

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

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

Blue Collar Oil & Gas LLC PO Box 1075 Artesia, NM 88211-1075 December 8, 2004

Reference: Exxon State 003

O-15-21s-27e

API: 30-015-01096

Operator:

On December 2, 2004 an inspection of the above referenced well was conducted by an NMOCD field inspector. An unreported release of hydrocarbons was discovered at this well site. Please submit a Form C-141 reporting this release. As per our phone conversation on this date with Blue Collar Oil & Gas LLC rep, Dave Perini, all free-standing fluids must be recovered immediately. A site ranking and remediation workplan is required to be submitted to the NMOCD District 2 office no later than January 8, 2004.

Guidelines for use in formulation of remediation workplans can be found on our website as follows:

http://www.emnrd.state.nm.us/ocd

Click on Publications, then on Environmental Handbook, then on Miscellaneous Guidelines, and then on Remediation of Leaks, Spills and Releases.

If I can be of assistance in this matter, my contact information is listed below.

Thank you,

Mike Bratcher

Compliance Officer NMOCD District 2

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Email: mbratcher@state.nm.us