



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

**Joanna Prukop**

Cabinet Secretary

**Mark E. Fesmire, P.E.**

Director

**Oil Conservation Division**

August 14, 2007

Mr. Dan Gibson  
Key Energy Services, LLC  
6 Desta Drive, Suite 4400  
Midland, Texas 79705

AUG 17 2007  
OCD-ARTESIA

Re: Key Energy Services, LLC, Brine Well Discharge Plan (BW-019)  
City of Carlsbad Well #1 (API# 30-015-21842)  
UL:H 36-22S-36E, Eddy County

Dear Mr. Gibson:

The New Mexico Oil Conservation Division (OCD), Environmental Bureau (EB) has confirmed that your discharge plan is currently expired and without a permit. This is a violation of your discharge plan permit and is subject to penalties under 20.6.2 NMAC.

Therefore, the EB hereby requests that you submit a discharge plan renewal application with \$100.00 filing fee (check made payable to the "Water Quality Management Fund") by September 17, 2007. Along with your application, you will need to address the attached 20.6.2.3108 NMAC Public Notice provisions for administrative completeness.

In addition, the OCD is upgrading the minimum bond amount to \$50,000.00 for Class I and III Wells effective January 1, 2008. Our current bond record for your brine well indicates that it satisfies the \$50,000.00 bond amount. Our bond record for your well currently indicates the following:

Bond: RLB0003249; \$50000.00; 6/01/01; RLI Insurance Company

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

Sincerely,

Mr. Carl J. Chavez

UIC Quality Assurance/Quality Control Officer

xc: OCD District Office