



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop
Cabinet Secretary

Lori Wrotenberg

Director

Oil Conservation Division

April 22, 2003

Mr. Joe Pulido, Manager
Maralo, LLC
P.O. Box 832
Midland, Texas 79702-0832

**RE: HUMBLE STATE #3 TANK BATTERY SITE
JAL, NEW MEXICO**

Dear Mr. Pulido:

On April 11, 2001, the New Mexico Oil Conservation Division (OCD) informed Maralo, LLC (Maralo) that OCD investigations at the former Maralo Humble State #3 Tank Battery, located in Unit A, Section 36, Township 25 South, Range 36 East, have shown that ground water directly underlying Maralo's former Humble State #3 Tank Battery site is contaminated with chlorides and total dissolved solids (TDS) in concentrations in excess of the New Mexico Water Quality Control Commission standards. On that date, the OCD required that Maralo submit a Stage 1 Investigation Proposal to investigate and, if necessary, remediate ground water pollution at the site of the former tank battery. Subsequent soil investigations conducted by the OCD and recent investigations by the land owner, Mr. Jay Anthony, have not found appreciable concentrations of chlorides in soils at the site. Therefore, the OCD is rescinding the April 11, 2001 abatement plan requirement.

However, site inspections have shown that several backfilled pits remain at the surface of the site. Asphaltic type oil is present at the surface of each pit. These pits appear to have been used for disposal of emulsions, basic sediments and tank bottoms. According to 19.15.5.313 NMAC, "these substances and tank bottoms shall not be allowed to pollute fresh waters or cause surface damage". Since these pits are causing surface damage, the OCD requires that Maralo submit a work plan to eliminate surface damage at the site. The work plan shall be submitted to the OCD Santa Fe Office by May 22, 2003 with a copy provided to the OCD Hobbs District Office. If you have any questions, please contact Bill Olson at (505) 476-3491.

Sincerely,

Roger C. Anderson
Environmental Bureau Chief

cc: Chris Williams, OCD Hobbs District Office
Jay Anthony

BEFORE THE
OIL CONSERVATION DIVISION
Case No. 13142 Exhibit No. 16
Submitted By:
Maralo
Hearing Date: November 10, 2004