



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

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Mark E. Fesmire, P.E.
Director
Oil Conservation Division

Morris A. Richardson
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October 31, 2005

Reference: Tamarack QF State 001 D-32-6s-26e API: 30-005-60949 Chaves County, New Mexico
 England Federal 002 N-29-6s-26e API: 30-005-10033 Chaves County, New Mexico

Operator,

An inspection was made by a New Mexico Oil Conservation Division District II (OCD) field inspector on 10/28/05, at the above referenced well sites. The inspector noted a produced water tank overflow on the England Federal 002 and numerous areas of contamination on the Tamarack QF State 001. Enclosed are photos taken at the Tamarack well site. Both well sites are in violation of OCD rules and regulations governing oil and gas production sites in the state of New Mexico.

At this time, the OCD is requesting the following:

1. Submit a form C-141 reporting all known releases to have occurred at these well sites. A separate form is required for each release and must be in the District II office no later than November 10, 2005.
2. The sites are to be delineated for vertical and horizontal extent of contamination and type of contaminants present.
3. The sites are to be rated per OCD guidelines.
4. A Corrective Action Work Plan is to be submitted to this office based on results from the delineation and site ranking.

Please review the publication "Guidelines For Remediation of Leaks, Spills, and Releases" and use as a guide in formulating the work plan. This publication may be found on our web site: www.emnrd.state.nm.us/ocd, under Publications/Environmental Handbook/Miscellaneous Guidelines/Spill Prevention Clean Up.

The work plan presented to the OCD must include general site characteristics, site ranking score, targeted soil remediation action levels, soil remediation methods, and planned analytical testing for TPH, B-TEX, Chlorides or any other constituents of concern as may be applicable.

The work plan will be reviewed by OCD and OCD approval required prior to commencement of remediation activities.

Delineation operations are to commence no later than November 10, 2005, with a remediation work plan proposal submitted not later than November 28, 2005. All free standing fluids are to be removed immediately as per phone conversation on November 1, 2005 with your local representative, Stan Thompson.

In the event that a satisfactory response is not received to this letter, further enforcement will occur. Such enforcement may include this office applying to the Division for an order summoning you to a hearing before a Division Examiner in Santa Fe. Such a hearing may result in imposition of Civil Penalties for your violation of New Mexico Oil Conservation Division Rules.

Be advised that acceptance and/or approval of documents and/or work plans by the NMOCD 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 does not relieve the operator of responsibility for compliance with any other federal, state, or local laws.

The OCD District II office is to be notified 24 hours prior to commencement of operations and 24 hours prior to obtaining samples where analysis of such samples are to be submitted to the OCD.

If I can be of assistance in this matter, my contact information is listed below.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Bratcher".

Mike Bratcher
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