



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

November 22, 2000

CERTIFIED MAIL
RETURN RECEIPT NO: 5051-3877

Mr. Phillip Smith
Maralo, LLC
P.O. Box 832
Midland, Texas 79702

**RE: HUMBLE STATE #3 TANK BATTERY SITE
JAL, NEW MEXICO**

Dear Mr. Smith:

The New Mexico Oil Conservation Division (OCD) recently sampled a water well owned by Mr. Jay Anthony of Jal, New Mexico. The results of these analyses show that the water contains chlorides and total dissolved solids (TDS) in concentrations in excess of the New Mexico Water Quality Control Commission standards. The water well is located on the site of the former Maralo, LLC (Maralo) Humble State #3 Tank Battery located in Unit A, Section 36, Township 25 South, Range 36 East. Adjacent to Mr. Anthony's water well is an area containing contaminated soils at the surface where, according to Mr. Anthony, 4 surface storage tanks were formerly located. Also on the site are 3 former pits containing hydrocarbon materials. Since the contaminants in Mr. Anthony's well may be a result of operation of Maralo's tank battery, the OCD requires that Maralo submit a work plan to determine the extent of contamination related to the Humble State #3 Tank Battery. The plan shall be submitted to the OCD Santa Fe Office by January 22, 2001 with a copy provided to the OCD Hobbs District Office.

If you have any questions or comments, please contact me at (505) 827-7154.

Sincerely,

William C. Olson
Hydrologist
Environmental Bureau

xc: Chris Williams, OCD Hobbs District Office
Jay Anthony

Before the OCC
Case 13142 - De Novo
OCD Ex. 21