

NEW MEXICO ENERGY, MINERALS NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor Joanna Prukop Cabinet Secretary

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

Field losgerthat Program "Preserving the Integrity of Our Engineerat"

05-Aug-05

GREAT WESTERN DRILLING CO

PO BOX 1659 MIDLAND TX 79701

NOTICE OF VIOLATION - Inspection

Dear Operator:

The following inspection(s) indicate that the well, equipment, location or operational status of the well(s) failed to meet standards of the New Mexico Oil Conservation Division as described in the detail section below. To comply with standards imposed by Rules and Regulations of the Division, corrective action must be taken immediately and the situation brought into compliance. The detail section indicates preliminary findings and/or probable nature of the violation. This determination is based on an inspection of your well or facility by an inspector employed by the Oil Conservation Division on the date(s) indicated.

Please notify the proper district office of the Division, in writing, of the date corrective actions are scheduled to be made so that arrangements can be made to reinspect the well and/or facility.

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MABEL HALE FEDERAL No.001

F-11-19S-30E

30-015-24338-00-00

Inspection Date

Type Inspection

Inspector

Violation?

*Significant Non-Compliance? Corrective

Enspection No.

08/05/2005

Routine/Periodic

No

Action Due By: 9/6/2005

Violations

Chris Beadle

Yes

iCLB0521745945

Comments on Inspection:

Surface Damage/Restoration

Surface Leaks/Spills

Wellhead area contaminated. Contamination runoff extends over most of well location. Tank battery contaminated on south side of tanks. Some runoff appears to have impacted pasture on

southwest side of tank battery. Remediation required.

MABEL HALE FEDERAL No.002

C-11-19S-30E

30-015-24766-00-00

Inspection 08/05/2005

Type Inspection Date

Inspector Chris Beadle Violation? Yes

*Significant Non-Compliance? No

Corrective Action Due By: 9/6/2005

Inspection No.

iCLB0521745079

Violations

Surface Leaks/Spills

Routine/Periodic

Comments on Inspection:

Wellhead area contaminated. Contamination runoff extends over most of well location.

Remediation required. No motor on pumpjack, current producting being reported.

MABEL HALE FEDERAL No.003

B-11-19S-30E

30-015-25019-00-00

*Significant

Corrective

08/05/2005

Type Inspection Date

Inspector

Violation? Non-Compliance?

Action Due By:

Inspection No.

Chris Beadle

Yes

No

9/6/2005

iCLB0521747360

Violations

Routine/Periodic

Absent Well Identification Signs (Rule 103)

Comments on Inspection:

Well sign is not legible, violation Rule 103. Contact NMOCD District 2 Office when well sign is

corrected.

In the event that a satisfactory response is not received to this letter of direction by the "Corrective Action Due By;" date shown above, further enforcement will occur. Such enforcement may include this office applying to the Division for an order summoning you to a hearing before a Divison Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon this well. Such a hearing may result in imposition of CIVIL PENALTIES for your violation of OCD rules.

Sincerely,

Artesia OCD District Office

Note: Information in Detail Section comes directly from field inspector data entries - not all blanks will contain data. *Significant Non-Compliance events are reported directly to the EPA, Region VI, Dailas, Texas.