

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

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Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Field Inspection Program
"Preserving the Integrity of Our Environment"

07-Mar-07

J RAY STEWART
PO BOX 451
MIDLAND TX 79702

LOV NO. 026207

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

POKER LAKE STATE No.001

M-8-25S-30E

30-015-04744-00-00

Inspection Date

Type Inspection

Inspector

Ron Harvey

*Significant Violation? Non-Compliance Corrective Action Due By:

4/7/2007

03/05/2007

Routine/Periodic

Violation? Yes Non-Compliance?

Inspection No. iREH0706441739

Violations

Surface Leaks/Spills

Comments on Inspection:

Location in need of attention, misc junk lying throughout location. Tank #1 in battery has leaked at the bottom in the past. Tank is rusted out in several places. Fence around site is down in several places. Photos taken. Area at base of rusted tank will require remediation. Please submit a remediation work plan proposal to the District 2 office no later than 4/7/07. Plan is to be formulated based on site ranking, contaminant delineation and OCD Rules and Guidelines.

Violation Rule 19.15.3.116 [NMAC] and Rule 19.15.1.13 [NMAC]

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.