

State of New Mexico  
Energy, Minerals and Natural Resources Department

Susana Martinez  
Governor

Ken McQueen  
Cabinet Secretary

Matthias Sayer  
Deputy Cabinet Secretary

David Catanach  
Division Director



**\*Response Required - Deadline Enclosed\***

*Field Inspection Program*  
*"Preserving the Integrity of Our Environment"*

16-Aug-17

SMITH & MARRS INC  
P.O. BOX 863  
KERMIT TX 79745-9745

**LETTER 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***

GILMORE STATE No.001				N-17-18S-28E	30-015-01894-00-00		
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.	
08/16/2017	Routine/Periodic	Tony Morales	Yes	No	11/19/2017	iTM1722841135	
		Violations					
		General Housekeeping (Rule 114)					
Comments on Inspection:		OK. All Equipment and Location in Good Shape. PJ. TANK BATTERIES NO PLACARDS / WINDSOCK OLD TANK BATTERY STAIRWAY ON LOCATION. 19.15.10.8					

GRARIDGE STATE No.003				L-17-18S-28E	30-015-01904-00-00		
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.	
08/16/2017	Routine/Periodic	Tony Morales	Yes	No	11/19/2017	iTM1722836408	
		Violations					
		Absent Well Identification Signs (Rule 103)					
Comments on Inspection:		OK. All Equipment and Location in God Shape. PJ LOCATION SIGN NOT VISIBLE 19.15.16.8					

**GRARIDGE STATE No.004**

L-17-18S-28E

**30-015-01905-00-00**

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
08/16/2017	Routine/Periodic	Tony Morales	Yes	No	11/19/2017	iTM1722836611
<b>Violations</b> General Housekeeping (Rule 114)						
<b>Comments on Inspection:</b> OK. All Equipment and Location in Good Shape. PJ. SUCKER RODS ON LOCATION, OLD PJ ON LOCATION 19.15.10.8						

**ADKINS WILLIAMS STATE No.006**

O-17-18S-28E

**30-015-01906-00-00**

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
08/16/2017	Routine/Periodic	Tony Morales	Yes	No	11/19/2017	iTM1722840081
<b>Violations</b> Absent Well Identification Signs (Rule 103)						
<b>Comments on Inspection:</b> OK. All Equipment and Location in Good Shape. PJ. LOCATION SIGN NOT VISIBLE. POWER OFF 19.15.16.8 OPEN PIT						

**WELCH STATE No.002**

K-17-18S-28E

**30-015-01909-00-00**

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
08/16/2017	Routine/Periodic	Tony Morales	Yes	No	11/19/2017	iTM1722836034
<b>Violations</b> General Housekeeping (Rule 114)						
<b>Comments on Inspection:</b> OK. All Equipment and Location in Good Shape. PJO STAINING AROUND WELL HEAD. LOCATION SIGN NOT MOUNTED 19.15.10.8						

**WELCH STATE No.007**

K-17-18S-28E

**30-015-10451-00-00**

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
08/16/2017	Routine/Periodic	Tony Morales	Yes	No	11/19/2017	iTM1722836950
<b>Violations</b> General Housekeeping (Rule 114)						
<b>Comments on Inspection:</b> OK. All Equipment and Location in Good Shape. PJO OLD PJ ON LOCATION TANK BATTERIES NO PLACARDS / WINDSOCK 19.15.10.8						

**WELCH STATE No.003Y**


K-17-18S-28E

**30-015-10525-00-00**

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
08/16/2017	Routine/Periodic	Tony Morales	Yes	No	11/19/2017	iTM1722837312
<b>Violations</b> General Housekeeping (Rule 114)						
<b>Comments on Inspection:</b> OK. All Equipment and Location in Good Shae. PJ. STANING AROUND WELL HEAD CONTAMINATED MATERIAL ON LOCATION 19.15.10.8						

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 Divison Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon this well.

Sincerely,



Artesia OGD 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.