



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

24 August 2005

Primero Operating Inc.
PO Box 1433
Roswell, NM 88202

RE: **Plainstec 001**

B-27-10s-27e

API 30-005-62697

Violation of Rule 13 and 116

Dear Sirs:

This second directive is to notify you that this well is still in violation of Rule 13 and 116.

The below inspection indicated that the well, equipment, location or operational status of the well 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 24, 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 dates 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

PLAINSTEC No.001

B-27-10S-27E

30-005-62697-00-00

Inspection Date	Type Inspection	Inspector	Violation?	Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
06/09/2004	Routine/Periodic	Mike Bratcher	Yes	No	7/14/2004	iMLB0416628707
Comments on Inspection: Load line valve at storage tank is leaking. Area under valve is heavily oil saturated. Requires repair and remediation. Violation Rule 13 and 116.						

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