

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

Field Inspection Program

"Preserving the Integrity of Our Environment"

03-Mar-03

M E W ENTERPRISES

300 S. KENTUCKY AVE

ROSWELL, NM 88203-4523

Dear Operator:

The following inspection(s) indicate one or more violations as described in the detail section below. The inspection(s) indicates that the well, equipment, location or operational status failed to meet standards of the New Mexico Oil Conservation Division. 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 below 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.

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

Please be advised that failure to comply with this directive will result in an application for an order to Show Cause why the Bond should not be forfeited, the well plugged and civil penalties assessed.

INSPECTION DETAIL SECTION

CANNON 002

I-17-10S-25E

30-005-00042-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
02/28/2003	Routine/Periodic	Mike Bratcher	Yes	No	6/3/2003	iMLB0305952021
Comments on Inspection:		Historical contamination on location. Well sign does not list operator. Violation Rule 103. PJ-Oper.				

02/28/2003	Compliance	Mike Bratcher	Yes	No	6/3/2003	iMLB0305952215
Comments on Inspection:		Tank area on location has historical contamination and fresh oil has run from gun barrel out onto diked area. Violation Rule 13 and Rule 116.				

CANNON 001

P-17-10S-25E

30-005-00044-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
02/28/2003	Routine/Periodic	Mike Bratcher	Yes	No	6/3/2003	iMLB0305952633
Comments on Inspection:		Historical contamination on location. No well sign. Violation Rule 103.				

DEKALB FEDERAL 003

E-27-10S-25E

30-005-00069-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
02/28/2003	Routine/Periodic	Mike Bratcher	Yes	No	6/3/2003	iMLB0305945660
Comments on Inspection: Equipment and Location needs major attention. Oil is pooled and has run across location from leaks at wellhead. Area at edge of location has oil pooled from old flowline being unloaded and piled up. Well is in violation of Rule 13 and Rule 116. Clean up and remediation required.						

02/28/2003	Compliance	Mike Bratcher	Yes	No	6/3/2003	iMLB0305946046
Comments on Inspection: Two well signs on this location. One is illegible and the other is not for this well. Violation Rule 103.						

CANNON FEE 001

H-17-10S-25E

30-005-60680-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
02/28/2003	Routine/Periodic	Mike Bratcher	Yes	No	6/3/2003	iMLB0305951396
Comments on Inspection: Historical contamination on location. Tank on location has been leaking. Oil pooled at bottom of tank. Violation Rule 13 and Rule 116.						

02/28/2003	Routine/Periodic	Mike Bratcher	Yes	No	6/3/2003	iMLB0305951630
Comments on Inspection: No well sign. Violation Rule 103.						

CANNON FEE 002Y

A-17-10S-25E

30-005-61234-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
02/28/2003	Routine/Periodic	Mike Bratcher	Yes	No	6/3/2003	iMLB0305949990
Comments on Inspection: Equipment and Location needs major attention. Oil is pooled at wellhead and run out across location. Violation Rule 13 and Rule 116.						

02/28/2003	Compliance	Mike Bratcher	Yes	No	6/3/2003	iMLB0305950178
Comments on Inspection: No well sign. Violation Rule 103.						

CANNON FEE 003

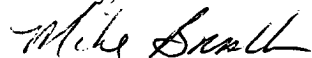
H-17-10S-25E

30-005-61499-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
02/28/2003	Routine/Periodic	Mike Bratcher	Yes	No	6/3/2003	iMLB0305950777
Comments on Inspection: No flowline. Pumpjack is dismantled and has no motor. No well sign. Well sign for this well is on the Dekalb Fed # 3 in section 27. Violation Rule 103.						

Thank you for your prompt attention to this matter and your efforts in helping to protect our environment and the infra-structure of the oil and gas industry.

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.