



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

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

06-Mar-06

MELROSE OPERATING COMPANY

PO BOX 953

MIDLAND TX 79702

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

ARTESIA UNIT No.026				O-34-17S-28E	30-015-01708-00-00	
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/06/2006	MIT Witnessed - Other	Gerry Guye	Yes	No	6/9/2006	iGEG0602327282
Comments on Inspection: No Company Representative on site to witness test. Well must be shut-in pending re-scheduling. Contact OCD-Artesia to set up new inspection date.						
ARTESIA UNIT No.028				M-35-17S-28E	30-015-01732-00-00	
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/06/2006	MIT Witnessed - Other	Gerry Guye	Yes	No	6/9/2006	iGEG0602327299
Comments on Inspection: No Company Representative on site to witness test. Well must be shut-in pending re-scheduling. Contact OCD-Artesia to set up new inspection date.						
ARTESIA UNIT No.023				L-35-17S-28E	30-015-01746-00-00	
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/06/2006	MIT Witnessed - Other	Gerry Guye	Yes	No	6/9/2006	iGEG0602327297
Comments on Inspection: No Company Representative on site to witness test. Well must be shut-in pending re-scheduling. Contact OCD-Artesia to set up new inspection date.						

ARTESIA UNIT No.022

K-35-17S-28E

30-015-01747-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/06/2006	MIT Witnessed - Other	Gerry Guye	Yes	No	6/9/2006	iGEG0602327294
Comments on Inspection: No Company Representative on site to witness test. Well must be shut-in pending re-scheduling. Contact OCD-Artesia to set up new inspection date.						

ARTESIA UNIT No.008

A-35-17S-28E

30-015-01751-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/06/2006	MIT Witnessed - Other	Gerry Guye	Yes	No	6/9/2006	iGEG0602327287
Comments on Inspection: No Company Representative on site to witness test. Well must be shut-in pending re-scheduling. Contact OCD-Artesia to set up new inspection date.						

ARTESIA UNIT No.014

G-35-17S-28E

30-015-01755-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/06/2006	MIT Witnessed - Other	Gerry Guye	Yes	No	6/9/2006	iGEG0602327289
Comments on Inspection: No Company Representative on site to witness test. Well must be shut-in pending re-scheduling. Contact OCD-Artesia to set up new inspection date.						

ARTESIA UNIT No.049

E-2-18S-28E

30-015-01779-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/06/2006	MIT Witnessed - Other	Gerry Guye	Yes	No	6/9/2006	iGEG0602331500
Comments on Inspection: No Company Representative on site to witness test. Well must be shut-in pending re-scheduling. Contact OCD-Artesia to set up new inspection date.						

ARTESIA UNIT No.063

M-2-18S-28E

30-015-01781-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/06/2006	MIT Witnessed - Other	Gerry Guye	Yes	No	6/9/2006	iGEG0602331502
Comments on Inspection: No Company Representative on site to witness test. Well must be shut-in pending re-scheduling. Contact OCD-Artesia to set up new inspection date.						

ARTESIA UNIT No.036

D-2-18S-28E

30-015-01782-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/06/2006	MIT Witnessed - Other	Gerry Guye	Yes	No	6/9/2006	iGEG0602331496
Comments on Inspection: No Company Representative on site to witness test. Well must be shut-in pending re-scheduling. Contact OCD-Artesia to set up new inspection date.						

ARTESIA UNIT No.059

M-3-18S-28E

30-015-01792-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/06/2006	MIT Witnessed - Other	Gerry Guye	Yes	No	6/9/2006	iGEG0602331510
Comments on Inspection: No Company Representative on site to witness test. Well must be shut-in pending re-scheduling. Contact OCD-Artesia to set up new inspection date.						

ARTESIA UNIT No.044

E-3-18S-28E

30-015-01796-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/06/2006	MIT Witnessed - Other	Gerry Guye	Yes	No	6/9/2006	iGEG0605346134
Comments on Inspection: No Company Representative on site to witness test. Well must be shut-in pending re-scheduling. Contact OCD-Artesia to set up new inspection date.						

DUNN B FEDERAL No.013

A-10-18S-28E

30-015-01809-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/06/2006	MIT Witnessed - Other	Gerry Guye	Yes	No	6/9/2006	iGEG0602331519
Comments on Inspection: No Company Representative on site to witness test. Well must be shut-in pending re-scheduling. Contact OCD-Artesia to set up new inspection date.						

DUNN B FEDERAL No.015

E-10-18S-28E

30-015-01811-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/06/2006	MIT Witnessed - Other	Gerry Guye	Yes	No	6/9/2006	iGEG0602331523
Comments on Inspection: No Company Representative on site to witness test. Well must be shut-in pending re-scheduling. Contact OCD-Artesia to set up new inspection date.						

DUNN B FEDERAL No.017

C-10-18S-28E

30-015-01812-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/06/2006	MIT Witnessed - Other	Gerry Guye	Yes	No	6/9/2006	iGEG0602331521
Comments on Inspection: No Company Representative on site to witness test. Well must be shut-in pending re-scheduling. Contact OCD-Artesia to set up new inspection date.						

DUNN B FEDERAL No.019

G-10-18S-28E

30-015-01813-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/06/2006	MIT Witnessed - Other	Gerry Guye	Yes	No	6/9/2006	iGEG0602331525
Comments on Inspection: No Company Representative on site to witness test. Well must be shut-in pending re-scheduling. Contact OCD-Artesia to set up new inspection date.						

DUNN B FEDERAL No.005

I-11-18S-28E

30-015-01823-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/06/2006	MIT Witnessed - Other	Gerry Guye	Yes	No	6/9/2006	iGEG0602331529
Comments on Inspection: No Company Representative on site to witness test. Well must be shut-in pending re-scheduling. Contact OCD-Artesia to set up new inspection date.						

DUNN B FEDERAL No.018

C-11-18S-28E

30-015-01825-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/06/2006	MIT Witnessed - Other	Gerry Guye	Yes	No	6/9/2006	iGEG0602331527
Comments on Inspection: No Company Representative on site to witness test. Well must be shut-in pending re-scheduling. Contact OCD-Artesia to set up new inspection date.						

DUNN A FEDERAL No.001

G-12-18S-28E

30-015-01830-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/06/2006	MIT Witnessed - Other	Gerry Guye	Yes	No	6/9/2006	iGEG0602331533
Comments on Inspection: No Company Representative on site to witness test. Well must be shut-in pending re-scheduling. Contact OCD-Artesia to set up new inspection date.						

DUNN B FEDERAL No.006

M-12-18S-28E

30-015-01832-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/06/2006	MIT Witnessed - Other	Gerry Guye	Yes	No	6/9/2006	iGEG0602331537
Comments on Inspection: No Company Representative on site to witness test. Well must be shut-in pending re-scheduling. Contact OCD-Artesia to set up new inspection date.						

DUNN B FEDERAL No.008

O-12-18S-28E

30-015-01834-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/06/2006	MIT Witnessed - Other	Gerry Guye	Yes	No	6/9/2006	iGEG0602331539
Comments on Inspection: No Company Representative on site to witness test. Well must be shut-in pending re-scheduling. Contact OCD-Artesia to set up new inspection date.						

DUNN B FEDERAL No.027

I-12-18S-28E

30-015-01836-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/06/2006	MIT Witnessed - Other	Gerry Guye	Yes	No	6/9/2006	iGEG0602331535
Comments on Inspection: No Company Representative on site to witness test. Well must be shut-in pending re-scheduling. Contact OCD-Artesia to set up new inspection date.						

MERESHON STATE No.003

E-21-18S-28E

30-015-02005-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/06/2006	MIT Witnessed - Other	Gerry Guye	Yes	No	6/9/2006	iGEG0602331550
Comments on Inspection: No Company Representative on site to witness test. Well must be shut-in pending re-scheduling. Contact OCD-Artesia to set up new inspection date.						

STATE 647 AC 711 No.092

N-27-18S-28E

30-015-02052-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/06/2006	MIT Witnessed - Other	Gerry Guye	Yes	No	6/9/2006	iGEG0602331561
Comments on Inspection: No Company Representative on site to witness test. Well must be shut-in pending re-scheduling. Contact OCD-Artesia to set up new inspection date.						

STATE 647 AC 711 No.100

A-27-18S-28E

30-015-02054-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/06/2006	MIT Witnessed - Other	Gerry Guye	Yes	No	6/9/2006	iGEG0602331553
Comments on Inspection: No Company Representative on site to witness test. Well must be shut-in pending re-scheduling. Contact OCD-Artesia to set up new inspection date.						

ARTESIA UNIT No.047

G-3-18S-28E

30-015-02545-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/06/2006	MIT Witnessed - Other	Gerry Guye	Yes	No	6/9/2006	iGEG0602331506
Comments on Inspection: No Company Representative on site to witness test. Well must be shut-in pending re-scheduling. Contact OCD-Artesia to set up new inspection date.						

STATE 647 AC 711 No.084

L-27-18S-28E

30-015-06109-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/06/2006	MIT Witnessed - Other	Gerry Guye	Yes	No	6/9/2006	iGEG0602331559
Comments on Inspection: No Company Representative on site to witness test. Well must be shut-in pending re-scheduling. Contact OCD-Artesia to set up new inspection date.						

ARTESIA UNIT No.007

D-36-17S-28E

30-015-10080-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/06/2006	MIT Witnessed - Other	Gerry Guye	Yes	No	6/9/2006	iGEG0602327304
Comments on Inspection: No Company Representative on site to witness test. Well must be shut-in pending re-scheduling. Contact OCD-Artesia to set up new inspection date.						

DUNN B FEDERAL No.030

K-11-18S-28E

30-015-10293-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/06/2006	MIT Witnessed - Other	Gerry Guye	Yes	No	6/9/2006	iGEG0602331531
Comments on Inspection: No Company Representative on site to witness test. Well must be shut-in pending re-scheduling. Contact OCD-Artesia to set up new inspection date.						

STATE 647 AC 721 No.207

I-33-18S-28E

30-015-10782-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/06/2006	MIT Witnessed - Other	Gerry Guye	Yes	No	6/9/2006	iGEG0602331570
Comments on Inspection: No Company Representative on site to witness test. Well must be shut-in pending re-scheduling. Contact OCD-Artesia to set up new inspection date.						

ARTESIA UNIT No.065

G-3-18S-28E

30-015-20273-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/06/2006	MIT Witnessed - Other	Gerry Guye	Yes	No	6/9/2006	iGEG0602331504
Comments on Inspection: No Company Representative on site to witness test. Well must be shut-in pending re-scheduling. Contact OCD-Artesia to set up new inspection date.						

ARTESIA UNIT No.067

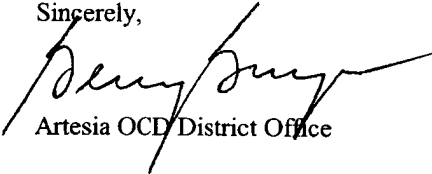
K-3-18S-28E

30-015-20327-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/06/2006	MIT Witnessed - Other	Gerry Guye	Yes	No	6/9/2006	iGEG0602331508
Comments on Inspection: No Company Representative on site to witness test. Well must be shut-in pending re-scheduling. Contact OCD-Artesia to set up new inspection date.						

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.