

For well
file

CHACE OIL COMPANY, INC.

313 Washington S.E.

Albuquerque, New Mexico 87108

(505) 265-2622



R

March 3, 1986

State of New Mexico
Oil Conservation Division
P. O. Box 2088
Land Office Building
Santa Fe, NM 87501

Attention: Mr. Roy Johnson

Gentlemen:

SUBJECT: Pinon Unit #2 Reclamation

I am writing this letter in order to get a clarification of what Chace Oil Company should do with our reserve pit and associated clean up on the Pinon Unit #2 well located in Santa Fe County. The problem arises due to a local landowners' agreement whereby Chace Oil Company agreed to haul off all reserve pit material, including pit liner, to a nearby county dump provided all state and federal authorities agreed to this transporting of the pit material. The local landowners association also forced Chace Oil Company to use a pit liner which is still in place and seems to be working fine to hold all material in place within the pit.

The problem to be resolved is whether or not the State Oil Conservation Division would like to have us bury the material as is or move all the pit material to the county dump. The reason the local landowners association were so concerned is because the area water table is only about 30 feet or so in the area.

Please advise us as soon as possible in writing as to what course of action we can take. Thank you.

Sincerely,

Steven P. Roche
Land Manager

SPR/ss

Phone 3-24-86
OK to move RLS
Steve Roche indicated
pit material would
be moved when
dried out RFL

RL - is not moved
FILE
ID



TONEY ANAYA
GOVERNOR

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

50 YEARS



1935 - 1985

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

March 11, 1986

Chace Oil Company, Inc.
313 Washington S.E.
Albuquerque, NM 87108

Attention: Steven Roche

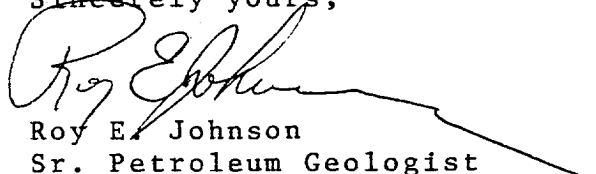
RE: Pinon Unit Well No. 2
Site Reclamation

Gentlemen:

As per your letter of March 3, 1986, inquiring about removal of material in the reserve pit on the above referenced well, this office requests that this material be buried on the location. The pit liner that Chace Oil Co. has installed at this location meets the requirements as outlined by our Rule 105.

Should you have any questions pertaining to this matter, please contact me at this office.

Sincerely yours,



Roy E. Johnson
Sr. Petroleum Geologist

cc: R. L. Stamets - OCD Director
D. Boyer - Environmental Bureau

REJ/bok