



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

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Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

*Plant Inspection Program
"Preserving the Integrity of Our Environment"*

02-Aug-05

HARVEY E YATES CO

PO BOX 1933

ROSWELL NM 88202

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

SCRIBNER 5 FEDERAL No.001

H-5-18S-31E

30-015-25695-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
08/01/2005	Routine/Periodic	Chris Beadle	Yes	No	9/1/2005	iCLB0521337377
Violations						
Surface Damage/Restoration						
Surface Leaks/Spills						

Comments on Inspection: Site contaminated in vicinity of separator approximately 30 feet towards wellhead. Tank battery on site has leaked and impacted pasture to the east along road entrance to well site. Two pooling areas saturated along this flow path. Remediation Required. Contact NMOCD District 2 Environmental Compliance Officer to discuss remediation requirements.

ARCO 5 FEDERAL No.002

G-5-18S-31E

30-015-26258-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
08/01/2005	Routine/Periodic	Chris Beadle	Yes	No	9/1/2005	iCLB0521337944
Violations						
Surface Leaks/Spills						

Comments on Inspection: Wellhead area heavily contaminated. Remediation Required. Site had release in 2004, microblaze applied. Eastern edge of site has heavy staining, apparently from previous spill. Runoff from this area has pooled into and impacted pasture. Remediation 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 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,



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.