



STATE OF NEW MEXICO
ENERGY, MINERALS and NATURAL RESOURCES DIVISION
OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

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Certified Mail Receipt #P 987-892-060

April 5, 1993

Manana Gas Inc.
Attn. Ed Hartman
2520 Tramway Terrace Crt. NE
Albuquerque, NM 87122

RE: Oil, drip and water in an earthen separator pit at the Manana #1 Charlie, I-7-30N-11W,
San Juan County, New Mexico

Dear Mr. Hartman:

The separator pit at the Manana #1 Charlie contained a significant volume of oil, drip and produced water during inspections March 22 and 26, 1993. The Manana #1 Charlie is in a location where groundwater is close to the surface; the volume of produced fluids in the earthen separator pit does constitute a threat to contaminate groundwater. Under Oil Conservation Division Rule 3, Manana Gas Inc. is directed to remove all produced fluids from the earthen separator pit located at the Manana #1 Charlie, cease discharge to the earthen separator pit and do a site assessment to determine the produced fluids impact on groundwater. A site assessment of this type can probably be accomplished by utilizing a backhoe or hand auger and head space sampling. If contamination has reached the groundwater, an initial water sample for laboratory analysis should be obtained. The site assessment will be submitted to the Oil Conservation Division District III office by May 10, 1993. Initial pit remediation procedures will be based on the site assessment data. Hopefully remediation will be very limited if groundwater is not impacted. Groundwater remediation, when necessary, will be addressed separately and in more detail.

If you have questions please feel free to contact this office.

Yours truly,

A handwritten signature in cursive script that reads "Denny G. Foust".

Denny G. Foust
Environmental Geologist

XC: Well File
Environmental File
DGF File
OCD Environmental Bureau