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July 16, 2003

Mr. David K. Brooks Assistant General Counsel New Mexico Energy, Minerals and Natural Resources Department Oil Conservation Division 1220 South St. Francis Drive Santa Fe, New Mexico 87505

Re:

Humble State #3 Tank Battery Site

Lea County, New Mexico

Dear Mr. Brooks:

Thank you for your letter dated July 9th. I have reviewed that with my client and provide this response.

Your letter references Rule 313 and indicates this rule was originally adopted in 1950. That rule has been amended, as recently as May 15, 2000. We ceased operations on this lease in 1988. Any subsequent changes to the rule would not apply to us. I do not have the exact text of the rule as it existed in 1988, but even looking at its most current version, I fail to see where this provides your agency with the authority to order us to remediate a site that has not been used for 15 years. Accordingly, we must respectfully decline your request to submit a work plan. If you have any legal authority allowing your agency to retroactively impose this proposed requirement, I would appreciate the opportunity to review the same.

Very truly yours,

COTTON BLEDSOE, TIGHE & DAWSON

By:

Rick G. Strange