



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

26 August 2005

Gruy Petroleum Management Co.

PO Box 140907

Irving, TX 75014-0907

RE: Federal Com No. 009

G-9-21S-27E

API 30-015-21390

Violation of Rule 103

Dear Sirs:

This second directive is to notify you that this well is still in violation of Rule 103.

The below inspection(s) indicated 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.

A Compliance Verification inspection was conducted on August 26, 2005. Results of this most recent inspection showed that **NO ACTION WAS TAKEN TO BRING THE WELL INTO COMPLIANCE**. 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 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

Federal 9 Com No.001

G-9-21S-27E

30-005-21390-00-00

Inspection

Date

Type Inspection

Inspector

Violation?

**Significant
Non-Compliance?**

**Corrective
Action Due By:**

Inspection No.

12/13/2004

Routine/Periodic

Mike Bratcher

Yes

No


1/12/2005

iMLB0434835089

Comments on Inspection: Well sign is illegible. Violation Rule 103.

In the event that a satisfactory response is not received to this letter of direction by September 15, 2005 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,


Mike Bratcher
Compliance Officer