Nelson, Linda

From:

Guye, Gerry

Sent:

Thursday, August 19, 2004 3:00 PM

To:

Nelson, Linda

Subject: FW: Melrose Operating Company

Linda

Please put this e-mail in these well files.

Goory

----Original Message-----

From: Ann Ritchie [mailto:ann.ritchie@wtor.net] Sent: Thursday, August 19, 2004 10:16 AM

To: Guye, Gerry

Cc: trinityengineering@att.net

Subject: Re: Melrose Operating Company

Mr. Guye,

After talking with Tony Beilman, I believe that we will re-file the C-101 & C-102, along with the Pit Application filing. The wells (84/30-015-31465; 85/30-015-31485; 86/30-015-31486) were not drilled when expected, pending a revised Waterflood Order pertaining to Melrose's Artesia Unit. We have received confirmation of the order so Melrose will proceed ahead on the waterflood/drilling pattern expansion. I should have the filings to the district office by 8-24-04. Please let me know if you need any further information concerning these wells. Thank you,

Ann Ritchie, Regulatory Agent Melrose Operating Co.
432 684-6381
432 682-1458-fax

---- Original Message ----- From: Guye, Gerry

To: 'Ann Ritchie'

ann.ritchie@wtor.net

Sent: Tuesday, August 17, 2004 3:01 PM **Subject:** RE: Melrose Operating Company

The permits for these wells has expired however the drilling pits were opened and remain so.

NMOCD Rule 19.15.2.50 A (3) reads in part

(b) Existing pits or new below-grade tanks. For each pit or below-grade tank in existence on April 15, 2004

that has not received an exemption after hearing as allowed by OCC Order R-3221 through R-3221D inclusive, the operator shall

submit a notice not later than April 15, 2004 indicating either that use of the pit or below-grade tank will continue or that such

pit or below grade tank will be closed. If use of a pit or below-grade tank is to be discontinued, discharge into the pit or use of

the below-grade tank shall cease not later than June 30, 2005. If use of a pit or below-grade tank will continue, the operator

shall file a permit application not later than September 30, 2004. If an operator files a timely, administratively complete

application for continued use, use of the pit or below-grade tank may continue until the division acts upon the permit application.

Rule 50 also requires that the pits be fenced and contain no fluid if they are not lined.

I recommend you get a copy of our Rulebook on <u>www.emnrd.state.nm.us/ocd</u> and file the necessary paper work in order to get these wells back into compliance.

Gerry Guye Compliance Officer NMOCD District II - Artesia

----Original Message----

From: Ann Ritchie [mailto:ann.ritchie@wtor.net]
Sent: Tuesday, August 17, 2004 10:07 AM

To: gguye@state.nm.us **Cc:** trinityengineering@att.net

Subject: Melrose Operating Company

Mr. Guye,

Concerning your letter to Melrose Operating Co. of 7-27-04 concerning the status of the Artesia Unit, Well #84 (30-015-31465), Well # 85 (30-015-31485) and Well #86 (30-015-31486), the wells have not been drilled.

We will need to re-file the OCD Forms C-101 and C-102 to get them repermitted, as they have expired, according to my records. Melrose intends to re-start their waterflood and drilling expansion in the Artesia Unit sometime in September 2004.

Please let me know if you need any further information concerning these wells.

Thank you, Ann E. Ritchie, Regulatory Agent Melrose Operating Company 432 684-6381 432 682-1458-fax ann.ritchie@wtor.net

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