

NEW MEXICO ENERGY, MINERALS NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E. Director

Oil Conservation Division

14-Oct-05

CBS OPERATING CORP

PO BOX 2236 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

NORTH	SQUARE	LAKE	UNIT	No.148

I-32-16S-31E

30-015-04956-00-00

Inspection

Type Inspection

Inspector

*Significant

Corrective

Date

Violation?

Non-Compliance?

Action Due By:

Inspection No.

10/13/2005 Routine/Periodic Chris Beadle

11/14/2005

Violations

Yes

No

iCLB0528640153

Surface Leaks/Spills

Comments on Inspection:

Heavy contamination at wellhead, some saturated soils. Runoff from wellhead extends

approximately 35 feet across location to the south. PJ operating, packing leaks obsered, caked oil

Remediaiton 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.

Inspection Note: Tanks for battery south of this well have been removed, pad remains, some

piping remians. Some light contamination west of tank pad.

NORTH SOUARE LAKE UNIT No.164

Routine/Periodic

O-32-16S-31E

No

30-015-04957-00-00

Inspection

10/13/2005

Type Inspection Date

Inspector

*Significant Violation? Non-Compliance?

Corrective Action Due By:

Inspection No.

Violations

Chris Beadle

Yes

11/14/2005

iCLB0528638871

Surface Leaks/Spills Comments on Inspection:

Pooled oil at wellhead, saturated soils between wellhead and PJ. Some contamination runoff south approximately 5 feet. Pumpjack is operating, packing leaks obsered, heavy caked oil on casing.

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.

NORTH SQUARE LAKE UNIT No.165

Comments on Inspection:

Inspection Date

Type Inspection

Inspector

/iolation?

P-32-16S-31E *Significant Non-Compliance?

30-015-04958-00-00 Corrective Action Due By:

Emspection No.

10/13/2005

Routine/Periodic

Chris Beadle

Yes

No

11/14/2005

iCLB0528640541

Violations

Surface Leaks/Spills

PJ operating, packing leaks obsered, produced fluids pooling in dug out area at wellhead. Some

hydrocarbon and chorlide runoff around wellhead.

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 sampless

where results of the samples may be submitted to OCD.

NORTH SQUARE LAKE UNIT No.147

Inspection Date

Type Inspection

Inspector

Violation?

*Significant Non-Compliance?

J-32-16S-31E

30-015-04959-00-00 Corrective

Imspection No.

10/13/2005

Routine/Periodic

Chris Beadle

Yes

No

Action Due By: 11/14/2005

iiCLB 0528639229

Violations

Comments on Inspection:

Surface Damage/Restoration

Surface Leaks/Spills

Contamination has run off from wellhead area south and east along road on location and to west and south into pasture. Run off path in pasture goes approximately 20 feet east and then turns:

down grade to south for approximately 70 feet.

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.

NORTH SQUARE LAKE UNIT No.168

Date

Type Inspection

Inspector

Violation?

*Significamt Non-Compliance? 30-015-04974-00-00 Corrective Action Due By:

Imspection No.

Inspection 10/13/2005

Routine/Periodic

Chris Beadle

Yes

No

O-33-16S-31E

11/14/2005

i:CLB:0528641877

Violations

Surface Damage/Restoration

Surface Leaks/Spills

Comments on Inspection:

Saturated soils at wellhead, contamination runoff to the northwest. Contamination has run off

north into a natrual depression impacting pasture in this 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.

NORTH SQUARE LAKE UNIT No.132

E-33-16S-31E

30-015-04978-00-00

Inspection

Date

Type Inspection

Inspector

Violation?

*Significant Non-Compliance? Corrective

Action Due By:

Inspection No.

Routine/Periodic 10/13/2005 Violations

Chris Beadle

Yes

No

1/16/2006 iCLB0528644006

11/14/2005

Surface Damage/Restoration Surface Leaks/Spills

Idle well (Rule 201)

Comments on Inspection:

Large steel gathering line across this location has leaked and been repaired. Very heavy contamination impacting pasture. Road into this location is impassable by motor vehicle.

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.

Idle Well (Rule 201) - Last reported production was 1/1/2003. Idle well NOV pending on this well.

NORTH SQUARE LAKE UNIT No.172

Inspection Type Inspection

*Significant Violation? Non-Compliance? 30-015-04992-00-00 Corrective

Inspection No.

Date 10/13/2005

Routine/Periodic

Inspector Chris Beadle

Yes

No

N-34-16S-31E

Action Due By: 11/14/2005

iCLB0528647356

Violations

Surface Leaks/Spills

Comments on Inspection:

Saturated soils at wellhead. Contamination has runoff south for approximatley 25 feet.

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.

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.