



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

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Director

Oil Conservation Division

Field Inspection Program

"Preserving the Integrity of Our Environment"

31-May-06

RAY WESTALL

PO BOX 4

LOCO HILLS NM 88255

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

HINKLE B FEDERAL No.002

N-27-18S-31E

30-015-20982-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
05/31/2006	Routine/Periodic	Mike Bratcher	Yes	No	6/30/2006	iMLB0615141091
Violations						
Emergency/Temporary Pits						
Surface Leaks/Spills						

Comments on Inspection: Open workover pit. Liner is breached with evidence of fluid having impacted area behind and beneath liner. Violation Rule 50. Large area of what appears to be hydrocarbon impact originating at well head area and extending out across location. Violation Rule 13. Submit a Form C-144 for work over pit closure and a remediation work plan proposal for remediation of pit contamination and contamination on location.

HINKLE B FEDERAL No.003

M-27-18S-31E

30-015-21273-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
05/31/2006	Routine/Periodic	Mike Bratcher	Yes	No	6/30/2006	iMLB0615141516

Comments on Inspection: Release of produced fluids has occurred at well head area and runs SW across location. Remediation required. Submit remediation work plan proposal. Violation Rule 13.

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.