



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

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Director

**Oil Conservation Division**

LCX Energy, LLC  
110 N. Marenfeld Suite 200  
Midland, TX 79701

September 18, 2006

Reference: Kincaid 1724 Well # 111 D-11-17s-24e API: 30-015-34248 Eddy County, New Mexico

Operator,

The above referenced well has been identified as having chloride contamination remaining in the drilling pit excavation after pit contents (drilling fines, etc.) have been removed and "trench buried" on site. Upon discovery of contaminants, the East portion of the drilling pit had been backfilled.

The extent of contamination is to be delineated throughout the entire pit area and a remediation plan (plan) formulated for remediation and/or removal of contaminated materials. The plan is to be submitted to the New Mexico Oil Conservation Division District 2 Office (OCD) for review.

Delineation activities are to commence immediately and the plan submitted to the OCD no later than October 9, 2006. At this time the pit is in violation of Pit Rule 50 (19.15.2.50 NMAC) for being over the 6-month closure period. Please submit a request for extension of time to close the pit to avoid further action on this violation of NMOCD Rules.

If I can be of assistance, please contact me.

Sincerely,

Mike Bratcher  
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