



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

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Cabinet Secretary

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Director

**Oil Conservation Division**

*Wild Landscapes Program  
"Protect the Land, and Our Future"*

03-Oct-05

## MELROSE OPERATING COMPANY

PO BOX 953

MIDLAND TX 79702

### 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

#### ARTESIA UNIT No.003

N-26-17S-28E

30-015-01565-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
09/14/2005	Routine/Periodic	Chris Beadle	Yes	No	11/3/2005	iCLB0525730722
<b>Violations</b>						
Surface Leaks/Spills						

**Comments on Inspection:** Tank battery south of well (no sign on tank battery) has two sets of bermed tanks. The northeastern battery is unlined and has heavy hydrocarbon contamination inside bermed area.

Remediation is required. Contact NMOCD District 2 Environmental Compliance Officer with site ranking and remediation work plan.

Notify NMOCD District 2 Office 48 hours prior to any remediation work or prior to taking samples where results of the samples may be submitted to OCD.

NOTE: The Nearest wells to this tank battery are operated by Marbob Energy and Melrose Operating. Letter sent to Marbob (nearest well) prompted reply that the tank battery is not owned or operated by Marbob. This notice of violation is being sent to Melrose Operating as the next nearest well to the unidentified tank battery.

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.