

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



January 22, 2009

JAN 26 2009

Ms. Corinne B. Grace
Grace Oil Company
c/o Eddie W. Seay
601 W. Illinois
Hobbs, NM 88242

30-015-10908

RE: Salty Bill Disposal Facility - NM076
NE/4 of NW/4 of Section 36, Township 22 South, Range 26 East, NMPM
Eddy County, New Mexico

Dear Ms. Grace:

The Oil Conservation Division (OCD) has received the upgradient chloride data for the pit closures and the two monitor well plugging reports associated with the Salty Bill Disposal Facility, located in the NE/4 of NW/4 of Section 36, Township 22 South, Range 26 East, NMPM, Lee County, New Mexico. Based on the information that you have provided, OCD approves the closure of the Salty Bill Disposal Facility.

Please be advised that OCD's approval does not relieve Grace of liability if remaining contaminants are found to pose a future threat to surface water, ground water, human health, and the environment. In addition, OCD approval does not relieve Grace of responsibility for compliance with any other federal, state, tribal or local law and/or regulations.

If there are any questions regarding this matter, please do not hesitate to contact me at (505) 476-3488 or at glenn.vongonten@state.nm.us.

Sincerely,

Glenn von Gonten
Senior Hydrologist
GvG/gvg

xc: OCD District II Office, Artesia
Mr. Richard Aguilar, City of Carlsbad

