



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

Field Inspection Program

"Preserving the Integrity of Our Environment"

02-Sep-03

ROSWELL, LLC

1776 LINCOLN STREET, STE

DENVER, CO 80203-0000

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

TUESDAY FEDERAL 001

M-34-19S-29E

30-015-25123-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
08/29/2003	Routine/Periodic	Mike Stubblefield	Yes	No	9/29/2003	iMCS0324140321

Comments on Inspection:

A section of the gathering line has had nermourous unreported produced water releaes that have ran onto Duke Energy Magnum Station. Location as per GPS is 32.58693 deg. N. 104.07775 deg. W. The impacted area is est. 100 yds x 100 yds and contains visbile Hydrocarbons and Chloride contaminated soils. Violation of Rule 116.A. reporting A C-141 form is required submitted to N.M.O.C.D. with corrective workplan attached. Photos of Tuesday Federal Facility taken, Photos of unauthorized release area near the Duke Energy Magnum compressor station taken.

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,

Mike Stillfield Environ. Eng. Spec. N.M.O.C.D.

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.