



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

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Director

**Oil Conservation Division**

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

10-Apr-06

## **YATES PETROLEUM CORPORATION**

105 S 4TH ST

ARTESIA NM 88210

### **LETTER 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**

**STATE AU No.001**

**D-36-18S-25E**

**30-015-10828-00-00**

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
04/07/2006	Routine/Periodic	Mike Bratcher	Yes	No	5/8/2006	iMLB0609751266
	Violations					
	Surface Release					

**Comments on Inspection:** Tank battery that services this well is situated just East of well. Sign on battery is AU State Battery. Appears a hole has come in the bottom (North side) of the East storage tank. Evidence the tank leaked over an undetermined period of time. An excavation has been made around vessel extending North and East from tank. Contamination visible in the side walls of the entire excavation. Conservative volume estimates indicate this to be a reportable release. Please submit a Form C-141 indicating remedial actions taken to date and planned remediation for release. Site is in violation of Rule 13 and Rule 16 for non-reporting.

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.