



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

BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

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

Certified Mail Return Receipt No. P 988 786 238

October 20, 1992

Bright and Company
Oil and Gas Division
Attn. C. W. Mettlach, Jr.
Route 3, Box 202 A
Edinburg, Texas 78539

RE: Reserve pit at Bright and Company Well Cuba Mesa 35-1, M-35-21N-02W, Sandoval County, New Mexico.

Dear Mr. Mettlach:

The reserve pit at the Cuba Mesa 35-1 wellsite continues to have recoverable amounts of oil on the surface in violation of Oil Conservation Rule 3, Prevention of Waste. Any oil on the reserve pit after drilling activities is in violation of OCD Rule 105 B Protection of Migratory Birds. The Cuba Mesa location also has an excessive number of chemical barrels on location without containment. Eleven barrels all containing some chemical are on location as of inspection October 14, 1992. No more than two barrels should be on location without some sort of containment. Empty barrels are to stacked on their sides with the bungs horizontal. Inspection of the wellsite on September 13, 1992, revealed a continuing problem with oil on the pit. Subsequent telephone notification of your office has not resulted in a solution to the problem. Bright and Company has until November 5, 1992, to bring the Cuba Mesa 35-1 well into compliance with OCD Rules or be subject to fines of one thousand dollars per day per violation. If you have questions please feel free to contact this office.

Yours truly,

Denny G. Foust
Deputy Oil And Gas Inspector

XC: Bob Stovall-General Counsel
Well File
DGF File