

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop Cabinet Secretary Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Field Inspection Program
"Preserving the Integrity of Our Environment"

14-Dec-04

CHESAPEAKE OPERATING, INC. 5014 CARLSBAD HWY HOBBS NM 88240

NOTICE OF VIOLATION - Inspection

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 on the date(s) indicated.

Please notify the proper district office of the Division, 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	ON DETAIL	L SECTION	,	
GOVERNM Inspection Date	1ENT D No.005 Type Inspection	Inspector	Violation?	J-1-21S-27E *Significant Non-Compliance?	30-015-25302-00- Corrective Action Due By:	00 Inspection No.
12/14/2004	Routine/Periodic	Gerry Guye	Yes	No	1/14/2005	iGEG0434935672
Comments	on Inspection: Well sign	does not reflect current of	perator (Rule 1	03).		
GOVERNM Inspection Date	IENT D No.007 Type Inspection	Inspector	Violation?	O-1-21S-27E *Siguificant Non-Compliance?	30-015-25343-00- Corrective Action Due By:	00 Inspection No.
12/14/2004	Routine/Periodic	Gerry Guye	Yes	No	1/14/2005	iGEG0434935276
Comments	on Inspection: Well sign	does not reflect current of	perator (Rule 1	03).		
GOVERNM Inspection Date	IENT D No.003 Type Inspection	Inspector	Violation?	D-12-21S-27E *Significant Non-Compliance?	30-015-25362-00- Corrective Action Due By:	00 Inspection No.
12/14/2004	Routine/Periodic	Gerry Guye	Yes	No	1/14/2005	iGEG0434937364
Comments	on Inspection: Well sign of	does not reflect current of	nerator (Rule 16	33)		

GOVERNMENT D No.013 P-1-21S-27E 30-015-25559-00-00 *Significant Inspection Corrective Type Inspection Violation? Inspector Inspection No. Date Non-Compliance? Action Due By: 12/14/2004 Routine/Periodic Gerry Guye Yes No 1/14/2005 iGEG0434943798 Comments on Inspection: Well sign does not reflect current operator (Rule 103). **GOVERNMENT D No.014** J-1-21S-27E 30-015-25560-00-00 Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 12/14/2004 Routine/Periodic Gerry Guye Yes No 1/14/2005 iGEG0434935794 Comments on Inspection: Well sign does not reflect current operator (Rule 103). **GOVERNMENT D No.015** O-1-21S-27E 30-015-25561-00-00 *Significant Inspection Corrective Type Inspection Violetion? Date Inspector Non-Compliance? Action Due By: Inspection No. 12/14/2004 Routine/Periodic Gerry Guye Yes No 1/14/2005 iGEG0434935391 Comments on Inspection: Well sign does not reflect current operator (Rule 103). **GOVERNMENT D No.012** I-1-21S-27E 30-015-25565-00-00 Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 12/14/2004 Routine/Periodic Gerry Guye Yes No 1/14/2005 iGEG0434943890

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 Divison 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.

Well sign does not reflect current operator (Rule 103).

Sincerely,

Artesia OCD Distr

Comments on Inspection:

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.