

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"

09-Jun-06

SCOTT BRANSON

4205 FERGUSON CARLSBAD NM 88220

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

Yes

RUSTLER BLUFFS No.001

Inspection

Date 06/09/2006

Type Inspection

Routine/Periodic

spection Inspector

ν

Mike Bratcher

*Significant Violation? Non-Compliance

G-6-25S-29E

Non-Compliance?

Corrective
Action Due By:
6/22/2006

30-015-23002-00-00

Inspection No. iMLB0616040359

Violations

Surface Leaks/Spills

Comments on Inspection:

Contamination and ongoing leak at load line. Contamination along flow line in tank battery. Area around base of water tank appears to be heavily contaminated. Well site is in violation of

NMOCD Rules and Regulations. Delineation and remediation of contamination will be required. Submit an Initial Report C-141 no later than the above referenced Corrective Action due date.

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

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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.