



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

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Governor

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Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Field Inspection Program

"Preserving the Integrity of Our Environment"

06-Dec-04

DEVON ENERGY PRODUCTION COMPANY, LP

PO Box 250

Artesia NM 88210

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 DETAIL SECTION

APACHE 25 FEDERAL No.003

A-25-22S-30E 30-015-32719-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
12/06/2004	Routine/Periodic	Mike Bratcher	Yes	No	1/7/2005	iMLB0434146683
Violations Surface Leaks/Spills						

Comments on Inspection: Contamination with small amount of fluids pooled at wellhead area. General clean up and equipment repair required. Violation Rule 13. Well sign needs to be mounted.

APACHE 25 FEDERAL No.004

H-25-22S-30E 30-015-33152-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
12/06/2004	Routine/Periodic	Mike Bratcher	Yes	No	1/7/2005	iMLB0434147236
Violations Absent Well Identification Signs (Rule 103)						

Comments on Inspection: Well sign lists API number as 30-015-527830 which is incorrect in that the second 5 is a misprint. The API number 30-015-27830 is for a well that has a canceled APD. The correct API number for this well is 30-015-33152. Sign is in violation of Rule 103. Some contamination at wellhead area. General clean-up required. No leaks were observed at time of inspection. Reserve pits open with liner cut and removed above solids.

APACHE 25 FEDERAL No.008

G-25-22S-30E

30-015-33439-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
12/06/2004	Routine/Periodic	Mike Bratcher	Yes	No	1/7/2005	iMLB0434 147790
Violations Absent Well Identification Signs (Rule 103)						
Comments on Inspection: No API number on well sign. Correct number is 30-015-33439. Violation Rule 103. Reserve pits open with liner intact.						

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.

Sincerely,

Mike Bratcher

Artesia OCD District Office

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.