



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

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Mark E. Fesmire, P.E.

Director

Oil Conservation Division

07-Dec-05

MARKS AND GARNER PRODUCTION LTD CO

PO BOX 70

LOVINGTON NM 88260-

LETTER OF VIOLATION - Inactive Well(s)

Dear Operator:

A review of our records and recent inspection(s) indicate that the subject well(s) has been shut-in for an extended period of time. Rule 201 of the Rules and Regulation of the Oil Conservation Division provides that a well may be shut-in no longer than sixty days after suspension of drilling operations, upon determining that the well is no longer usable (e.g., a dry hole), or one year after last production. To comply with guidelines as established in the Rules and Regulations, corrective actions must be taken immediately and the well(s) brought into compliance.

The detail section below indicates preliminary findings and/or probable nature of the violation.

The following options are available:

1. Immediately restore the well(s) to production, injection or disposal as applicable.
2. Request 'Temporary Abandoned' status pursuant to Rule 203, which requires that you set a plug and conduct a mechanical integrity test.
3. Submit a proposal to 'Plug and Abandon' the well(s) pursuant to Rule 202, proceed with plugging procedures on a timely basis after the proposal has been evaluated, amended and/or approved.

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.

IDLE WELL INSPECTION DETAIL SECTION

STATE 001	D-4-17S-29E	30-015-02888-00-00	Inspection No. iCLB0534047523
Inspection Date:	12/6/2005 1:12:03 PM	Corrective Action Due by: 3/11/2006	
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?
Routine/Periodic	Chris Beadle	Yes	No
Comments on Inspection:	Idle Well (Rule 201). Last reported production was 5/1/2001.		
HODGES FEDERAL 002	A-5-17S-29E	30-015-02898-00-00	Inspection No. iCLB0534047052
Inspection Date:	12/6/2005 1:04:12 PM	Corrective Action Due by: 3/11/2006	
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?
Routine/Periodic	Chris Beadle	Yes	No
Comments on Inspection:	Idle Well (Rule 201). Last reported production was 8/1/2001. No motor on pumping unit.		
CAVE POOL UNIT 041	E-8-17S-29E	30-015-02926-00-00	Inspection No. iCLB0534042703

Inspection Date: 12/6/2005 11:51:43 AM

Corrective Action Due by: 3/11/2006

Type Inspection

Inspector

Violation?

*Significant Non-Compliance?

Routine/Periodic

Chris Beadle

Yes

No

Comments on Inspection:

Idle Well (Rule 201): OCD Records indicate that the well was tested for a Temporary Abandon authorization on 12/14/2001 and that the authorization was granted for one year and expired on 12/14/2002.

Absent Well Sign (Rule 103): No well sign could be found on location.

THEOS STATE 001

G-5-17S-29E

30-015-24732-00-00

Inspection No. iCLB0534046630

Inspection Date: 12/6/2005 12:57:10 PM

Corrective Action Due by: 3/11/2006

Type Inspection

Inspector

Violation?

*Significant Non-Compliance?

Routine/Periodic

Chris Beadle

Yes

No

Comments on Inspection:

Idle Well (Rule 201): OCD Records indicate that the well was tested for a Temporary Abandon authorization on 12/14/2002 and that the authorization was granted for one year and expired on 12/14/2002.

RED TWELVE STATE 006

K-5-17S-29E

30-015-25055-00-00

Inspection No. iCLB0534054772

Inspection Date: 12/6/2005 3:12:52 PM

Corrective Action Due by: 3/11/2006

Type Inspection

Inspector

Violation?

*Significant Non-Compliance?

File and Compliance Review

Chris Beadle

Yes

No

Comments on Inspection:

Idle Well (Rule 201): OCD Records indicate that the well was tested for a Temporary Abandon authorization on 12/3/2001 and that the authorization was granted for one year and expired on 12/3/2002.

RED TWELVE LEVERS

I-33-16S-29E

30-015-25090-00-00

Inspection No. iCLB0534054898

FEDERAL 008Q

Inspection Date: 12/6/2005 3:14:58 PM

Corrective Action Due by: 3/11/2006

Type Inspection

Inspector

Violation?

*Significant Non-Compliance?

File and Compliance Review

Chris Beadle

Yes

No

Comments on Inspection:

Idle Well (Rule 201): OCD Records indicate that the well was tested for a Temporary Abandon authorization on 11/30/2001 and that the authorization was granted for one year and expired on 11/30/2002.

RED TWELVE LEVERS

D-33-16S-29E

30-015-25152-00-00

Inspection No. iCLB0534048708

FEDERAL 012

Inspection Date: 12/6/2005 1:31:48 PM

Corrective Action Due by: 3/11/2006

Type Inspection

Inspector

Violation?

*Significant Non-Compliance?

Routine/Periodic

Chris Beadle

Yes

No

Comments on Inspection:

Idle Well (Rule 201): Last reported production was 5/1/2001.

Thank you for your prompt attention to this matter and your efforts in helping to protect our environment and the infrastructure of the oil and gas industry.

Sincerely,



Artesia OCD District Office

* Significant Non-Compliance events are reported directly to the U.S. Environmental Protection Agency, Region VI, Dallas, Texas.