

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Jon Goldstein
Cabinet Secretary

Jim Noel
Deputy Cabinet Secretary

Corrected Copy - C-144 attachment

Mark Fesmire
Division Director
Oil Conservation Division



Ponderosa Petroleum Corporation
PO Box 132
Roswell, NM 88202
ATTN: Mr. Fred F. Pool, III

January 7, 2010

Reference: LE Ranch 16 027 30-005-64008 A-16-11s-28e Chaves County, New Mexico

Dear Mr. Pool,

The New Mexico Oil Conservation Division District 2 Office (OCD) is in receipt of a Form C-144 submitted for closure of a drilling pit at the above referenced site. The pit was permitted under former "Rule 50". The proposed closure method is to bury the front portion (working section) of the pit in place and trench bury the rear portion (reserve section) of the pit. At this time, the submittal is denied. The reasons for denial would include the following:

- OCD does not believe the front portion of the pit is deep enough to hold the contents that are currently in place and, have room to meet the cover requirements per 19.15.17 NMAC.
- The liner on the front portion of the pit has a tear on the Northeast side that extends below the pit contents.
- Sloping requirements per 19.15.17 NMAC were not met when pit was constructed. The liner on the front portion of the pit shows signs of stress which would bring into question the integrity of the liner not visible below the content level.
- In place burial, as allowed by 19.15.17 NMAC, is contingent on use of 20 mil liner material. Liner material used in construction of this pit is 12 mil.

Please resubmit the Form C-144, along with required attachments, proposing an alternative method of closure for this pit.

If you have any questions or concerns, please contact me.

Sincerely,

Mike Bratcher
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