



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

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Director

Oil Conservation Division

14-Dec-07

7001 1940 0001 9971 5642

READY OIL & GAS

PO BOX 381

ARTESIA NM 88211

LOV NO. 02-07-233

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

KEOHANE B FEDERAL No.002

C-28-18S-31E

30-015-05624-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
12/13/2007	Routine/Periodic	Kimberly Wilson	Yes	No	1/14/2008	iKMW0734739999
Comments on Inspection: Idle Well (Rule 201). Last reported production was 5/1/2000. Pump jack dismantled, no flow line attached to tubing, rod in hole. Localized wellhead contamination with chloride and hydrocarbon staining.						

KEOHANE B FEDERAL No.003

F-28-18S-31E

30-015-05625-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
12/13/2007	Routine/Periodic	Kimberly Wilson	Yes	No	1/14/2008	iKMW0734739894
Comments on Inspection: No Motor on Pumping Unit. Last reported production 7/1/2000. Violation of Rule 19.15.4.201.						

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