



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Gruy Petroleum Management Co.
PO Box 140907
Irving TX 75014

December 8, 2005

Reference: Estill AD Federal 003

J-19-24s-26e

API: 30-015-34162

Operator,

The New Mexico Oil Conservation Division District II office (OCD) is in receipt of a site assessment and delineation proposal submitted by your agent, Highlander Environmental Corporation. The document addresses plans for delineation and remediation of a Brine Water release that occurred on 10/3/05 at or near the above referenced well site. The proposal indicates ground water is estimated to occur at 50' to 100' bgs. Based on site ranking information provided, the recommended remediation action levels (RRAL) are as follows:

Benzene 10 mg/kg

BTEX 50 mg/kg

TPH 1000 mg/kg

Currently, RRAL for chloride contaminants is based on WQCC regulations that state ground water may not be impacted above 250 mg/L.

The proposal to delineate contamination and present recommendations for further remediation based on delineation results is accepted. Please commence delineation operations no later than December 29, 2005 and present a remediation plan to the OCD no later than January 11, 2006.

The OCD District II office is to be notified 24 hours prior to commencement of operations.

The OCD District II office is to be notified 24 hours prior to obtaining samples where analysis of samples obtained are to be presented to the OCD.

Be advised that New Mexico Oil Conservation Division (NMOCD) acceptance and/or approval of documents or work plan proposals 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 of documents or work plan proposals does not relieve the operator of responsibility for compliance with any other federal, state, local laws and/or regulations.

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

Sincerely,

Mike Bratcher

NMOCD District II

1301 W. Grand Ave.

Artesia, NM 88210

(505) 748-1283 Ext 108

(505) 626-0857

Mike.Bratcher@state.nm.us