



NEW MEXICO ENERGY, MINERALS and 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 Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
10/13/2005	Routine/Periodic	Chris Beadle	Yes	No	11/14/2005	iCLB0528640153
Violations						
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 observed, 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.

Inspection Note: Tanks for battery south of this well have been removed, pad remains, some piping remains. Some light contamination west of tank pad.

NORTH SQUARE LAKE UNIT No.164

O-32-16S-31E

30-015-04957-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
10/13/2005	Routine/Periodic	Chris Beadle	Yes	No	11/14/2005	iCLB0528638871
Violations 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 observed, 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

P-32-16S-31E

30-015-04958-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
10/13/2005	Routine/Periodic	Chris Beadle	Yes	No	11/14/2005	iCLB0528640541
Violations Surface Leaks/Spills						

Comments on Inspection: PJ operating, packing leaks observed, produced fluids pooling in dug out area at wellhead. Some hydrocarbon and chloride 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 samples where results of the samples may be submitted to OCD.

NORTH SQUARE LAKE UNIT No.147

J-32-16S-31E

30-015-04959-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
10/13/2005	Routine/Periodic	Chris Beadle	Yes	No	11/14/2005	iCLB0528639229
Violations Surface Damage/Restoration Surface Leaks/Spills						

Comments on Inspection: 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

O-33-16S-31E

30-015-04974-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
10/13/2005	Routine/Periodic	Chris Beadle	Yes	No	11/14/2005	iCLB0528641877
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 natural 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.
10/13/2005	Routine/Periodic	Chris Beadle	Yes	No	1/16/2006 11/14/2005	iCLB0528644006
Violations 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

N-34-16S-31E

30-015-04992-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
10/13/2005	Routine/Periodic	Chris Beadle	Yes	No	11/14/2005	iCLB0528647356
Violations Surface Leaks/Spills						

Comments on Inspection: Saturated soils at wellhead. Contamination has runoff south for approximately 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 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.