

## NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

## BILL RICHARDSON

Governor

Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

June 14, 2004

Certified Receipt # 7002 2410 0006 6464 0837

Dennis R. Reimers Maralex Resources, Inc. P. O. Box 338 Ignacio, CO 81137

RE:

Drilling Pit at the Blancett FC #2A

Dear Mr. Reimers:

The New Mexico Oil Conservation Division (OCD) has reviewed the situation at the Maralax Resources, Inc. (Maralax) Blancett FC #2A, Unit Letter A, Section 24, Township 30 North, Range 12 West, API # 30-045-32021 drilling pit. Maralax shall comply with OCD:

- 1. Rule 50. E. which reads in important part "Drilling fluids and drill cuttings shall either be recycled or disposed of as approved by the division in a manner to prevent the contamination of fresh water and protect public health and the environment"
- 2. Rule 50. F.(1). Which reads in important part "Where the pit's contents will likely migrate and cause ground water or surface water to exceed water quality control commission standards, the pit's contents and liner shall be removed and disposed of in a manner approved by the division."

The division has determined an acceptable course of action will be removal of fluids from the drilling pit to a water disposal well or a commercial disposal, the solids will be remediated at a division permitted facility, the liner will be transported to a land fill.

Actual physical compliance must be completed by June 26, 2004.

If you have questions please feel free to call me at 505-334-6178 ext 15.

Yours truly,

Denny G. Foust

Environmental Geologist

Deny & Fourt

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DGF/mk

XC:

Well File

DGF File

EC:

Roger Anderson, OCD Santa Fe

Lori Wrotenbery, OCD Santa Fe

Frank Chavez, OCD Aztec Charlie Perrin, OCD Aztec