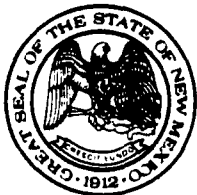


3R - 358

APPROVALS

YEAR(S):

1994



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

March 23, 1994

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

CERTIFIED MAIL

RETURN RECEIPT NO. P-111-334-087

Mr. Chester L. Deal
Superintendent
Snyder Oil Corporation
P.O. Box 2038
Farmington, New Mexico 87499

**RE: GROUND WATER CONTAMINATION INVESTIGATION PLAN
LANDAUER #1, TEMPLETON #1E AND TRIBAL C#12 WELL SITES
SNYDER OIL CORPORATION**

Dear Mr. Deal:

The New Mexico Oil Conservation Division (OCD) has completed a review of the Snyder Oil Corporation's February 1994 "UNLINED SURFACE IMPOUNDMENT GROUNDWATER CONTACT PLAN" which was received by the OCD Santa Fe Office on March 21, 1994. This document contains Snyder Oil's proposed plan to investigate the extent of ground water contamination related to unlined production pit disposal practices at Snyder Oil's Landauer #1, Templeton #1E and Tribal C#12 well sites.

The above referenced investigation plan is approved with the following conditions:

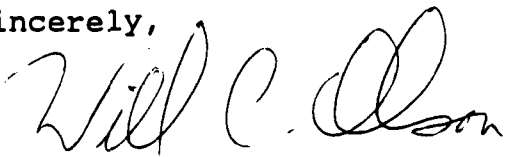
1. Snyder Oil will provide OCD with a copy of all previous investigation reports which documented ground water contamination at the Landauer #1, Templeton #1E and Tribal C#12 well sites.
2. The OCD defers comment on the locations and construction details of the proposed monitor wells until the OCD reviews the results of the test pit investigations.
3. Snyder Oil will submit a report detailing the results of the test pit investigations to OCD by June 1, 1994. The report will include recommendations for installation of ground water monitor wells and a ground water sampling plan.

Mr. Chester L. Deal
March 23, 1994
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Please be advised that OCD approval does not relieve Snyder Oil of liability if the investigation fails to completely define the extent of contamination related to Snyder Oil's activities. In addition, OCD approval does not relieve Snyder Oil of responsibility for compliance with any other federal, state or local laws and/or regulations.

If you have any questions, please contact me at (505) 827-5885.

Sincerely,



William C. Olson
Hydrogeologist
Environmental Bureau

xc: OCD Aztec Office
Michael J. Pool, BLM Farmington District
Hector Villalobos, BLM Albuquerque District
Thurman Velarde, Jicarilla Apache Oil and Gas Administration
Daryl Tafoya, BIA Jicarilla Agency