NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

July 9, 2003

Mr. Rick G. Strange
Cotton, Bledsoe, Tighe & Dawson
500 W. Illinois, Suite 300
Midland, TX 79701-4337

Re: Maralo LLC
        Humble State #3 Tank Battery Site
        Lea County, New Mexico

Dear Mr. Strange:

On April 11, 2001, the Division notified Maralo LLC that it would require an abatement plan pursuant to OCD Rule 19 [19.15.1.19 NMAC] to remedy fresh water contamination believed to exist at the referenced site. By letter dated April 23, 2001, you, on behalf of Maralo, advised us of your contention that Rule 19 is inapplicable because it was adopted subsequent to Maralo's abandonment of the facility.

By letter dated April 22, 2003, the Division notified Maralo that we were rescinding the requirement of an abatement plan because we had determined that there was insufficient evidence of water pollution to impose such a requirement at this time. The Division further notified Maralo, however, that we were requiring a work plan to remedy surface pollution resulting from tank bottoms at the referenced site.

Maralo responded by letter of May 5, 2003 referencing your letter of April 23, 2001.

Although OCD does not agree with your position regarding the application of Rule 19, our rescinding the abatement plan requirement moots that issue. Rule 313 [19.15.5.313 NMAC], which is the basis for the demand set forth in our letter of April 22, 2003, was originally adopted in 1950.

We accordingly reiterate our requirement of a work plan to address the surface contamination issues. The plan should be filed not later than August 15, 2003.

**Before the OCC
Case 13142 - *De Novo*
OCD Ex. 27**

Please contact me at 505-476-3450 if you have questions or wish to discuss this matter further.

Very truly yours,

David K. Brooks
Assistant General Counsel

cc.   William C. Olson
       OCD Senior Hydrologist