



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

NOTICE OF VIOLATION (3-04-03)

February 20, 2004

CERTIFIED MAIL

RETURN RECEIPT NO: 7002 2410 0006 6466 5113

Mr. Terry Linderman
Elm Ridge Resources Inc.
P.O. Box 189
Farmington, NM 87499

RE: Violation of Order WFX-592

Carson Unit #24, Unit Letter N, Section 18, Township 25 North, Range 11 West, API 30-045-05343

Dear Mr. Linderman:

On February 17, 2004, New Mexico Oil Conservation Division (OCD) Deputy Inspector Bruce Martin found that the referenced well was in violation of OCD order WFX-592.

An OCD inspection and investigation determined the following:

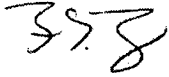
1. The injection pressure at the Carson Unit #24 was 1100 PSIG, which exceeded the maximum injection surface pressure of 972 PSIG authorized by OCD order WFX-592.
2. The pressure-limiting device setting was above 1200 PSIG, which exceeded the maximum injection surface pressure setting required by OCD order WFX-592.

At a meeting with Elm Ridge personnel at the well site, Elm Ridge was instructed to bring the well into compliance immediately. Further violation will result in enforcement action that could include public hearing, cancellation of authority to inject, or civil penalties.

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If you have questions, please feel free to contact me at 505-334-6178 ext 11.

Sincerely,

A handwritten signature in black ink, appearing to read 'F. Chavez'.

Frank T. Chavez
District Supervisor
ftchavez@state.nm.us

FTC/mk

xc: Gail Macquesten, OCD Legal Counsel
Charlie Perrin
Will Jones
Well File