



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

30 019 35171

09-Aug-07

MEWBOURNE OIL CO

PO Box 5270

Hobbs NM 88241

LOV NO. 0217867

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

QUAHADAH RIDGE 5 FEDERAL No.001

O-5-21S-29E

30-015-34291-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
08/09/2007	Routine/Periodic	Ron Harvey	Yes	No	9/9/2007	iREH0722143107
Violations						
Emergency/Temporary Pits						

Comments on Inspection: Drilling pit still open and full of liquids and solids. Pit contents within inches of top of liner which could result in overflow of pit during periods of heavy rain. Pit fence ok. Pit liner breached on east and west walls in violation of Rule 50. Photos taken.

MILAGRO 34 FED No.001

A-34-22S-26E

30-015-34609-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
08/09/2007	Routine/Periodic	Ron Harvey	Yes	No	9/9/2007	iREH0722136085
Violations						
Emergency/Temporary Pits						

Comments on Inspection: Drilling pit still open and full of liquids/solids. Pit fence ok. Pit liner breached on South pit wall, violation of Rule 50. Photos taken.

GOLDEN LANE 4 FED No.001

M-4-21S-29E

30-015-34692-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
08/09/2007	Routine/Periodic	Ron Harvey	Yes	No	9/9/2007	iREH0722143786
Violations						
Emergency/Temporary Pits						

Comments on Inspection: Drilling pit still open and full of liquids and solids. Liquid contains large amount of hydrocarbons. Pit fence ok. Pit liner breach on east wall, violation of Rule 50. Photos taken.

BRADLEY 36 STATE COM No.001

J-36-18S-29E

30-015-34893-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
08/09/2007	Routine/Periodic	Ron Harvey	Yes	No	9/9/2007	iREH0722153486
Violations						
Emergency/Temporary Pits						

Comments on Inspection: Pit still open and full of liquids/solids. Pit fence ok. Pit liner breached in several locations in violation of Rule 50. Photos taken.

QUAHADAH RIDGE 5 FEDERAL No.002

F-5-21S-29E

30-015-35171-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
08/09/2007	Routine/Periodic	Ron Harvey	Yes	No	9/9/2007	iREH0722142219
Violations						
Emergency/Temporary Pits						

Comments on Inspection: Pit still open and full of fluids and solids. Evidence of hydrocarbons in south and west sections of pit. Pit fence ok. Pit liner breached on north and west walls, violation of Rule 50. Photos 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,


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.