

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Jon Goldstein
Cabinet Secretary

Jim Noel
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



Response Required – Deadline Enclosed

Field Inspection Program

"Preserving the Integrity of Our Environment"

23-Feb-10

STEPHENS & JOHNSON OP CO
PO BOX 2249
WICHITA FALLS TX 76307

LOV NO. 02-09-132

LETTER OF VIOLATION -

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.

Please notify the proper district office, 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

EAST MILLMAN UNIT No.150

P-15-19S-28E 30-015-02257-00-00

Inspection

*Significant

Corrective

Date	Type Inspection	Inspector	Violation?	Non-Compliance?	Action Due By:	Inspection No.
02/23/2010	Routine/Periodic	Tim Gum	Yes	No	3/23/2010	iTWG10054465

Comments on
Inspection:

NOTE: large amount of free oil standing in earthen pit located west of battery.

Numerous violations of OCD rules as follows: 1.) Rule 19.15.2; General Operations/Waste prohibited, 2.) 19.15.18 ; Tanks, 3.) 19.15.29 ; Release Notification, 4.) 19.15.17 ; Pits, and 4.) 19.15.36; Netting requirements.

Corrective action to be taken 1.) All free oil to be removed from pit, 2.) Submit a form C-141 along with a remediation and closure plan to address the contaminated area and the closure of the pit

Corrective action to be taken; oil removed immediately, form and plan by 3/23/10.

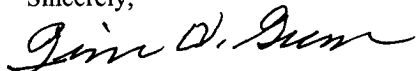
Oil Conservation Division * 1220 South St. Francis Drive
* Santa Fe, New Mexico 87505

* Phone: (505) 476-3440 * Fax (505) 476-3462* <http://www.emnrd.state.nm.us>



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.