



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

9 March 2006

LETTER OF VIOLATION

ASPEN OIL, INC
P.O. Box 2674
Hobbs, NM 88241

RE: Gates State #2

H-36-17-27

API 30-015-00647

VIOLATION OF OCD RULE 202.B

Dear Sir or Madam:

The Artesia Division of the OCD performed an inspection on the Gates State # 2 on 12 October, 2005. This inspection revealed that not all conditions of OCD Rule 19.15.4.202.B had been satisfied. A letter was sent on 7 December, 2005 (copy attached) notifying you of the findings of the inspection. Please have this location to where it will meet the standards of OCD Rule 202.B. and notify the OCD. Please have this done on or before 15 April, 2006.

If this matter is not satisfactorily resolved in the time period set out above we may assess penalties against you for each violation of OCD Rules, in accordance with NMSA 1978, Section 70-2-31(A). Section 70-2-31(A) authorizes penalties of up to \$1,000.00 per day per violation for any knowing and willful violation of any provision of the Oil and Gas Act or any rule adopted pursuant to the Act. Alternatively or in addition to the penalties the OCD may seek other remedies deemed appropriate for the situation.

This location must be brought into physical compliance on or before 15 April, 2006. Paperwork must be in this office to reflect the work done on or before 15 April, 2006.

Van Barton
Field Supervisor

cc: well file