



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

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Director

Oil Conservation Division

October 20, 2004

Ray Westall
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Reference:	Culwin Queen Ut 015	H-1-19s-30e	API: 30-015-04586
	Culwin Queen Ut 006	L-31-18s-31e	API: 30-015-05653
	Culwin Queen Ut 020	P-36-18s-30e	API: 30-015-26964

Operator,

A Notice of Violation letter dated 08-Sep-04 was sent to your company concerning violations of OCD Rules and Regulations on the above referenced wells.

An inspection performed on 10/19/04 on these wells showed the following:

Culwin Queen Ut 015: No action has been taken to bring well into compliance with OCD Rule 103. As stated in the original Notice of Violation letter, this well has the wrong well sign mounted on it.

Culwin Queen Ut 006: This well was in violation of Rule 103 for the well sign not being mounted and not listing operator of record. A request was also made for your company to provide information on how this well is being produced as the well appears incapable of production, with production being reported. As of this date, your company has not provided the requested information and no action has been taken to bring well into compliance with Rule 103.

Culwin Queen Ut 020: A return letter was received from your company stating "All scraped tanks will be cut up and hauled off. All tank bottoms will be removed and taken to an approved solid waste disposal site." Also enclosed was a "Pit Remediation And Closure Report". This form has been superceded by Form C-144. The pit in question is listed as an Emergency Pit, however it does meet the criteria to be an emergency pit as per OCD Rule 50 and is in violation of this Rule.

A steel flowline that runs West from this location has had numerous releases and is in violation of OCD Rule 13 and Rule 116. Sections of the flow line have been replaced since the initial violation, however, the remediation of releases from this line has not addressed.

This letter is to serve notice that the above referenced wells must be brought into compliance within 15 days of the date of this letter. A workplan for the remediation of releases along the pipeline, and a workplan for the closure of the production pit will also be required within 15 days of date of this letter

A Show Cause Hearing will be requested by this office for non-compliance with OCD Rules and Regulations.

Please notify this office 24 hours prior to any sampling or remediation actions to allow an OCD representative the opportunity to witness events.

If I can be of any assistance in this matter please contact me.

Mike Bratcher
Compliance Officer
NMOCD District 2