



United States Department of the Interior

MINERALS MANAGEMENT SERVICE

ROSWELL DISTRICT OFFICE
POST OFFICE DRAWER 1857
ROSWELL, NEW MEXICO 88201

October 15, 1982

RECEIVED

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

OCT 18 1982

HNG Oil Company
P. O. Box 2267
Midland, Texas 79701

O. C. D.
ARTESIA OFFICE

Gentlemen:

Federal Lease No. SRM-1338 in the NW $\frac{1}{4}$ NE $\frac{1}{4}$ sec., 9 T, 24S., R.28E., Eddy County, New Mexico, which you operate was inspected on October 15, 1982 result of this inspection, you are hereby requested to install seals on the following facilities:

- ☒ Liquid hydrocarbon storage tanks - both sales and drain connections,
- ☐ Meter prover loops on IACT units,
- ☐ All lines connecting storage or treatment facilities to pits
- ☐ Other

Such seals must be installed within 24 hours following receipt of this letter. Failure to comply with this requirement will result in assessment of liquidated damages and the issuance of a shut-in order for the lease.

Seals are to be maintained on all valves which allow the exit of any liquid hydrocarbons from storage. It is the obligation of the operator to maintain a record of all seal removals and replacements with an appropriate explanation for each seal removal. This record shall be available for inspection by Minerals Management Service personnel during normal business hours.

You are further advised that these requirements apply to all federal leases which you operate. It shall be the policy from this date forward that a shut-in order will be issued for any lease found to be in noncompliance with these requirements for which you have been previously notified in writing by this office.

As operator, you have the right of administrative appeal to these requirements pursuant to Title 30 CFR 290.

Sincerely yours,

for J. A. Gillham
James A. Gillham
District Supervisor