



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"

23-Jun-05

MERIT ENERGY CO

PO Box 69

Loco Hills NM 88255

NOTICE 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

J L KEEL B No.009				H-5-17S-31E	30-015-05076-00-00		
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.	
05/11/2005	Pressure Test	Gerry Guye	Yes	No	6/30/2005	iGEG0503829651	
Violations							
Absent Well Identification Signs (Rule 103)							
Comments on Inspection:		No Well Sign (Rule 103).					

J L KEEL B No.025				L-6-17S-31E	30-015-05088-00-00		
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.	
05/10/2005	Pressure Test	Gerry Guye	Yes	No	8/13/2005	iGEG0503829810	
Violations							
MIT Failure							
Comments on Inspection:		Previous violation not resolved.					

J L KEEL B No.026				M-6-17S-31E	30-015-05089-00-00		
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.	
05/10/2005	Pressure Test	Gerry Guye	Yes	No	8/13/2005	iGEG0503829813	
Violations							
Exceeded Allowable Inj. Pressures							
Comments on Inspection:		Previous violation not resolved.					

TURNER B No.044

N-20-17S-31E

30-015-05311-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
04/25/2005	Bradenhead	Gerry Guye	Yes	No	7/29/2005	iGEG0503830247
Violations MIT Failure						
Comments on Inspection: No bradenhead connection visible. Shut in						

TURNER B No.050

D-29-17S-31E

30-015-05437-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
04/26/2005	Bradenhead	Gerry Guye	Yes	No	7/30/2005	iGEG0503830320
Comments on Inspection: No bradenhead connection visible						

J L KEEL A No.016

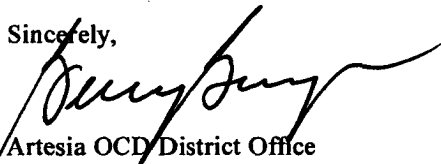
F-7-17S-31E

30-015-25423-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
05/05/2005	Pressure Test	Gerry Guye	Yes	No	8/8/2005	iGEG0503829845
Violations Well Monitoring Not Possible						
Comments on Inspection: Shut-in. Violation of Rule 19.15.9.705.B(2).						

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.