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NM27493
2800(067)

JUN 16 '89

O. C. D.
ARTESIA, OFFICE

JUN 15 1989

CERTIFIED MAIL-RETURN RECEIPT REQUESTED
P 299 330 327

Mr. Ford Chapman
P.O. Box 2376
Midland, TX 79702

Dear Mr. Chapman:

Recent incidents involving the Ford Chapman, Federal Pipkin salt water disposal well (Section 34, T. 26S., R. 29E., Eddy County, New Mexico) have necessitated this notice of noncompliance with the terms and conditions of right-of-way grant NM 27493, the Mineral Leasing Act of 1920, as amended, and other laws.

On March 7, 1989, our field personnel reported that the storage tank was overflowing and that water was being permitted to cover the surrounding area.

On May 9, and May 18, 1989, our field personnel again observed that water was covering the site. A close inspection of the site revealed that water has been permitted to run from the site and down a nearby arroyo, which leads into Red Bluff reservoir, in Texas and New Mexico. The area surrounding the site shows signs of numerous past spills. The spills are a result of poorly maintained equipment at the disposal well site.

This salt water contamination is in violation of the regulations in 43 CFR 2880, and section 28 of the Mineral Leasing Act of 1920 (as amended), prohibiting violation of water quality standards or damage to the environment (including fish and wildlife habitat) or hazards to public health and safety. Your actions are also in violation of section 404 of the Federal Water Pollution Control Act which prohibits discharge of pollutants into navigable waters. Specific stipulations in the right-of-way grant require that the right-of-way be maintained by the holder. Your past operating record indicates that proper maintenance has been lacking. The right-of-way grant also requires that the serial number assigned to the right-of-way be posted at the point of origin and completion of the right-of-way. This is not the case. It also has been noted that an unused fiberglass tank is on the site. The grant does not authorize long-term storage of unused equipment.

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U. S. DEPT. OF
TREASURY OFFICE

JUN 18 1888

TO THE SECRETARY OF THE TREASURY
WASHINGTON

FROM THE
JUN 18 1888

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Enclosed for the Secretary of the Treasury are two copies of a report of the Committee on the Finance of the United States, prepared by the Committee on the Finance of the United States, and a copy of a report of the Committee on the Finance of the United States, prepared by the Committee on the Finance of the United States.

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