



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor

Joanna Prukop
Cabinet Secretary
Acting Director
Oil Conservation Division

5/4/2004

CBS Operating Corp.
Att: David Cotner
P.O. Box 2236
Midland, TX 79702

Re: Poss. Violation R-50
30-015-29375 Ut. N 35-18s-28e
Scanlon Draw 34 State #1

Dear Mr. David Cotner,

A field inspection made at the Scanlon Draw on 5/4/2004 found the drilling pit to be open and in possible violation Of R-50.

Rule 50 came in to effect on April 15, 2004 the rule requires all existing pits or below grade tanks in existence on April 15, 2004 that has not received an exception after hearing as allowed by OCC Order R-2331 through inclusion, the operator shall submit a Notice not later than April 15, 2004 indicating either that use of the pit or below grade tank will continue or that such pit or below grade tank will be closed.

Please review Rule 50 and bring this drilling pit into compliance with the new pit Rule 50.

If I can be of assistance in this matter please do not hesitate to contact me at 505-748-1283 or E-mail me at mstubblefield@stat.nm.us.

Sincerely,

Mike Stubblefield

Environ. Eng. Spec.

E.M.N.R.D./O.C.D.