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NEW MEXICO ENERGY, MINERALS and  
NATURAL RESOURCES DEPARTMENT

30-015-28792

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

**\*Response Required – Deadline Enclosed\***

*Field Inspection Program*

*"Preserving the Integrity of Our Environment"*

09-Jul-09

MERIT ENERGY COMPANY, LLC  
13727 NOEL ROAD, SUITE 500  
DALLAS TX 75240

LOV NO. 02-09-035

**LETTER 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.

**INSPECTION DETAIL SECTION**

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
07/09/2009	Routine/Periodic	Tim Gum	Yes	No	8/10/2009	iTWG0919054926

**Comments on Inspection:** Turner "A" battery---- Oil contamination ( fresh and older) inside battery berms and around equipment,tanks and vessels . Older releases south of the battery site. Violation of Rule 19.15.29. nmac. Corrective action to be taken: submit a Form C-141 along with a remediation plan to address all visible oil contamination within and around the battery site.

Corrective action to be completed by 08/10/09.

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 Division 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, Dallas, Texas.