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APPROVALS

YEAR(S):

1999



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

February 18, 1999

CERTIFIED MAIL

RETURN RECEIPT NO. Z-274-520-626

Ms. Kathy Juckes
PNM Gas Services
P.O. Box 4750
Farmington, NM 87499

RE: FINAL SAN JUAN BASIN PIT CLOSURE REPORTS

Dear Ms. Juckes:

The New Mexico Oil Conservation Division (OCD) has completed a review of PNM Gas Services' (PNM) January 28, 1999 "OCD PIT CLOSURE REPORTS - GROUNDWATER SITES, 4TH REPORTING QUARTER 1998". This document contains "PIT REMEDIATION AND CLOSURE REPORTS" for 2 unlined pits in the San Juan Basin at which ground water contamination was discovered. The document requests closure of the sites since ground water has been remediated to below New Mexico Water Quality Control Commission (WQCC) standards as demonstrated in 4 consecutive quarterly sampling events at each site. The document also contains PNM's proposed ground water monitoring well plugging and abandonment procedures.

The pit closure/remediation activities and the proposed monitor well plugging and abandonment proposals for the sites listed below are approved.

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|---------------------------------|-----------------------------|
| 1. Miles Federal #1E (Dehy pit) | Unit N, Sec. 05, T26N, R07W |
| 2. Turner #3 (Separator pit) | Unit F, Sec. 24, T31N, R11W |

Please be advised that OCD approval does not relieve PNM of liability if remaining contaminants are found to pose a future threat to surface water, ground water, human health or the environment. In addition, OCD approval does not relieve PNM of responsibility for compliance with any other federal, state, tribal or local laws and regulations. If you have any questions, please call me at (505) 827-7154.

Sincerely,

William C. Olson
Hydrologist
Environmental Bureau

xc: Denny Foust, OCD Aztec District Office
Bill Liess, BLM Farmington District Office