



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

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Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

E.G.L Resources
PO Box 10886
Midland TX 79702

October 31, 2005

Re: Oxy Yates 14 Federal 003 H-14-20s-28e API: 30-015-30594

The New Mexico Oil Conservation Division District II Office is in receipt of an Initial Report C-141 reporting a produced fluids release that occurred on 10/13/2005 at or near the above referenced well site.

Please submit a Corrective Action Work Plan to this office for correction/remediation of this release. Please use the "Guidelines For Remediation of Leaks, Spills, and Releases" as your guide.

This document may be found on the NMOCD web site: www.emnrd.state.nm.us/ocd , under Publications/Environmental Handbook/Miscellaneous Guidelines/Spill Prevention Clean up.

The work plan presented to the NMOCD must include general site characteristics, site ranking score, soil remediation action levels, soil remediation methods, and planned analytical testing for TPH, B-TEX , Chlorides or any other CoCs as applicable.

A Final Report Form C-141 is required to be submitted upon satisfactory completion of project, and must include a report of remediation actions taken with final confirmation sample analysis results attached.

Like approval by BLM required if applicable.

Please have the requested work plan in the Artesia office on or before November 23, 2005. The NMOCD District II Office must be notified 24 hours prior to commencement of remediation actions and prior to samples being obtained where analysis of such samples are to be submitted to the OCD.

In the event that a satisfactory response is not received to this letter further enforcement will occur. Such enforcement may include this office applying to the Division for an order summoning you to a hearing before a Division Examiner in Santa Fe. Such a hearing may result in imposition of **CIVIL PENALTIES** for your violation of NMOCD rules.

If I can be of assistance in this matter, my contact information is listed below.

Mike Bratcher
NMOCD District 2
1301 W. Grand Ave.
Artesia, NM 88210
(505) 748-1283 Ext. 108
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NMOCD Incident Number: nMLB0529142363