

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
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Cabinet Secretary

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Director
Oil Conservation Division

*Field Inspection Program
"Preserving the Integrity of Our Environment"*

July 11 2006

J RAY STEWART
PO BOX 451
MIDLAND, TX 79702

Re: LETTER OF VIOLATION #20605

Dear Operator:

Regarding your response to my letter of June 19th, 2006. You must still meet the requirements of OCD rule 50.

"19.15.2.50.B.3 PITS AND BELOW-GRADE TANKS: (b) Existing pits or new below-grade tanks. For each pit or below-grade tank in existence on April 15, 2004 that has not received an exemption after hearing as allowed by OCC Order R-3221 through R-3221D inclusive, the operator shall submit a notice not later than April 15, 2004 indicating either that use of the pit or below-grade tank will continue or that such pit or below grade tank will be closed. If use of a pit or below-grade tank is to be discontinued, discharge into the pit or use of the below-grade tank shall cease not later than June 30, 2005. If use of a pit or below-grade tank will continue, the operator shall file a permit application not later than September 30, 2004. If an operator files a timely, administratively complete application for continued use, use of the pit or below-grade tank may continue until the division acts upon the permit application."

I do not see that any of the required filings have been done to keep these pits open. Permanent "Emergency" pits are not allowed. C144 Closure plans are still required on these two wells:

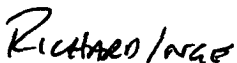
Poker Lake No. 065

API# 30-015-24886

Poker Lake Unit No. 066

API# 30-015-24988-0000

Sincerely,



Richard Inge
Artesia OCD District Office