

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop Cabinet Secretary Mark E. Fesmire, P.E.

Director

Oil Conservation Division

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27-Jul-05

E G L RESOURCES INC

PO BOX 371

MIDLAND TX 79702

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.

INCDE	CTION	DETAIL	SECTION
		UCLAIL	DECITOR

	INSPECTION DETAIL SECTION								
ROCK TAN	K UNIT-No.002			K-6-23S-25E	30-015-20143-00-	00			
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Corrective Non-Compliance? Action Due By:		Inspection No.			
07/27/2005	Routine/Periodic Violations Surface Leaks/Spills	Chris Beadle	Yes	No	8/28/2005	iCLB0520841948			
Comments	on Inspection: Wel	head contaminated, tank on site	has overflow	ved contaminating are	a on south side of tank	c and			

running off to the east towards pasture. Remediation required. Contact NMOCD District 2
Environmental Compliance Officer to discuss remediation requirements.

Resources, Inc., as operator. Violation Rule 103.

J-1-23S-24E 30-015-20320-00-00					K UNIT No.004	ROCK TAN
Inspection No.	Corrective Action Due By:	~-6	Violation?	Inspector	Type Inspection	Inspection Date
iCLB0520841112	8/28/2005 iC	No	Yes	Chris Beadle	Routine/Periodic	07/27/2005
				s (Rule 103)	Violations Absent Well Identification Sign	
	files show E.G.L.	D as operator OCD	and Ranch LT	s (Rule 103) n well lists Fasken Oil a	Absent Well Identification Sign	Comments of

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.