



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

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Oil Conservation Division

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ARTESIA NM 88211

April 14, 2006

SECOND LETTER OF VIOLATION

Dear Operator:

A reinspection of the Spurck F State 1 indicates that no action has been taken to bring the well into compliance with the 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.

INSPECTION DETAIL SECTION

SPURCK F STATE No. 001		M-16-17S-28E		30-015-01391-00-00	
Inspection Date	Type Inspection	Inspector	Violation?	Corrective Action Due By:	Inspection No.
04/6/2006	Compliance Verification	Chris Beadle	Yes	5/5/2006	iCLB0609636936

Comments on Inspection: No Action Taken To bring Well into Compliance. Pumpjack is operating. No work has been conducted, contamination remains in place, pit with tank bottoms remains behind eastern tank.

A well east of this location is pumping and the flow line for this well enters the Spurck F State 1 battery. Power for this well is provided from the Spurck F State 1 with power switch located on rear mounting block for the Spurck F State 1 pumpjack. OCD records show this well to be Spurck F State No. 2 (30-015-31831).

SPURCK F STATE No. 002		M-16-17S-28E		30-015-31831-00-00	
Inspection Date	Type Inspection	Inspector	Violation?	Corrective Action Due By:	Inspection No.
04/6/2006	Compliance Verification	Chris Beadle	Yes	5/5/2006	iCLB0609636936

Comments on Inspection: This well is operating in violation of a shut-in order issued to David G. Hammond on August 26, 2004. This well is producing and not reporting production in violation of OCD Rules.

The Spurck F State No. 2 (30-015-31831) must be shut-in immediately and remain shut in until the requirements of the OCD order of August 26, 2004 have been met and approval to produce this well is obtained from the OCD. All production that has occurred from this well must be reported not later than May 5, 2006.

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