

NEW MEXICO ENERGY, MINERALS NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

22-Jul-05

BP AMERICA PRODUCTION COMPANY

PO Box 1089

Eunice NM 88231-0000

NOTICE 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 ther 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

EMPIRE ABO UNIT 023D

J-6-18S-28E

30-015-02628-00-00

Inspection No. iCLB0520247908

Inspection Date: Type Inspection

7/21/2005 1:18:19 PM

Corrective Action Due by: 10/24/2005 Violation?

*Significant Non-Compliance?

Routine/Periodic

Inspector

Yes

Comments on Inspection:

Chris Beadle

No

Idle Well (Rule 201). Well has no flow-line attached, no production reported since November 2000. Well Sign not in compliance with Rule 103. Current sign identifies well as Empire Abo Unit Well K-23. OCD records show well as Empire Abo Unit 23 D. Sign does not list footages as required by NMAC 19.15.3.103.F(4). Sign is lying on the ground and not visible the required distance. Liner material present with contaminated soils and gravel inside. Site must be cleaned up, well either brought into production or plugged/abandoned and well sign corrected.

Oil Conservation Division * 1301 W. Grand * Artesia, New Mexico 88210 Phone: 505-748-1283 * Fax: 505-748-9720 * http://www.emnrd.state.nm.us

Thank you for your prompt attention to this matter and your efforts in helping to protect our environment and the infra-									
structure of the oil and gas in	ndustry.	•	• •		*		• •		
Sincerely,	ŕ					3			

Ch Becc.
Artesia OCD District Office

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