



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

*En la palabra Persepolis
"There is no death, only a change of sleep"*

28-Sep-05

HUDSON OIL COMPANY OF TEXAS

616 TEXAS ST

FORT WORTH TX 76102

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

PUCKETT B No.008

C-25-17S-31E

30-015-05398-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
09/27/2005	Routine/Periodic	Chris Beadle	Yes	No	10/27/2005	iCLB0527043260
Violations						
Surface Damage/Restoration						
Surface Leaks/Spills						

Comments on Inspection: Wellhead area contaminated. Flowline leak at manifold east of wellhead. Second flowline leak north east of this well, approximately 40 yards along road, has leaked and impacted pasture. Flowline connection at this leak has been dug out and repaired. Third flowline leak has impacted pasture approximately 60 yards further north along road. This leak has been repaired.

Remediation is required. Contact NMOCD District 2 Environmental Compliance Officer with site ranking and remediation work plan.

Notify NMOCD District 2 Office 48 hours prior to any remediation work or prior to taking samples where results of the samples may be submitted to OCD.

PUCKETT B No.016

F-25-17S-31E

30-015-05406--00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
09/27/2005	Routine/Periodic	Chris Beadle	Yes	No	10/27/2005	iCLB0527042616

Violations

Tank Battery Equipment (Rules 114, 115)
Surface Leaks/Spills
Surface Release

Comments on Inspection: Tank battery north of this well is heavily contaminated. Heavily saturated soils and pooled oil inside tank berm and around pump, saturated soils along western fence line and along separator/tank pad on north side of location. Tank #1 has pooled fluids around valve on west side of tank. Tank #3 has overflowed and run down tank on south side of tank.

Remediation is required. Submit C-141 and contact NMOCD District 2 Environmental Compliance Officer with site ranking and remediation work plan.

Notify NMOCD District 2 Office 48 hours prior to any remediation work or prior to taking samples where results of the samples may be submitted to OCD.

This well has no pumping unit. OCD records show current production reported as of 8-1-05.

PUCKETT B No.025

G-25-17S-31E

30-015-22208--00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
09/27/2005	Routine/Periodic	Chris Beadle	Yes	No	10/27/2005	iCLB0527045760

Violations

Surface Damage/Restoration
Surface Leaks/Spills

Comments on Inspection: Location needs attention. Equipment OK. Some localized wellhead contamination. PJ operating, no leaks observed. Flowline east of wellhead is leaking. Produced fluids have saturated soils and impacted pasture.

Remediation is required. Contact NMOCD District 2 Environmental Compliance Officer with site ranking and remediation work plan.

Notify NMOCD District 2 Office 48 hours prior to any remediation work or prior to taking samples where results of the samples may be submitted to OCD.

PUCKETT B No.034

B-25-17S-31E

30-015-28597--00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
09/27/2005	Routine/Periodic	Chris Beadle	Yes	No	10/27/2005	iCLB0527044806

Violations

Surface Leaks/Spills

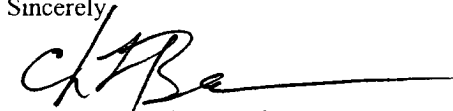
Comments on Inspection: Heavy wellhead contamination. Saturated soils and pooled fluids around wellhead.

Remediation is required. Contact NMOCD District 2 Environmental Compliance Officer with site ranking and remediation work plan.

Notify NMOCD District 2 Office 48 hours prior to any remediation work or prior to taking samples where results of the samples may be submitted to OCD.

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.