

State of New Mexico  
Energy, Minerals and Natural Resources Department

**Susana Martinez**  
Governor

**John Bemis**  
Cabinet Secretary

**Brett F. Woods, Ph.D.**  
Deputy Cabinet Secretary

**Jami Bailey**  
Division Director  
Oil Conservation Division



Certified Mail:

November 27, 2012

Mr. Tim Collier  
Read and Stevens, Inc.  
PO Box 1518  
Roswell, NM 88202-1518

**RE: Denial of Form C-144 Drilling Pit Permit**  
**Operator: Read and Stevens, Inc.**  
**OGRID: 18917**  
**Well name: Hot Dog 23 Federal 4**  
**Location: Unit M, Section 23, Township 16 South, Range 27 East, NMPM**  
**Eddy County, New Mexico**

Dear Mr. Collier,

The New Mexico Oil Conservation Division, District 2 Office (OCD), is in receipt of a Form C-144 drilling pit permit application (permit) for the above referenced well. The permit was formulated and submitted to OCD by Read and Stevens' contractor, R.T. Hicks Consultants, Ltd. This permit was received in the OCD District 2 Office on October 2, 2012. After review of the permit, OCD hereby **denies** this C-144 submittal. Reasons for denial of this permit include, but may not be limited to, the following:

The first page of the Form C-144 lists the proposed pit dimensions as 55 feet long, 144 feet wide, and 5 feet deep. The proposed method for closure is "In-place Burial". OCD does not believe the proposed 5' depth will allow for a minimum of 4 feet of cover material over the buried cuttings as required by 19.15.17.13.H.(2) NMAC.

There are inconsistencies throughout the submittal regarding the actual dimensions of the proposed pit system. The dimensions listed on the front page of the C-144 are as discussed above. The diagram included in the permit, has the left side of the page "cut-off", however, it shows the overall dimensions of the pit system to be 130 feet x 55 feet with varying depths listed. Neither pit system dimensions are consistent with diagrams submitted to the Bureau of Land Management (BLM) in the federal Application to Drill (APD). See BLM conditions of approval to the APD.

The diagram shows the "workover" portion of the pit system to have a slope ratio of 1H:1V. 19.15.17.11.F(2) NMAC states in relevant part, "The operator shall construct a temporary pit so that the slopes are no steeper than two horizontal feet to one vertical foot (2H:1V). The appropriate division district office may approve an alternative to the slope requirement if the operator demonstrates that it can construct and operate the temporary pit in a safe manner to

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prevent contamination of fresh water and protect public health and the environment." The permit submittal does not include the required demonstration, nor does it address the proposed alternative slope.

Page 2 of the "Generic Plans for Temporary Pits" requests administrative approval for a variance of the slope requirement to 1.5H:1V, but does not include a demonstration that the slope variance will be more protective, as required by the portion of the rule, referenced above.

Page 3 of the "Site Specific Information" portion of the submittal refers to "Plates SSI-1 and SSI-2. These referenced plates are not included in the permit submittal.

**You have 10 days from receipt of this notice to request a hearing on the denial of your C-144 permit application.** See 19.15.17.16 NMAC. Please contact Florene Davidson at (505) 476-3458 within 10 days of receipt of this notice if you want to request a hearing on the denial of the C-144 permit application.

Please be advised that permit applications and permit modification requests will be processed in the order in which they are received. The submission of multiple permits/modifications for the same well may result in permit review delays and scheduling issues.

If you have any questions or concerns, please contact the District 2 Environmental Specialist, Mike Bratcher at 575-748-1283 X108 or via email at [mike.bratcher@state.nm.us](mailto:mike.bratcher@state.nm.us)

Sincerely,



Randy Dade  
OCD District 2 Supervisor  
575-748-1283  
[randy.dade@state.nm.us](mailto:randy.dade@state.nm.us)

Cc: Daniel Sanchez, Compliance & Enforcement Manager, OCD Santa Fe  
Glenn von Gonten, Senior Hydrologist, OCD Santa Fe  
Mike Bratcher, Environmental Specialist, OCD District 2  
R.T. Hicks Consultants, Ltd.