

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor

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Director

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Oil Conservation Division

Cabinet Secretary

03-Dec-04

DAVID G HAMMOND PO BOX 1538 ARTESIA NM 88201-

NOTICE OF VIOLATION - Inactive Well(s)

Dear Operator:

A review of our records and recent inspection(s) indicate that the subject well(s) has been shut-in for an extended period of time. Rule 201 of the Rules and Regulation of the Oil Conservation Division provides that a well may be shut-in no longer than sixty days after suspension of drilling operations, upon determining that ther well is no longer usable (e.g., a dry hole), or one year after last production. To comply with guidelines as established in the Rules and Regulations, corrective actions must be taken immediately and the well(s) brought into compliance.

The detail section below indicates preliminary findings and/or probable nature of the violation.

The following options are available:

- 1. Immediately restore the well(s) to production, injection or disposal as applicable.
- 2. Request 'Temporary Abandoned' status pursuant to Rule 203, which requires that you set a plug and conduct a mechanical integrity test.
- 3. Submit a proposal to 'Plug and Abandon' the well(s) pursuant to Rule 202, proceed with plugging procedures on a timely basis after the proposal has been evaluated, amended and/or approved.

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.

IDLE WELL INSPECTION DETAIL SECTION			
CAROLINE 001	C-28-19S-28E	30-015-02305-00-00	Inspection No. iGEG0433749082
Inspection Date: 12/2/2004 1:37:57 PM		Corrective Action Due by: 3/7/2005	
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?
Routine/Periodic	Gerry Guye	Yes	No
Comments on Inspection:	Idle Well (Rule 201). Well s	ign does not reflect current opera	ator (Rule 103).
CAROLINE 003	D-28-19S-28E	30-015-02306-00-00	Inspection No. iGEG0433749653
Inspection Date: 12/2/2004 1:47:30 PM		Corrective Action Due by: 3/7/2005	
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?
Routine/Periodic	Gerry Guye	Yes	No
Comments on Inspection: Idle Well (Rule 201). No wel		ell sign (Rule 103).	
CAROLINE 004	E-28-19S-28E	30-015-02307-00-00	Inspection No. iGEG0433733688

Inspection Date: 12/2/2004 9:21:26 AM Corrective Action Due by: 3/7/2005 **Type Inspection** Inspector Violation? *Significant Non-Compliance? Routine/Periodic Gerry Guve Yes No **Comments on Inspection:** Idle Well (Rule 201). No flowline. HELEN 001 A-29-19S-28E Inspection No. iGEG0433751441 30-015-02314-00-00 Corrective Action Due by: 3/7/2005 **Inspection Date:** 12/2/2004 2:17:18 PM Type Inspection Violation? Inspector *Significant Non-Compliance? Routine/Periodic Gerry Guye Yes No Comments on Inspection: Idle Well (Rule 201). Well sign does not reflect current operator (Rule 103). H-29-19S-28E **MARY LOU 001** 30-015-02315-00-00 Inspection No. iGEG0433751269 Corrective Action Due by: 3/7/2005 **Inspection Date:** 12/2/2004 2:14:26 PM **Type Inspection** Violation? *Significant Non-Compliance? Inspector Routine/Periodic Gerry Guve Yes No Idle Well (Rule 201). No well sign (Rule 103) Comments on Inspection: **MARY LOU 002** G-29-19S-28E 30-015-02316-00-00 Inspection No. iGEG0433751867 Inspection Date: 12/2/2004 2:24:24 PM Corrective Action Due by: 3/7/2005 Type Inspection Inspector Violation? *Significant Non-Compliance? Routine/Periodic Gerry Guye Yes No **Comments on Inspection:** Idle Well (Rule 201). Well sign does not reflect current operator (Rule 103). **MARY LOU 004** H-29-19S-28E 30-015-02318-00-00 Inspection No. iGEG0433750916 Corrective Action Due by: 3/7/2005 Inspection Date: 12/2/2004 2:08:32 PM Violation? *Significant Non-Compliance? Type Inspection Inspector Routine/Periodic Gerry Guye Yes No Comments on Inspection: Idle Well (Rule 201). Well sign does not reflect current operator (Rule 103). G-29-19S-28E 30-015-02319-00-00 Inspection No. iGEG0433752048 **MARY LOU 005** Corrective Action Due by: 3/7/2005 **Inspection Date:** 12/2/2004 2:27:25 PM Violation? *Significant Non-Compliance? Type Inspection Inspector Routine/Periodic Gerry Guye Yes No Idle Well (Rule 201). No well sign (Rule 103). Comments on Inspection:

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

Singerely,

Artesia OOD District Office

^{*} Significant Non-Compliance events are reported directly to the U.S. Environmental Protection Agency, Region VI, Dallas, Texas.