

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

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Oil Conservation Division

**APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION,
THROUGH THE ENVIRONMENTAL BUREAU CHIEF, FOR AN ORDER
REQUIRING MARALO, LLC TO REMEDIATE HYDROCARBON
CONTAMINATION AT AN ABANDONED WELL AND BATTERY SITE; LEA
COUNTY, NEW MEXICO.**

CASE NO. 13142

APPLICATION FOR ORDER DIRECTING REMEDIATION

1. Maralo, LLC ("Maralo") was the operator of the Humble State Well No. 3 (API No. 30-025-09831) and associated tank battery and pits, located in Unit A, Section 36, Township 25 South, Range 36 East, Lea County, New Mexico.
2. On October 6, 1999, Mr. Jay Anthony, a surface owner, filed a complaint with the Oil Conservation Division ("the Division") concerning oil-contaminated soil on his property related to the former Humble State #3 tank battery. A Division investigation determined that the surface of the land around the former tank battery is contaminated with highly weathered asphaltic type oil and that several backfilled pits remain at the site. Asphaltic type oil is present at the surface of each pit. The pits appear to have been used for the disposal of emulsions, basic sediments and tank bottoms. Laboratory analyses of samples of contaminated soils from the site contain up to 25,400 parts per million (ppm) of total petroleum hydrocarbons (TPH); up to 0.179 ppm of benzene; up to 0.432 ppm of ethylbenzene; and, up to 0.921 ppm of xylene.
3. On April 11, 2001, the Division's Environmental Bureau notified Maralo that it would require an abatement plan pursuant to OCD Rule 19 [19.15.1.19 NMAC] to remedy fresh water contamination believed to exist at the referenced site.
4. By letter dated April 22, 2003, the Division notified Maralo that it was rescinding the requirement of an abatement plan because the Division had determined that there was insufficient evidence of water pollution to impose such a requirement at this time. The Division further notified Maralo, however, that Maralo should submit a work plan to remedy surface pollution resulting from tank bottoms at the referenced site in violation of OCD Rule 313 [19.15.5.313 NMAC].
5. By letter dated July 16, 2003 from legal counsel, Maralo declined to submit the required work plan, asserting that the Division has no legal authority for this requirement.
6. Division Rule 313 [19.15.5.313 NMAC] provides, in relevant part as follows:

Wells producing oil shall be operated in such a manner as will reduce as much as practicable the formation of emulsion and basic sediments. These substances and tank bottoms shall not be allowed to pollute fresh waters or cause surface damage.

7. Division Rule 310.A [19.15.5.310.A NMAC] provides, in relevant part as follows:

Oil shall not be stored or retained in earthen reservoirs, or in open receptacles.

8. The investigation conducted by the Division indicates that the surface contamination at the Humble State No. 3 site resulted from Maralo's violation of Rules 313 and 310.A.

WHEREFORE, the Environmental Bureau Chief of the Division hereby applies to the Director to enter an order:

A. Directing Maralo to submit a work plan to remedy hydrocarbon contamination existing at the Humble State No. 3 site.

B. Upon approval of said work plan, to faithfully perform the same, and to fully remediate all hydrocarbon contamination at or proceeding from the said site.

C. For such other and further relief as the Division deems just and proper under the circumstances.

RESPECTFULLY SUBMITTED,

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