

NEW MEXICO ENERGY, MINERALS NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor Joanna Prukop Cabinet Secretary

Mark E. Fesmire, P.E. Director Oil Conservation Division

Lield Invocation Peoplem "Treserving for European of the Europeanorm"

05-Aug-05

ASPEN PUMPING SERVICE PO BOX 677 ARTESIA NM 88211

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

MCCLAY FEDERAL No.007				C-33-18S-30E	30-015-10370-00-00	
Inspection				*Significant	Corrective	
Date	Type Inspection	Inspector	Violation?	Non-Compliance?	Action Due By:	Inspection 1

08/05/2005 Routine/Periodic Chris Beadle

9/6/2005

No.

Violations

Yes

No

iCLB0521735593

Tank Battery Equipment (Rules 114, 115)

Surface Damage/Restoration

Surface Leaks/Spills

Comments on Inspection:

The tank battery has contamination around all tanks. The tank on the eastern side of the tank battery has a hole in the bottom and oil has pooled at the base of the tank.

There is a pooling area approximately 20 yars south of the water tank that has heavily oil and fluids saturated soil. The area has cattle tracks and other signs of cattle presence in and through this area.

Western edge of the site appears to have been used for flushing produced fluids in the past. A pipe comes from under the tank battery extends approximately 20 yards south of the tank battery and ends at a weighted lift valve that appears to be plugged with hardened oil. The area down slope of this piping has hardened oil and little vegetation growing.

The wellhead area has contamination extending south towards the tank battery.

Remediation of the location is required. Contact NMOCD District 2 Environmental Compliance Officer to discuss remediation requirements

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.

Sincerely,

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.