

NEW MLXICO ENERGY, MILERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON Governor Betty Rivera Cabinet Secretary

April 8, 2002

Lori Wrotenbery Director Oil Conservation Division

<u>CERTIFIED MAIL</u> RETURN RECEIPT NO. 7001-1940-0004-7923-4047

Mr. Mike Marley Gandy Marley, Inc. P.O. Box 1658 Roswell, NM 88202

RE: Approval for additional lifts Gandy Marley, Inc., NM-01-0020 0019 Sections 4, 5, 8, and 9, Township 11 South, Range 31 East, NMPM, Chaves County, New Mexico

Dear Mr. Gandy:

The New Mexico Oil Conservation Division (OCD) has received Gandy Marley, Inc.(GMI) request and analytical results dated April 1, 2002 for authorization to apply another lift to Cell 1. Based on the information provided, Cell 1 is hereby approved for the addition of a successive lift.

Note that with the addition of successive lifts GMI must continue maintenance and treatment zone monitoring at 2 to 3 feet below the original ground surface. If GMI wants to move the soils from the facility separate OCD authorization must be granted.

Please be advised that OCD approval does not relieve GMI of liability should their operation result in pollution of the ground water, surface water or the environment. In addition, OCD approval does not relieve GMI of the responsibility for compliance with other federal, state and/or local regulations.

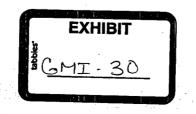
If you have any questions please do not hesitate to contact me at (505) 476-3488.

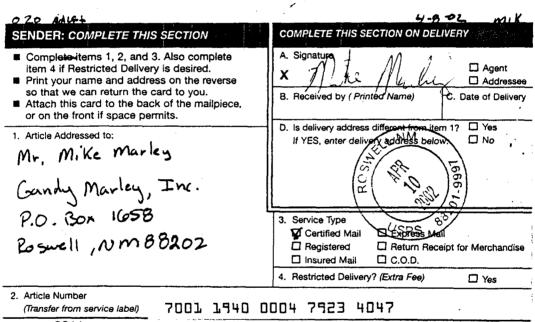
Sincerely,

xc:

Martyne J. Kreling Environmental Geologist

OCD Hobbs Office





PS Form 3811, August 2001

Domestic Return Receipt

102595-01-M-2509