



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

September 28, 2005

LETTER OF VIOLATION - Regulatory Compliance/RULE 116

XXXXXX
Attn: XXXXX
POB XXXX
XXXXXXXXXXXX

Re: XXXXXXXX, API #XXXXXXX

New Mexico Oil Conservation Division (OCD) inspected the above referenced site on September 28, 2005. The site reveals soil contamination from the old pit northwest of the battery, (approximately 120-150 ft. in diameter), and impact from major release(s) east of the battery, (a 30-40 foot triangle shaped area). There is no record of release notification for this site per OCD Rule 116, (Form C-141).

The vegetative growth in the old pit area is stressed and/or not productive. The barren area outside the perimeter, in the pasture to the east of the battery, is highly impacted with production fluids.

The OCD hereby requires XXXXX to submit a C-141 form by September 30, 2005 and an OCD approved corrective action plan by October 14, 2005 that includes the following:

1. XXXXX shall submit a delineation and remediation plan for the horizontal and vertical extent of TPH, BTEX, and chloride contamination in the soil according to: OCD Rule 116 and the Guidelines for Remediation of Leaks, Spills and Releases.
2. XXXXX shall restore the old pit area to its original condition or to productive pasture approved by OCD and the New Mexico State Land Office, (SLO).
3. XXXXX shall remove all plastic, cement blocks and steel hardware for recycling and/or disposal.
4. XXXXX shall provide notification by email to paul.sheeley@state.nm.us and larry.johnson@state.nm.us 48 hours in advance of any sampling, backfilling and/or construction activities allowing OCD the opportunity to witness the activities and split samples.
5. XXXXX shall remediate and repair gathering line leaks associated with this facility.

Sincerely,

Paul Sheeley-Environmental Engineer District 1, paul.sheeley@state.nm.us

Cc: Gail MacQuesten - OCD Counsel, Santa Fe
Daniel Sanchez - Compliance Officer, Santa Fe
Larry Johnson - Environmental Engineer, Dist. 1
Gary Wink - District 1 Staff Manager
Leon Anderson - SLO Hobbs

Case 13564
OCD Exhibit 7