

OIL CONSERVATION COMMISSION
1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO

May 7, 1965

E. L. Fundingsland
2004 Security Life Building
Denver, Colorado

Re: Fundingsland #10 Sunical SD
M-3-29N-13W, Basin Dakota Pool

Dear Mr. Fundingsland:

On May 5, 1965 we received complaints from the City of Farmington regarding certain conditions at the above well site. Upon inspection of the premises we discovered that considerable oil spillage had occurred at the truck loading site on the east side of the storage tanks. Evidently the spillage had occurred in some manner during loading operations. As the terrain adjacent to the tanks slopes to the East and drains into a small ravine which in turn empties into an irrigation ditch north of the Farmington reservoir the spilled oil had run down the ravine several hundred feet, although it did not reach the irrigation canal. We feel that there is a good possibility that a repetition of such a loading accident may cause oil to enter the ditch, contaminating the water supply. Also the oil residue present in the ravine at this time will be picked up by rain water and deposited in the irrigation ditch. We are, therefore, directing that action be taken to prevent the possibility of water contamination. We feel that this will necessitate either the construction of a loading area outside the fenced area which is diked on the East side so that any spilled oil is contained, or a revision of the loading facilities so that oil may be loaded inside the fenced enclosure so that spilled oil will be contained within a diked area.

I would also like to point out that this office has no jurisdiction regarding the ordinance covering oil and gas operations within the city limits. I would, therefore, advise that you contact City Officials in Farmington and determine whether or not your present operating procedures comply with their ordinance. There is some question in my mind whether a diked loading area outside the fenced area meets with their requirements.

Yours very truly

Emery C. Arnold
Supervisor, District #3

ECA:ks

cc: A.L. Porter
OCC, Santa Fe, N.M.

Pete Welsh
Town of Farmington