



November 6, 1998

Via Facsimile (505) 983-6043

William Carr, Esq.  
Campbell, Carr, Berg & Sheridan, P.A.  
P.O. Box 2208  
Santa Fe, NM 87504-2208

Re: Oil Conservation Division Case 12033

Dear Mr. Carr:

Public Service Company of New Mexico ("PNM") has notified the New Mexico Oil Conservation Division ("OCD") of PNM's objection to the proposal of Burlington Resources ("Burlington") to undertake massive soil excavation as a means of remediation at the Hampton 4M Well site. We made our objections known to the OCD by phone and by letter dated November 4, 1998 to Rand Carroll, counsel for the OCD. A copy of our letter to Mr. Carroll was previously sent to you but another copy is enclosed herewith for your ready reference.

The grounds for PNM's objections to Burlington's proposed remediation activities are set forth in PNM's November 4 letter to the OCD. Accordingly, we will not restate PNM's objections here. However, this letter serves as additional written notice to Burlington of PNM's objections to and concerns about Burlington's proposed remediation activities at the Hampton 4M Well site. PNM hereby demands that Burlington refrain from undertaking the proposed remediation activities and that Burlington submit a remediation proposal for OCD review utilizing good environmental and engineering practices.

As you know from PNM's November 4 letter to the OCD, PNM is concerned about the impact of Burlington's proposed remediation activities on evidence relating to the original release point or points for contamination at this site. Therefore, if Burlington proceeds with its proposed remediation plans, PNM will be on-site to monitor and record Burlington's activities. This monitoring may include the collection of samples and measurements at the site, as well as the videotaping and photographing of Burlington's activities.

As a final matter, PNM just learned that its free product recovery system was removed from the Hampton 4M Well site at the request of Burlington representatives. The removal was performed without advance notice to or consent from PNM. This action precluded PNM from obtaining a current reading of the

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amount of free product recovered. The unauthorized removal and interruption of PNM's remediation and monitoring activities has serious legal implications. Accordingly, PNM hereby demands that Burlington refrain from any further interference with PNM's monitoring or remediation activities at this site. If Burlington chooses to proceed with its activities prior to any determination of the release points of the contamination at this site, PNM will regard this activity as Burlington's acknowledgment that Burlington is solely and completely responsible for causing and addressing any and all contamination at the site. PNM will look to Burlington for recovery of any and all expenses incurred as a result of Burlington's unauthorized interference with PNM's remediation or monitoring activities and any resulting spoliation of evidence.

PNM strongly urges Burlington to reconsider and refrain from implementing its present remediation proposal at the Hampton 4M Well site. Please be advised that in the event Burlington's proposed remediation activities in any way exacerbate the contamination at the Hampton 4M Well site, or result in any claims against PNM, PNM will look to Burlington for recovery of any and all expenses incurred as a result of the Burlington's activities, as well as for all expenses incurred by PNM to date to address the contamination released by Burlington at this site.

We will appreciate a prompt written response to this letter in advance of any further remediation activities by Burlington at this site so that PNM may take whatever action it deems necessary to protect its interests. If you have any questions concerning this matter, please contact me.

Very truly yours,

KELEHER & McLEOD, P.A.

By:

  
Richard L. Alvidrez

RLA:sp

cc Rand Carroll-OCD  
Joyce Trew-Williams