Bill Richardson

Governor

Joanna Prukop Cabinet Secretary Reese Fullerton Deputy Cabinet Secretary Mark Fesmire
Division Director
Oil Conservation Division



October 26, 2009

Melrose Operating Co PO Box 953 Midland, TX 79702

Reference:

Conoco 7 State Battery 30-015-23694 E-7-19S-29E Eddy County, New Mexico

2RP- 355

Operator,

The New Mexico Oil Conservation Division District 2 Office (OCD) is in receipt of an Initial Report C-141 for a release of produced oil and water occurring at the above referenced facility on or about September 9, 2009. Stated on the C-141 is, "Remove all vessels from battery area and haul off top 2 ½ ft of soil to Lea Land Disposal. Sample soil in and around battery with OCD present and send samples to Cardinal Labs. Remove contaminated soil and back fill with clean soil, install liner and rebuild tank battery."

The Initial Report C-141 is accepted with the following stipulations:

- Notify the OCD 48 hours prior to obtaining samples (preliminary, confirmation, and all additional) where analyses are to be submitted to the OCD.
- Contaminated soils shall be remediated so that residual contaminant concentrations are below the site specific recommended soil remediation action levels. Confirmation delineation soil analyses reflecting chloride, TPH, and BTEX will be required.
- Remediation requirements may be subject to change as site conditions warrant.
- Results of analytical data obtained through sampling shall be forwarded to OCD for approval prior to any backfilling activities.
- Final remediation actions are to be completed and a Final Report C-141 with supporting documentation is to be submitted to the OCD on or before December 26, 2009.

Remediation requirements may be subject to other federal, state, and local laws or regulations.

Please be advised that NMOCD acceptance and/or approval of documents or work plans does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance and/or approval of documents or work plans do not relieve the operator of responsibility for compliance with any other federal, state, local laws and/or regulations.

If I may be of further assistance regarding this matter or if you have any questions, please feel free to contact me.

Respectfully,

Sherry Bonham NMOCD District 2 1301 W Grand Avenue Artesia, NM 88210 575.748.1283 ext. 109 sherry.bonham@state.nm.us

