



STATE OF NEW MEXICO
ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178

December 28, 1990

C-13-20W-64

Joel Burr, Jr.
Basin Fuels, Ltd.
P.O. Box 50
Farmington, NM 87499

RE: Franciscan Lake Mesa Verde Field
McKinley County, NM

Dear Mr. Burr:

In response to your letter of 12-6-90 I refer you to New Mexico Oil Conservation Division Rules #3, #310 and #313 (enclosed) which refer to oil storage and residue oil. Basin Fuels, Ltd. and/or Joel B. Burr, Jr. were notified in sufficient time before the onset of cold weather to move the oil stored in an open tank at the Robison Coleman #2. Basin Fuels, Ltd. and/or Joel B. Burr, Jr. is ordered to move the oil stored in an open top tank to market or an approved facility immediately.

The OCD recognizes improvements have been made in the tank drain and separator pits located within the Franciscan Lake Field. However, many of these pits are still considered to be in violation of Rules #3, #310 and #313. The OCD expects the pits within the Franciscan Lake Field to have no oil present on the surface by June 1, 1991. If pits accumulate oil during operations, the oil is to be removed within forty-eight hours. Failure to comply with OCD rules may result in fines up to \$1,000 per day.

Yours truly,

Denny G. Foust
Deputy Oil & Gas Inspector
NMOCD District III

DGF:sh

xc: Well File