SAHOLLOM@leacu.net

CASEY A. BARTHEL
LEE A. KIRKSEY

FAX TRANSMITTAL COVERSHEET

Number of Pages *3* (Including Cover Sheet)

Message to: William C. Olson - New Mexico Oil Conservation Division

FAX Number: (505) 476-3462

Message From: Scotty Holloman, Esq.

Telephone Number: (505) 393-0505 / Fax Number (505) 397-2646

Comments: regarding Notice of Deficiency - Abatement Plan AP-20 - W. F. Hanagan
SWD Line Leak

If transmission problems, contact Nona L. at (505) 393-0505.

The Information contained in this facsimile message is attorney privileged and confidential information intended only for the use of the individual or entity named above. If the receiver of this message is not the intended recipient, or the employee or agent responsible to deliver it to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please immediately notify us by telephone, and return the original message to use the above address via the U. S. Postal Service. Thank you.

MADDOX & HOLLOMAN, P.C.

ATTORNEYS AND COUNSELORS AT LAW

JAMES M. MADDOX
SCOTTY HOLLOMANPOST OFFICE BOX 2508
HOBBS, NEW MEXICO 88241-2508
(505) 393-0505MAIL: PO BOX 2508
OFFICE: 220 W. BROADWAY
SUITE 200
HOBBS, NEW MEXICO 88240
FAX: (505) 397-2646
Writer's E-MAIL: sahollom@leaco.netCASEY A. BARTHEL
LEE A. KIRKSEY

November 29, 2001

William C. Olson
Hydrologist, Environmental Bureau
Oil Conservation Division
1220 South
St. Francis Drive
Santa Fe, New Mexico 87505

VIA FAX: (505) 476-3462

RE: Notice of Deficiency
Abatement Plan AP-20
W. F. Hanagan SWD Line Leak

Dear Mr. Olson:

This firm represents MNA Enterprises Ltd. Co. In your letter dated November 2, 2001, you request an abatement plan for an alleged line leak which supposedly contaminated the ground water. I want to emphasize that MNA has no information concerning the alleged contamination other than your letters. In your letter of November 2, 2001, you indicate that "subsequent information related to the discovery that shallow ground water at this time is present at 21 feet and the ground water was contaminated with chloride and total dissolved solids...." MNA has not been furnished this "subsequent information". In trying to develop an abatement plan it would be very helpful to determine exactly what information was provided the Oil Conservation Division and the exact location this alleged contamination of ground water.

It is our client's understanding that naturally occurring ground water is not located at a depth of 21 feet in this area. Also it is our client's understanding that there is a "clay layer" that exists at approximately the 20' depth in this land that would prevent any leaks or spills from the surface migrating to the ground water.

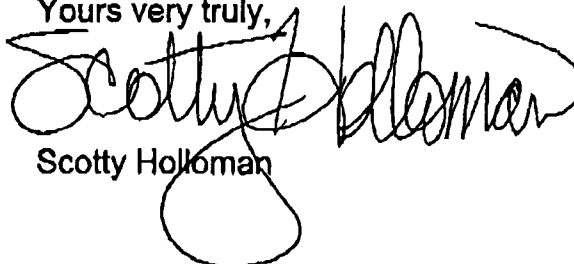
Letter to New Mexico Energy
Minerals and Natural Resources Dept.
November 29, 2001
Page 2

Our client also knows of open pits (now closed) which Conoco used for several years that could be the source of the alleged contamination.

I want to emphasize again that MNA did not participate in any sampling that caused the "subsequent information" to be developed. Also MNA did not get the results of any tests that were conducted to determine that this contamination existed on this property.

I believe the Hobbs office of the Oil Conservation Division will verify that MNA has always tried to respond in a timely manner to any request from the OCD. MNA does not see how an abatement plan is necessary of this alleged contamination. However, MNA will do the abatement plan, while not admitting any liability, but it would be extremely helpful in knowing exactly what it is that MNA is looking for and trying to abate. We again would, therefore, request that you send us whatever "subsequent information" was received that shows this alleged contamination so that a logical abatement plan may be prepared.

Yours very truly,

A handwritten signature in black ink, appearing to read "Scotty Holloman", with a large, stylized loop at the end.

Scotty Holloman

SH/nlm
xc: MNA



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

November 2, 2001

CERTIFIED MAIL

RETURN RECEIPT NO. 5357-8017

Mr. Daniel Alexander
MNA Enterprises Ltd.
106 W. Alabama
Hobbs, New Mexico 88242

**RE: NOTICE OF DEFICIENCY
ABATEMENT PLAN AP-20
W.F. HANAGAN SWD LINE LEAK**

Dear Mr. Alexander:

The New Mexico Oil Conservation Division (OCD) has reviewed MNA Enterprises Ltd. Co.'s (MNA) March 30, 2001 correspondence regarding the OCD's February 9, 2001 requirement for submission of an abatement plan for ground water contamination at MNA's Hanagan SWD Line Leak site located in the SE/4 SW/4 of Section 12, Township 25 South, Range 36 East, NMPM, Lea County, New Mexico. In this correspondence you maintain that you received approval of the spill remediation actions from the OCD Hobbs District Office, that you cannot get permission from Mr. Osborn, the surface landowner, to perform work at the site, and that you have not seen any information that indicates that MNA caused contamination at the site.

MNA's March 30, 2001 correspondence is deficient because it does not contain a Stage 1 abatement plan investigation proposal as required by the OCD. The OCD Hobbs District Office's November 23, 1999 approval of the soil remediation actions at the site did not relieve MNA of responsibility if the spill resulted in contamination of ground water. Subsequent information related to the discovery that shallow ground water at the site is present at a depth of 21 feet and that the ground water was contaminated with chloride and total dissolved solids (TDS) in excess of the New Mexico Water Quality Control Commission (WQCC) standards is publicly available information on file at either the OCD Santa Fe Office or Hobbs District Office. In addition, the fact that MNA has private issues with the surface landowner does not relieve MNA of responsibility for submission of a Stage 1 abatement plan investigation proposal as required by the OCD.

In order to correct this deficiency, the OCD requires that MNA submit, by December 7, 2001, a Stage 1 abatement plan investigation proposal for the site pursuant to OCD Rule 19.E.1. and OCD Rule 19.E.3.

If you have any questions, please contact me at (505) 476-3491.

Sincerely,

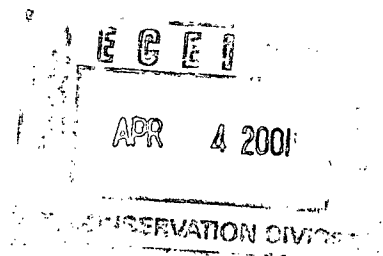
A handwritten signature in cursive script, appearing to read "Will Olson".

William C. Olson
Hydrologist
Environmental Bureau

xc: Chris Williams, OCD Hobbs District Office
Clay Osborn

MNA Enterprises Ltd. Co.

106 W. Alabama
Hobbs, NM 88242
(505) 392-2702



March 30, 2001

Certified Mail Return Receipt # 7000 0520 0025 2623 7111

Mr. Bill Olson
State of New Mexico
Energy, Minerals and Natural Resources Department
2040 South Pacheco
P.O. Box 6429
Santa Fe, New Mexico 87505-5472

Dear Mr. Olson:

In response to your letter dated 2/09/01, we were not aware of any problem associated with the Hanagan SWD Line leak. We have been working with Ms. Donna Williams, formerly of Hobbs OCD, environmentalist for several years in trying to resolve the subject spill problem. Ms. Williams has examined the site before and after our clean-up, and has issued a closure report.

Since we took over operations of this lease, we have been trying to work with Mr. Osborn and have made several attempts to replace and relocate the SWD line. We cannot get permission from Mr. Osborn to perform the needed work. The OCD, Hobbs office is aware of these efforts and can verify our attempts.

As far as the testing performed by EOTT and Mr. Osborn on our spill site, we were not notified of any testing to be done and were not given a chance to either split samples or monitor work performed. Also, we have never seen any of the test results in which EOTT and Mr. Osborn claim that we caused the contamination. At your earliest convenience please have EOTT send us a copy of the analytical report so we can review this information. After we have had a chance to review the information and any other available material, it will help in finding a source for this contamination problem, and will aid us in filing the abatement information you requested.

Incidentally, the subject Hanagan spill area is located approximately 1-1/2 miles west of Mr. Osborn's house water wells and there is also an intervening water-flood project and other producing wells in the area.

We look forward to hearing from you. Thanks for your help in this matter.

Sincerely,

Daniel M. Alexander
Daniel M. Alexander
MNA Enterprises Ltd Co.

cc: Chris Williams, OCD Hobbs District



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

February 9, 2001

CERTIFIED MAIL
RETURN RECEIPT NO. 5051-4126

Mr. Daniel Alexander
MNA Enterprises Ltd.
106 W. Alabama
Hobbs, New Mexico 88242

RE: ABATEMENT PLAN AP-20
W.F. HANAGAN SWD LINE LEAK

Dear Mr. Alexander:

The New Mexico Oil Conservation Division (OCD) has reviewed information submitted by EOTT Energy Pipeline Limited Partnership (EOTT) and Mr. Clay Osborn regarding an EOTT investigation of contamination from a crude oil pipeline spill at a site that EOTT has designated as the Hanagan West Site. During EOTT's investigation of the extent of contamination they discovered that shallow ground water was present at a depth of 21 feet and that the ground water was contaminated with chloride and total dissolved solids (TDS) in excess of the New Mexico Water Quality Control Commission (WQCC) standards. This contamination is not related to EOTT's crude oil spill and appears to be related to a spill of produced water from MNA Enterprises, Ltd.'s (MNA) W.F. Hanagan SWD Line that runs parallel to EOTT's crude oil pipeline which is located in the SE/4 SW/4 of Section 12, Township 25 South, Range 36 East, NMPM, Lea County, New Mexico..

Pursuant to 19 NMAC 15.A.19.C.1, the OCD requires an abatement plan for the MNA W.F. Hanagan SWD Line spill site to abate ground water pollution. To initiate the abatement plan process, the OCD requires that MNA submit to the OCD by April 9, 2001 a Stage 1 abatement plan investigation proposal pursuant to OCD Rule 19.E.1. and OCD Rule 19.E.3. If you have any questions, please contact Bill Olson at (505) 827-7154.

Sincerely,

Roger C. Anderson
Environmental Bureau Chief

xc: Chris Williams, OCD Hobbs District Office
Clay Osborn

CLAY OSBORN
P.O. BOX 1285
JAL, NM 88252



November 13, 2000

RE: MNA WEST HANAGAN LEAK

Dear Bill,

As you know I stopped the closure of the MNA West Hanagan Site and requested more investigation of the site to be done. E.O.T.T. Energy Pipeline cored to the top of the water at this site. I have enclosed a letter from Environmental Plus Inc. and a copy of the analytical. I've also enclosed pictures from this and another leak site from a polyline 30 ft. west of sampling point. I do not know if this is enough investigation of this area for your purpose, but I feel that this is not an E.O.T.T. Energy Pipeline site and feel at this time that this site should be cleaned up by MNA. Enterprises Ltd. Co. This site has been open for more than a year now and I feel that the time has come to cleanup and the closure of this site.

As you know I am also at odds with MNA Enterprises about the volume of the release. They claimed 60 BBLS produced water and 1 1/2 BBLS oil as the volume of release. When you look at the pictures of the scale buildup on the stem of grass and weeds, this leak took place over several months. I feel that the amount of produced water released would be between 1000 and 2000 BBLS. The letter from Environmental Plus Inc. and the analytical from the core hole and freestanding water that was encountered at 21' 7" deep also backs up my claim.

Bill, I feel that MNA in their operations failed to adequately investigate the contamination and it does pose a threat to groundwater, surface water, human health and the environment. I would hope that the OCD will again become involved in this matter and we can have a site closure by the end of the year.

If I can help you in anyway please do not hesitate to call. I hope you can find time to come to Jal and meet with me and for you to see this and other sites and all ongoing investigations.

Yours truly,

Clay Osborn

32°08'23"N

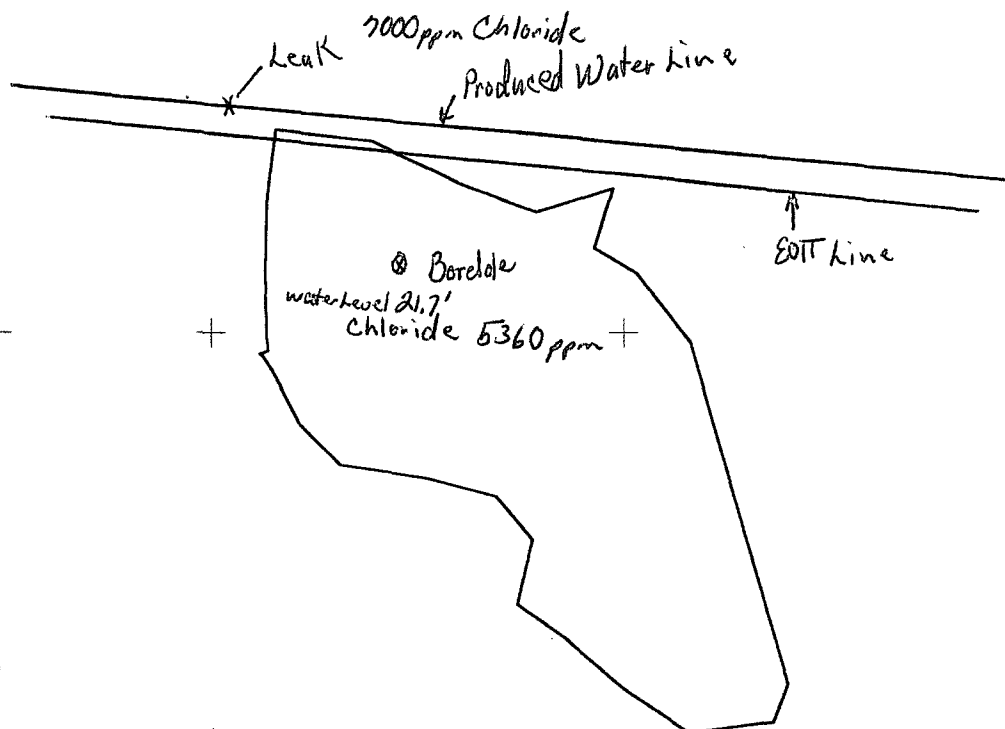
32°08'22"N

32°08'21"N

103°13'20"W

103°13'19"W

103°13'18"W



E.O.T.T. ENERGY PIPELINE HANAGAN WEST SITE

LAT/LONG
WGS 1984



SCALE 1 IN : 40 FT



MILES

COMBINED22.SSF

09/09/2000

PATHFINDER OFFICE





ENVIRONMENTAL PLUS, INC.
STATE APPROVED LAND FARM AND ENVIRONMENTAL SERVICES

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September 9, 2000

Clay Osborn

Subject: Ground Water Chloride levels in Sec 12 T25S R36E

Dear Mr. Osborn,

During the investigation at the E.O.T.T. Energy Pipeline Hanagan West Site, a zone of saturation was encountered at 21.7' below ground surface. A temporary sampling well was developed with the open-ended hollow stem auger down hole. Samples were taken for General Chemistry, PAH, and VOC. A field Chloride analyses of the ground water and the water leaking from the 2" polyline 30' west of the sampling bore revealed concentrations of 5360 and 7000 ppm chloride, respectively. Background chloride concentration in the uppermost aquifer in this area, according to USGS Report #6, Nicholson and Clebsch, range from 51 to 610 ppm. The E.O.T.T. source term was restricted to crude oil and is therefore not responsible for the apparent chloride contamination and preliminary soil surveys indicate that the hydrocarbon contamination has not migrated into the saturated zone.

It is also noted that the uppermost zone of saturation in this area generally occurs between 45 and 65' below ground surface, suggesting that the zone of saturation encountered during the E.O.T.T. investigation may be anomalous and anthropogenic (originated through human activity).

If there are any questions, please call me at the office or @ 505.390.7864.

Sincerely,

Pat McCasland

cc: Wayne Brunette - E.O.T.T.
Sherry Miller - EPI President

ENVIRONMENTAL PLUS, INC.



ENVIRONMENTAL PLUS, INC.

STATE APPROVED LAND FARM AND ENVIRONMENTAL SERVICES

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Micro-Breeze On™

October 17, 2000

Mr. Clay Osborn
Jal, New Mexico 88260

Subject: Clay Osborn ground water metrics

Dear Mr. Osborn,

Mr. Wayne Brunette of E.O.T.T. Energy Corporation has requested that I send you information concerning the Shell North, Jal Mat #2, and Hanagan West remediation sites at which ground water was encountered during our drilling and sampling activities. Copies of the analytical reports are attached. Field chloride at the Jal Mat #2 site was measured to be 1494 mg/Kg $\pm 10.0\%$. Below is ground water level information for these sites in addition to the monitor well previously installed by Tex New-Mex located 100' southeast of the dirt tank in the southeast corner of section 12. This well has not been sampled during the recent investigations. The relatively shallow occurrence of ground water at the Hanagan West site is probably due to produced water leaks that have occurred at the same site and may not be representative of the natural ground water level.

Site Name	Latitude	Longitude	Sec/Tnshp/Rnge	Ground Water Level Feet below ground surface
Shell North	32°08'35"	103°12'57"	N½ S12, T25S, R36E	43.6
Jal Mat #2	32°08'28"	103°12'33"	N½ S12, T25S, R36E	52.3
Hanagan West	32°08'22"	103°13'20"	S12, T25S, R36E	21.7 (probably anthropogenic)
Tex New-Mex	32°07'50"	103°12'28"	S12, T25S, R36E	60.8

If you have any questions please call me at the office or at 505.390.7864.

Sincerely,

Pat McCasland
EPI Technical Services Manager

Cc: Ben Miller, EPI Vice President and General Manager
Sherry Miller, EPI President

ENVIRONMENTAL PLUS, INC.

LAB OF , INC.

"Don't Treat Your Soil Like Dirt!"

EOTT ENERGY
ATTN: MR. WAYNE BRUNETTE
P.O. BOX 1660
MIDLAND, TEXAS 79703
FAX: 915-684-3456
FAX: 505-394-2601 (Pat McCasland)

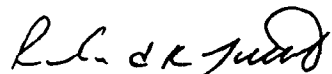
Sample Type: Water
Sample Condition: Intact/ Iced/ HCl/ 2 deg. C
Project #: 2000-10622
Project Name: Clay Osborn Hanagan West
Project Location: Sec 12 T25S R36E

Sampling Date: 09/08/00
Receiving Date: 09/13/00
Analysis Date: 09/14/00

ELT#	FIELD CODE	BENZENE mg/L	TOLUENE mg/L	ETHYLBENZENE mg/L	m,p-XYLENE mg/L	o-XYLENE mg/L
30937	ECOHWGP9-GW	0.001	<0.001	<0.001	<0.001	<0.001

% IA	98	96	97	98	93
% EA	97	96	98	100	94
BLANK	<0.001	<0.001	<0.001	<0.001	<0.001

METHODS: SW 846-8021B,5030


Raland K. Tuttle

9-28-00
Date

ENVIRONMENTAL

LAB OF , INC.

"Don't Treat Your Soil Like Dirt!"

EOTT ENERGY
ATTN: MR. WAYNE BRUNETTE
P.O. BOX 1660
MIDLAND, TEXAS 79703
FAX: 915-684-3456
FAX: 505-394-2601 (Pat McCasland)

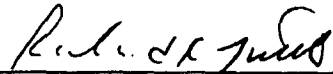
SampleType: Water
Sample Condition: Intact/ Iced/ HCl / 2 deg. C
Project #: 2000-10622
Project Name: Clay Osborn Hanagan West
Project Location: S12 T25S R36E

Sampling Date: 09/08/00
Receiving Date: 09/13/00
Analysis Date: 09/22/00

ELT#	FIELD CODE	GRO	DRO
		C6-C10 mg/L	>C10-C28 mg/L
30939	EOHWGP9-GW	<0.50	<0.50

% IA	74	89
% EA	79	82
BLANK	<0.50	<0.50

METHODS: SW 846-8015M GRO/DRO


Randal K. Tuttle

9-28-00
Date

LAB OF , INC.

"Don't Treat Your Soil Like Dirt!"

EOTT ENERGY
ATTN: MR. WAYNE BRUNETTE
P.O. BOX 1660
MIDLAND, TEXAS 79703
FAX: 915-684-3456
FAX: 505-394-2601 (Pat McCasland)


Sample Type: Water
Sample Condition: Intact/ Iced/ 2 deg. C
Project #: 2000-10622
Project Name: Clay Osborn Hanagan West
Project Location: Sec28 T20S R37E

Sampling Date: 09/08/00
Receiving Date: 09/13/00
Analysis Date: 09/19 & 09/20/00

ELT#	FIELD CODE	Na mg/L	Ca mg/L	Mg mg/L	K mg/L
30938	ECOHWGP9-GW	1815	1399	490	24.5

% IA	104	103	96	95
% EA	108	100	94	112
BLANK	<0.10	<0.10	<0.01	<0.01

METHODS: SW 846-7770, 7140, 7450, 7610


Raland K. Tuttle

9-28-00
Date

ENVIRONMENTAL**LAB OF  , INC.***"Don't Treat Your Soil Like Dirt!"*

EOTT ENERGY
ATTN: MR. WAYNE BRUNETTE
P.O. BOX 1660
MIDLAND, TEXAS 79703
FAX: 915-684-3456
FAX: 505-394-2601 (Pat McCasland)

Sample Type: Water
Sample Condition: Intact/ Iced/ 2 deg. C
Project #: 2000-10622
Project Name: Clay Osborn Hanagan West
Project Location: S12 T25S R36E

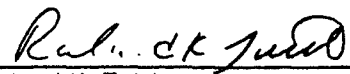
Sampling Date: 09/08/00
Receiving Date: 09/13/00
Analysis Date: 09/18/00
Field Code: ECOHWGP9-GW

EPA SW846 8270 (mg/L)	REPORT LIMIT	ELT# 30940	RPD	%EA	%DEV
Naphthalene	0.005	ND			5.7
Acenaphthylene	0.005	ND			-22.5#
Acenaphthene	0.005	ND	5	117	-21.0#
Fluorene	0.005	ND			-7.0
Phenanthrene	0.005	ND			-3.8
Anthracene	0.005	ND			-2.6
Fluoranthene	0.005	ND			12.3
Pyrene	0.005	ND	6	104	2.2
Benzo[a]anthracene	0.005	ND			0.7
Chrysene	0.005	ND			2.4
Benzo[b]fluoranthene	0.005	ND			-19.8
Benzo[k]fluoranthene	0.005	ND			-6.6
Benzo [a]pyrene	0.005	ND			-10.4
Indeno[1,2,3-cd]pyrene	0.005	ND			1.4
Dibenzo[a,h]anthracene	0.005	ND			-2.6
Benzo[g,h,i]perylene	0.005	ND			10.0

% RECOVERY

Nitrobenzene-d5 SURR	58
2-Fluorobiphenyl SURR	73
p-Terphenyl-d14 SURR	100

ND= not detected at report limit.
Method: EPA SW 846 8270C , 3510


Randal K. Tuttle

9-28-00
Date

ENVIRONMENTAL LAB OF , INC.

"Don't Treat Your Soil Like Dirt!"

EOTT ENERGY
ATTN: MR. WAYNE BRUNETTE
P.O. BOX 1660
MIDLAND, TEXAS 79703
FAX: 915-684-3456
FAX: 505-394-2601 (Pat McCasland)

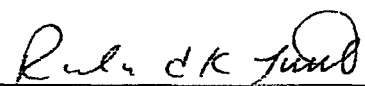
Sample Type: Water
Sample Condition: Intact/ Iced/ 2 deg. C
Project #: 2000-10622
Project Name: Clay Osborne Hanagan West
Project Location: Sec12 T2SS R36E

Sampling Date: 09/08/00
Receiving Date: 09/13/00
Analysis Date: See Below

ELT#	FIELD CODE	Chloride mg/L	Sulfate mg/L	Carbonate mg/L	Bicarbonate mg/L	pH s.u.	TDS mg/L
30938	ECOHWGP9-GW	6027	1463	<1	204	6.84	16625

QUALITY CONTROL	4910	43.1	*	*	7.01	*
TRUE VALUE	5000	50.0	*	*	7.00	*
% PRECISION	98	86	*	*	102	*
BLANK	*	<1.0	<1	<1	*	5
ANALYSIS DATE	09/15/00	09/21/00	09/21/00	09/21/00	09/15/00	09/15/00

METHODS: EPA 325.3, 375.4, 310, 150.1, 160.1


Raland K. Tuttle

9-22-00
Date

Environmental Lab of Texas, Inc. 12600 West I-20 East Odessa, Texas 79763

CHAIN-OF-CUSTODY RECORD AND ANALYSIS REQUEST

(915) 563-1800 FAX (915) 563-1713

Project Manager:

Phone #: 915-556-0190

ANALYSIS REQUEST

FAX #: 915-684-3456

1 of

Company Name & Address:

Wayne Brunette
E.O.T.T. ENERGY PIPELINE

Project #:

Project Name:

2000-10632

Clay Oston Haganon West

Project Location:

Sampler Signature

S12 TR55 R36E

Signature

L3# (L3 USE ONLY)	FIELD CODE	# CONTAINERS	Volume/Amount	MATRIX					PRESERVATIVE METHOD					SAMPLING														
				WATER	SOIL	AIR	SLUDGE	OTHER	HCL	HNO3	ICE	H2O2	OTHER	DATE	TIME	UTEX 8020/503	TPH 400 20	TCLP Metals Ag A	Total Metals Ag A	TCLP Volatiles	TCLP Semi Volatiles	TDS	RCI	Anions/Cations	pH	TDS	PAH	
30937	ECOHWGP9-GW	1	20L	✓					✓		✓			9.8.00	0922	✓								✓	✓	✓		
30938	ECOHWGP9-GW	1		✓								✓		9.8.00	0914													
30939	ECOHWGP9-GW	1		✓						✓		✓		9.8.00	0919													
30940	ECOHWGP9-GW	1		✓								✓		9.8.00	0916													

Relinquished by:

Date:

9-13-00

Time:

7:00 A

Received by:

Signature

REMARKS

Originals FAX TO W. Brunette + Pat
McCasland EPT, 505.394.266

Relinquished by:

Date:

Time:

Received by:

Relinquished by:

Date:

Time:

Received by Laboratory:

20C

MNA
WEST HANAGAN SITE

CLAY OSBORN RANCH



99/08/07

MNA
WEST HANAGAN SITE

CLAY OSBORN RANCH



99/08/07

CLAY OSBORN RANCH



MNA WEST HANAGAN SITE

SCALE ON GRASS & WEEDS

99/08/07

MNA
WEST HANAGAN SITE

CLAY OSBORN RANCH



WATER IN CORE HOLE

9/7/2000

MNA
WEST HANAGAN SITE

CLAY OSBORN RANCH



WATER FROM CORE HOLE

9/7/2000

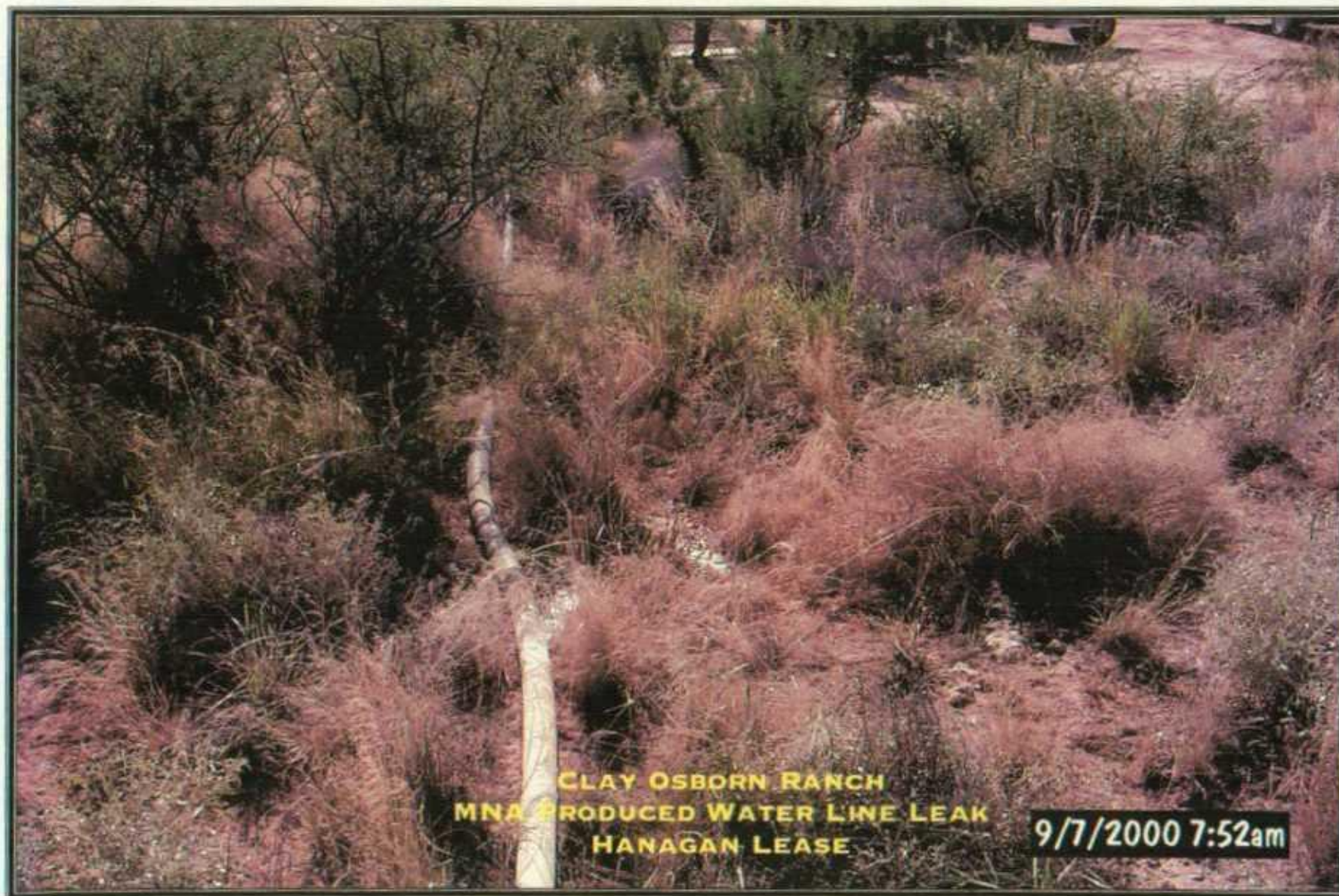
MNA
WEST HANAGAN SITE

CLAY OSBORN RANCH

LEAK IN PROD WATER LINE

9/7/2000





CLAY OSBORN RANCH
MNA PRODUCED WATER LINE LEAK
HANAGAN LEASE

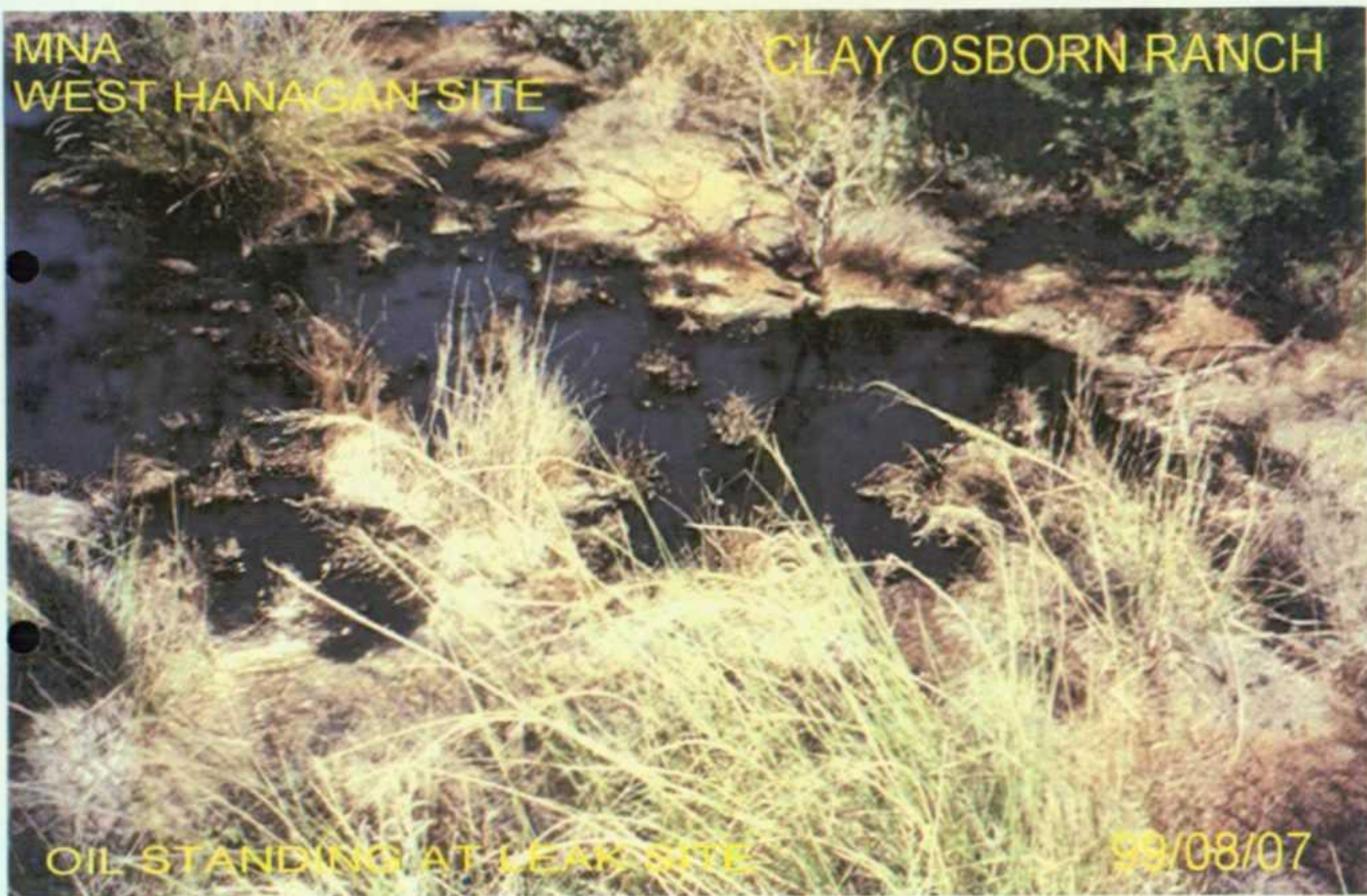
9/7/2000 7:52am

MNA
WEST HANAGAN SITE

CLAY OSBORN RANCH

OIL STANDING AT LEAK SITE

99/08/07





**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

OIL CONSERVATION DIVISION
DISTRICT I HOBBS
PO BOX 1980, Hobbs, NM 88241
(505) 393-6161
FAX (505) 393-0720

Jennifer A. Salisbury
CABINET SECRETARY

November 4, 1999

EOTT Energy Pipeline
Attn: Lennah Frost
P.O. Box 1660
Midland, Texas 79702

Re: UL N-Sec 12-Ts25S-R36E
W. F. Hanagan

Dear Mrs. Frost:

The New Mexico Oil Conservation Division (NMOCD) has been in contact with EOTT for some time now concerning the above reference location. EOTT expressed their concerns about the TNMPL in question was not a part of the contract recently obtained by EOTT. After involving and an extensive research on Equilon's behalf it seems that EOTT does own the pipeline in question. **The NMOCD hereby request the following:**

1. EOTT perform vertical and horizontal extent on the above referenced location for BTEX and TPH.
2. **EOTT shall submit an investigation and/or a remediation plan, in writing, to the District office by November 20th, 1999.**

EOTT's attention on this matter is greatly appreciated. If you have any further questions, or need any assistance please do not hesitate to write or call me at (505-393-6161 ext...113).

Sincerely,

Donna Williams
Environmental Engineer Specialist
Cc: Wayne Price; Chris Williams;

RECEIVED
OCT 25 2000
CONSERVATION

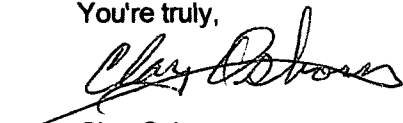
October 22, 2000

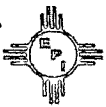
Dear Bill,

I am sending you a copy of pictures, maps, letters and an analytical book prepared by Environmental Plus Inc.. I have highlighted on one of the maps the location of the monitor wells and where groundwater was encountered. I hope that this information will be of use to you. This information covers the shallow groundwater and the MNA Enterprises Hanagan West leak site and another leak site about 30 feet west of the Hanagan West site.

Pat McCasland with Environmental Plus Inc. told me to pass on to you that if you needed to discuss any the analyticals or anything else in the book please feel free to call him at his office 505-394-3481 or at 505-390-7860.

You're truly,


Clay Osborn



ENVIRONMENTAL PLUS, INC.
STATE APPROVED LAND FARM AND ENVIRONMENTAL SERVICES

Micro-Plasma

Micro-Plasma O-1™

September 9, 2000

Clay Osborn

Subject: Ground Water Chloride levels in Sec 12 T25S R36E

Dear Mr. Osborn,

During the investigation at the E.O.T.T. Energy Pipeline Hanagan West Site, a zone of saturation was encountered at 21.7' below ground surface. A temporary sampling well was developed with the open-ended hollow stem auger down hole. Samples were taken for General Chemistry, PAH, and VOC. A field Chloride analyses of the ground water and the water leaking from the 2" polyline 30' west of the sampling bore revealed concentrations of 5360 and 7000 ppm chloride, respectively. Background chloride concentration in the uppermost aquifer in this area, according to USGS Report #6, Nicholson and Clebsch, range from 51 to 610 ppm. The E.O.T.T. source term was restricted to crude oil and is therefore not responsible for the apparent chloride contamination and preliminary soil surveys indicate that the hydrocarbon contamination has not migrated into the saturated zone.

It is also noted that the uppermost zone of saturation in this area generally occurs between 45 and 65' below ground surface, suggesting that the zone of saturation encountered during the E.O.T.T. investigation may be anomalous and anthropogenic (originated through human activity).

If there are any questions, please call me at the office or @ 505.390.7864.

Sincerely,

Pat McCasland

cc: Wayne Brunette - E.O.T.T.
Sherry Miller - EPI President

ENVIRONMENTAL PLUS, INC.

32°08'23"N

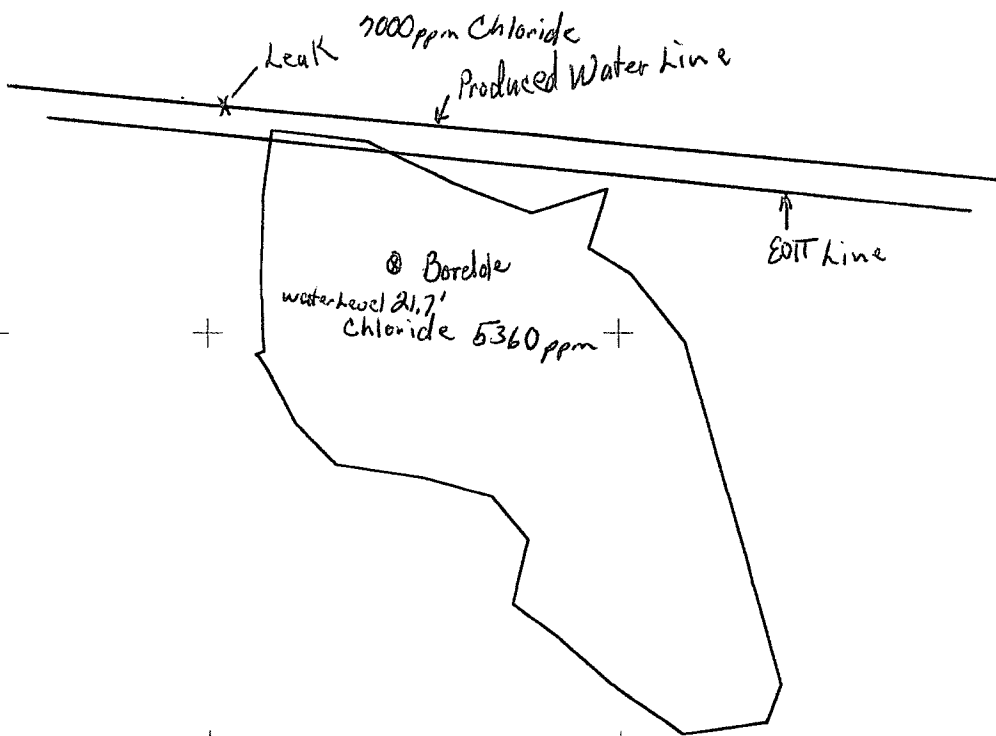
32°08'22"N

32°08'21"N

103°13'20"W

103°13'19"W

103°13'18"W



E.O.T.T. ENERGY PIPELINE HANAGAN WEST SITE

LAT/LONG
WGS 1984



SCALE 1 IN : 40 FT



MILES

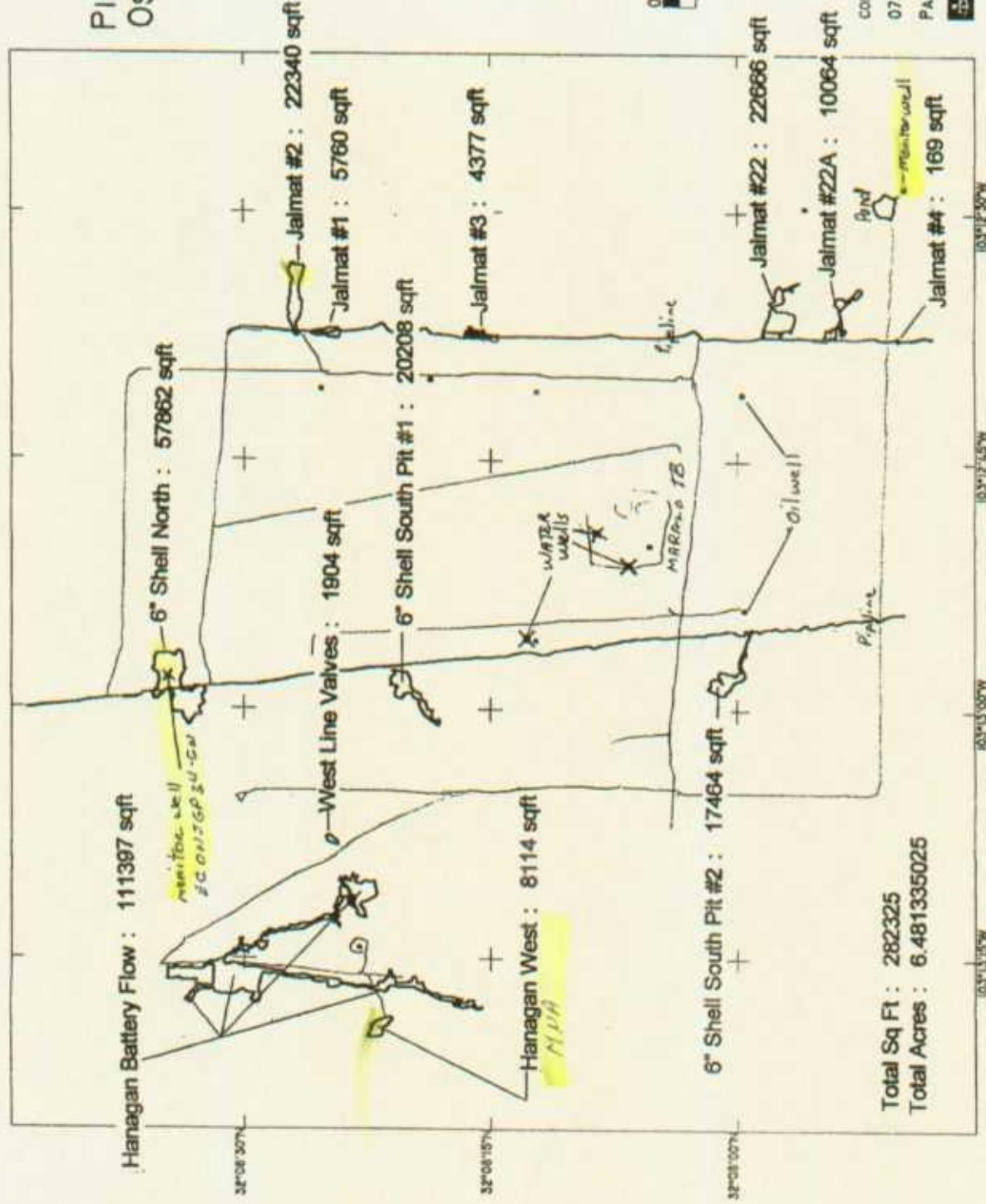
COMBINED22.SSF

09/09/2000

PATHFINDER OFFICE

 **Trimble**

**E.O.T.T.
ENERGY
PIPELINE: CLAY
OSBORN RANCH
SITES**



Total Sq Ft : 282325
Total Acres : 6.481335025



SCALE 1:10000



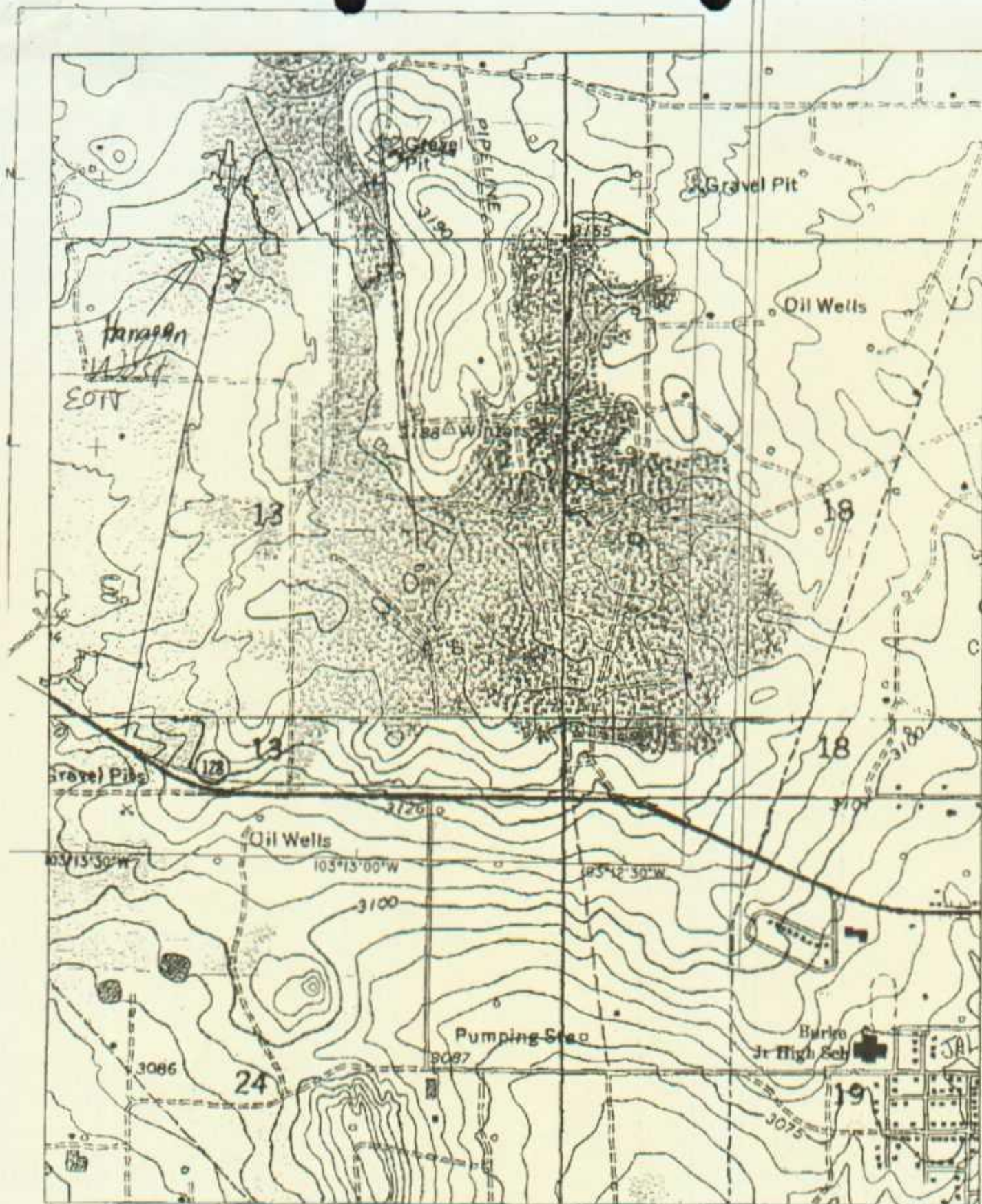
MILES

LAT/LONG
WGS 1984

COMBINED SSF
07/29/2000

PATHFINDER OFFICE





MNA ENTERPRISES LTD
HANAGAN WEST LEAK

CLAY OSBORN RANCH



CLAY AND JERI OSBORN
ONE N. COUNTRY CLUB RD.
P.O. BOX 1285
JAL, NM 88252



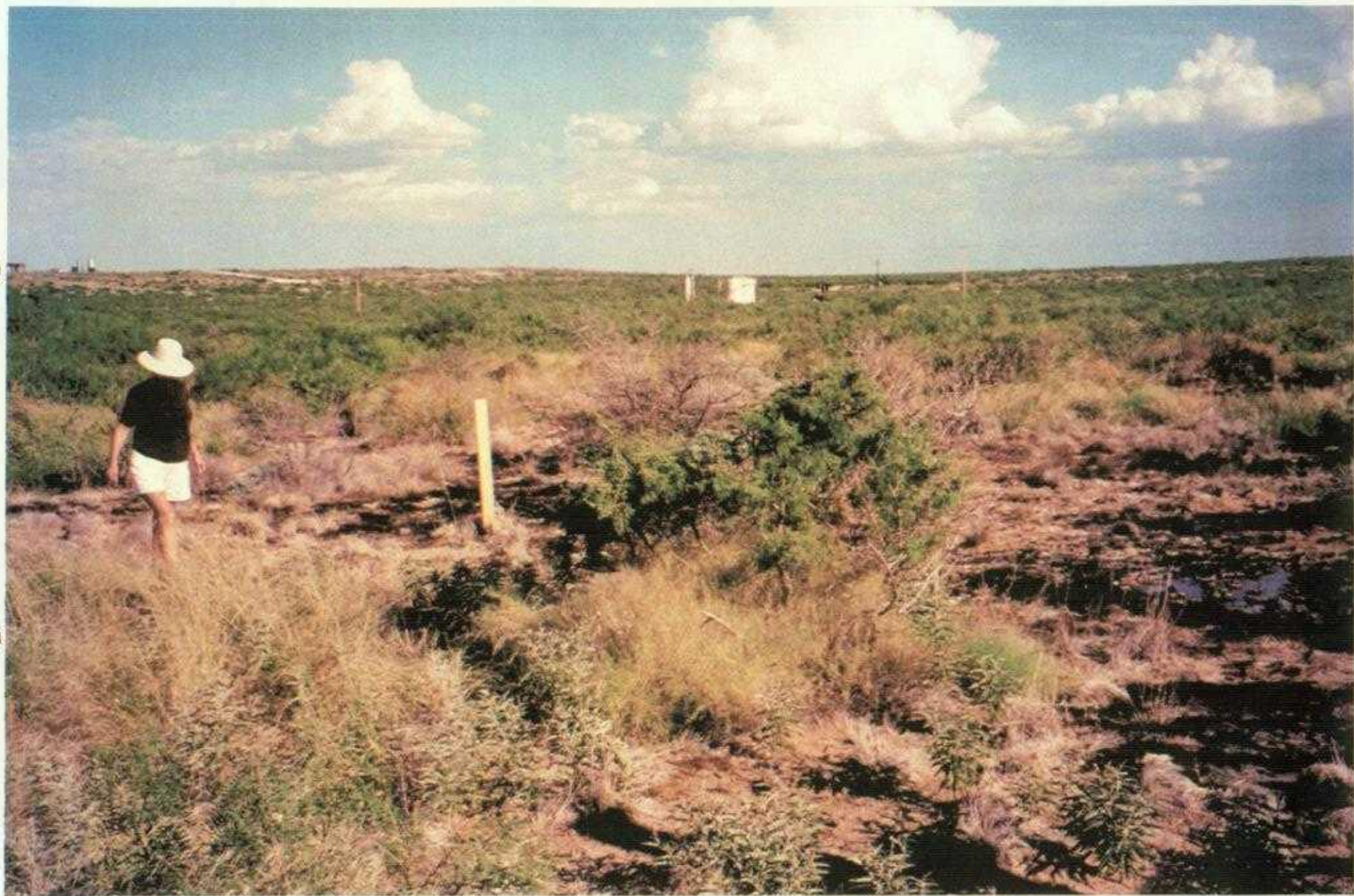
CLAY AND JERI OSBORN
ONE N. COUNTRY DR. RD.
P.O. BOX 1123
JAL NM 88252



CLAY AND JERI OSBORN
ONE N. COUNTRY CLUB RD.
P.O. BOX 1223
JAL, NM 88252



CLAY AND JERLOFFSON
ONE N. COUNTRY CLUB RD.
P.O. BOX 1253
JAL, NM 88252



CLAY AND JERI OSSORN
ONE N. COUNTRY CLUB RD.
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JAL, NM 88252

MNA ENTERPRISES LTD
FROM LEAK SITE 08/07/99

CLAY OSBORN RANCH



WATER FROM CORE HOLE

09/07/2000

MNA

CLAY OSBORN RANCH



09/07/2000

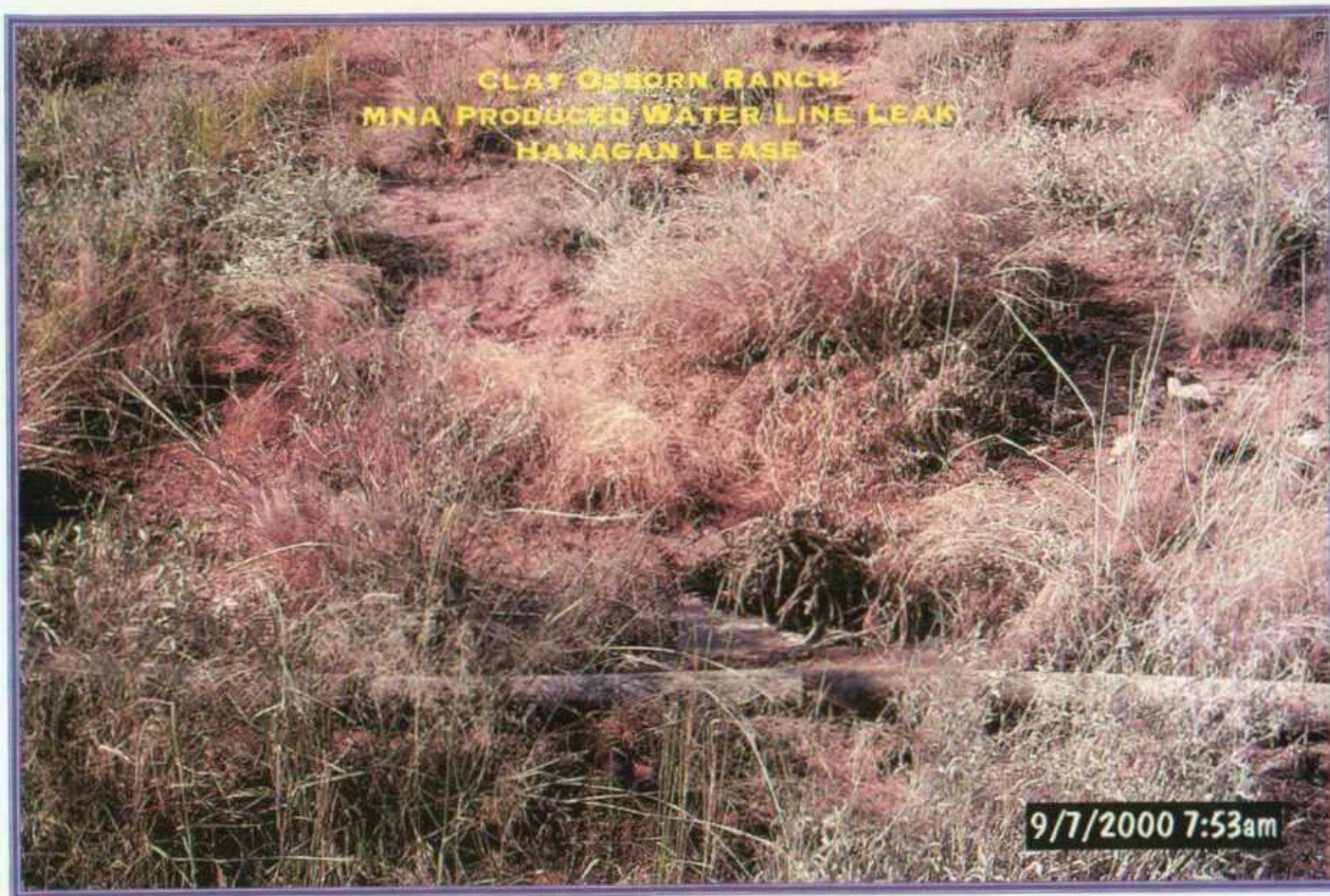


LEAK WEST OF HANAGAN WEST SITE



CLAY OSBORN RANCH
MNA PRODUCED WATER LINE LEAK
MANAGAN LEASE

9/7/2000 7:52am



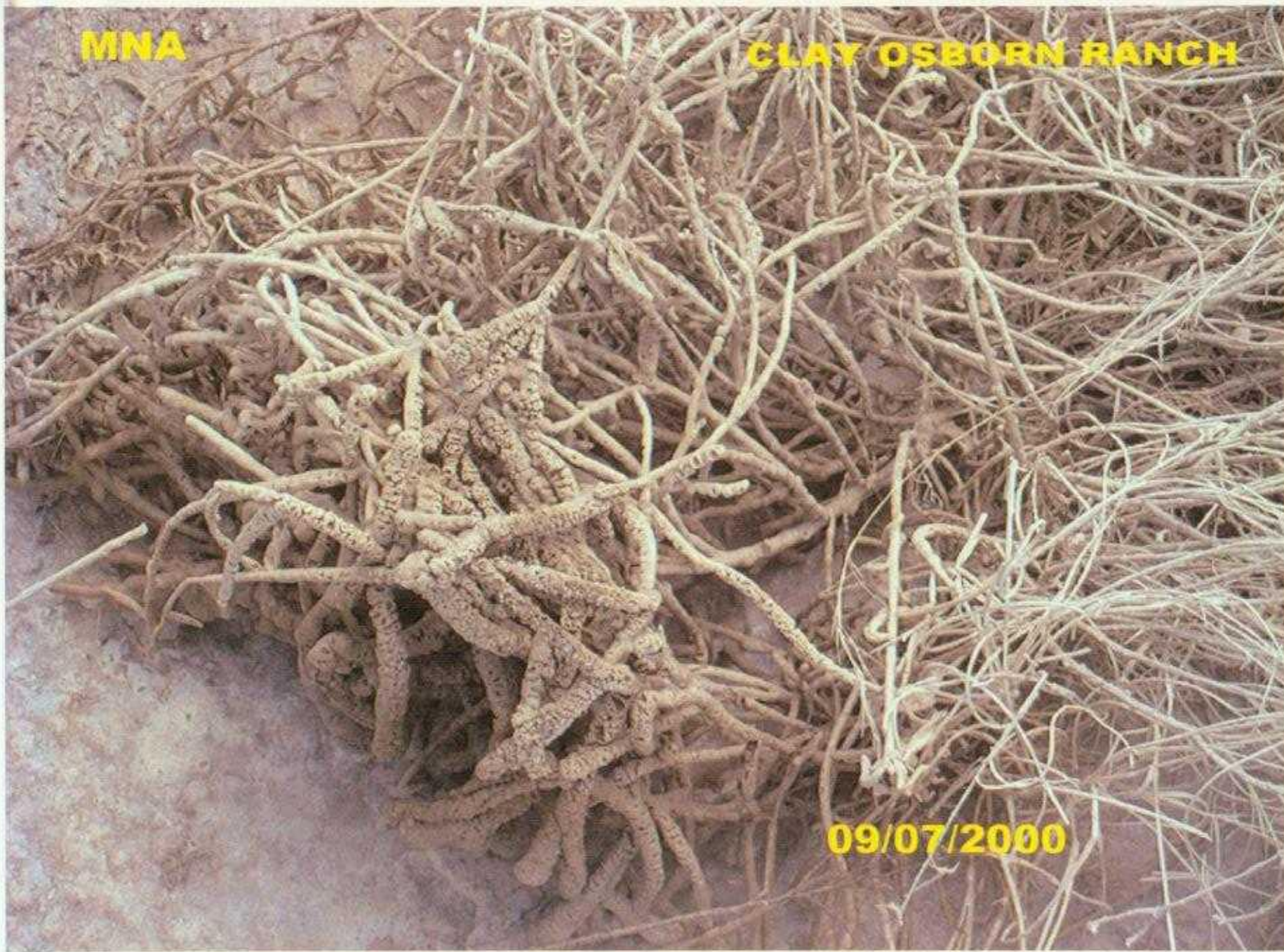
CLAY OSBORN RANCH
MNA PRODUCED WATER LINE LEAK
HARAGAN LEASE

9/7/2000 7:53am

MNA

CLAY OSBORN RANCH

09/07/2000





MNA SALT WATER LINE TO MARALO 9/7/2000



**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

OIL CONSERVATION DIVISION
DISTRICT 1 HOBBS
PO BOX 1980, Hobbs, NM 88241
(505) 393-6161
FAX (505) 393-0720

Jennifer A. Salisbury
CABINET SECRETARY

November 4, 1999

EOTT Energy Pipeline
Attn: Lennah Frost
P.O. Box 1660
Midland, Texas 79702

Re: UL N-Sec 12-Ts25S-R36E
W. F. Hanagan

Dear Mrs. Frost:

The New Mexico Oil Conservation Division (NMOCD) has been in contact with EOTT for some time now concerning the above reference location. EOTT expressed their concerns about the TNMPL in question was not a part of the contract recently obtained by EOTT. After involving and an extensive research on Equilon's behalf it seems that EOTT does own the pipeline in question. The NMOCD hereby request the following:

1. EOTT perform vertical and horizontal extent on the above referenced location for BTEX and TPH.
2. EOTT shall submit an investigation and/or a remediation plan, in writing, to the District office by November 20th, 1999.

EOTT's attention on this matter is greatly appreciated. If you have any further questions, or need any assistance please do not hesitate to write or call me at (505-393-6161 ext...113).

Sincerely,

Donna Williams
Environmental Engineer Specialist
Cc: Wayne Price; Chris Williams;

800-451-1980
District II - (505) 748-1283
811 South First
Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Road
Aztec, NM 87410
District IV - (505) 827-7131

Energy Minerals and Natural Resources Department

Oil Conservation Division

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

Originated 2

Submit 2 copies
Appropriate District
Office in accordance
with Rule 1
back side of

Release Notification and Corrective Action

OPERATOR

☒ Initial Report ☐ Final Report

Name MNA Enterprises Ltd. Co.	Contact Daniel Alexander
Address 106 W. Alabama, Hobbs, NM 88242	Telephone No. 397-5923 392-2702
Facility Name W.F. Hanagan SWD Line	Facility Type SWD Line

Surface Owner Clay Osburn	Mineral Owner FEE	Lease No.
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LOCATION OF RELEASE

Unit Letter N	Section 12	Township 25	Range 36	Feet from the North/South Line	Feet from the East/West Line	County Lea
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NATURE OF RELEASE

Type of Release 60 Bbls produced water, 1½ Bbls oil	Volume of Release 60 Bbls water, 1½ oil	Volume Recovered none
Source of Release SWD line to Marlo WF (rupture in seam)	Date and Hour of Occurrence 8-7-99 @ 4:00p	Date and Hour of Discovery 8-7-99 @ 4:00p
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Chris Williams	
By Whom? Clay Osburn	Date and Hour 8-7-99 @ 4:00p.m.	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse	

If a Watercourse was Impacted, Describe Fully (Attach Additional Sheets If Necessary)

Describe Cause of Problem and Remedial Action Taken. (Attach Additional Sheets If Necessary)

Water line ruptured in weld seam. Replaced bad section in 2" polyline. Hauled off and replaced soil. Took soil samples to be checked by Cardinal Labs. Cleaned up per OCD recommendation.

Describe Area Affected and Cleanup Action Taken. (Attach Additional Sheets If Necessary)

130' X 90' sandy soil - Dug out soil, hauled off and replaced.

Plan to D. Williams
8-26-99

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

Signature: <i>Daniel M. Alexander</i>	OIL CONSERVATION DIVISION	
Printed Name: <i>Daniel M. Alexander</i>	Approved by District Supervisor:	Expiration Date:
Title: <i>Manager</i>	Approval Date:	Attached <input type="checkbox"/>
Date: <i>9-26-99</i>	Phone: <i>505-392-2702</i>	Conditions of Approval: