



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

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REGISTRATION OF PITS

McClay GR #4 (30-015-04568)

McClay Federal #9 (30-015-21608)

Duval #1 (30-015-22310)

Duval A Federal #1 (30-015-22704)

Recent field inspections have noted several unregistered pits that have been closed recently on locations in the 18S-30E, Eddy County, area of your operations.

OCD Rule 19.15.2.50.F.1 [NMAC] states, in relevant part, "the division may require the operator to file a detailed closure plan before closure may commence" and "Upon completion of closure a closure report (form C- 144), or sundry notices and reports on wells shall be submitted to the division. Where the pit's contents will likely migrate and cause ground water or surface water to exceed water quality control commission standards, the pit's contents and the liner shall be removed and disposed of in a manner approved by the division."

OCD Rule 19.15.2.50.G.2 (ii) [NMAC] states, in relevant part, "An operator of an unlined pit existing on April 15, 2004 for which a previous exemption was received after hearing... shall not be required to reapply for an exemption... provided the operator notifies the division, no later than April 15, 2004, of the existence of each unlined pit it believes is exempted by order, the location of the pit, and the nature and amount of any discharge into the pit."

No registration or notification of existing unlined pits, per OCD Rule 50, can be found for the pits at the McClay GR #4 (30-015-04568), McClay Federal #9 (30-015-21608), Duval #1 (30-015-22310) and the Duval A Federal #1 (30-015-22704). **Each of these locations require a Form C-144 (Pit Registration and Closure) to be submitted to the OCD District 2 Office prior to January 10, 2006.**

Since these pits were closed without an opportunity for the OCD to review the pits for closure, additional requirements may be placed on these pits for verification of pit contents and risk of contaminant migration to ground water. These additional requirements may include re-excavating these pits, taking bore samples or other methods to determine the status of the closed pits.

Further enforcement will occur in the event that a satisfactory response is not received to this letter before January 10, 2006. 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 to show cause why you should not be ordered to permanently plug and abandon these wells. Such a hearing may result in imposition of civil penalties for violations of OCD rules.

Artesia OCD District Office