



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OFFICE OF THE SECRETARY
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(505) 827-8980

Jennifer A. Salisbury
CABINET SECRETARY

October 07, 1996

Polaris Production Co.
P O Box 1749
Midland, Texas 79701

Attention: Mr. Davis Payne

Dear Mr. Payne;

I received your letter dated October 1, 1996, on Monday, October 7, 1996. I appreciate your efforts to address the ongoing Health and Environmental problems associated with your Priest, Shelton and Pacific Royalty Leases. I assume these charges were incurred on the Priest and Shelton Leases. I am enclosing reprints of my pictures that were taken October 1, 1996, as you can see this was not caused by rainfall alone: there is standing oil inside and out of battery fences, Kobe pumps are still leaking, sumps are running over, fences will not keep livestock out, gates are left open, cellars at wells have standing oil, valves are leaking and there are livestock tracks around these areas. I believe you can see by the enclosed photographs that there continues to be a serious threat to the environment and these leases. As per our phone conversation 9:45 AM on October 1, 1996, I contacted Rand Carroll with Legal Bureau in Santa Fe. I have sent him copies of my Field Trip Reports since January, 1996 also photographs of the past and present public health and environment concerns.

I have asked Rand to review this with Mr. Bill LeMay, Oil Conservation Director, and that I would recommend imposing a \$1,000.00 per day fine until these environmental problems are solved. I regret having to take such strong actions, but I feel you have left no other recourse.

Sincerely;

Gary W. Wink
Field Representative II

cc: Mr. Bill LeMay
Mr. Rand Carroll
Mr. Jerry Sexton