

NEW MEXICO ENERGY, MINERALS NATURAL RESOURCES DEPARTMENT

Governor Jennifer A. Salisbury

Cabinet Secretary

Lori Wrotenbery Director Oil Conservation Division

Field Inspection Program "Preserving the Integrity of Our Environment"

26-Oct-01

READ & STEVENS INC PO BOX 1518 ROSWELL, NM 88201-

Dear Operator:

The following inspection(s) indicate one or more violations as described in the detail section below. The inspection(s) indicates that the well, equipment, location or operational status failed to meet standards of the New Mexico Oil Conservation Division. 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 below 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 mployed by the Oil Conservation Division.

Please notify the proper district office of the Division 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

BUNKER HILL WATER FLOOD UNIT 016

M-13-16S-31E

30-015-23485-00-00

Inspection Date 10/16/2001

Type Inspection

Routine/Periodic

Inspector

Mike Bratcher

*Significant Non-Compliance? No

Corrective Action Due By:

11/29/01 MLB012995321

Comments on Inspection:

Well sign illegible. Violation Rule 103

10/16/2001

Inspection

Date

10/16/2001

Routine/Periodic

Mike Bratcher

/29/01 MLB012995334

11/29/01 MLB012995114

Comments on Inspection:

Netted fiberglass tank at tank battery contains oil and has been leaking. Ground surrounding tank

is saturated. Violation Rule 116 and Rule 13.

This yolation is Record# 338 in compoundale E-24-16S-31E 30-015-23886-00-00

BUNKER HILL WATER FLOOD UNIT 027

Type Inspection Routine/Periodic Inspector

Mike Bratcher

Violation? Yes

*Significant Non-Compliance? No

Corrective Action Due By:

Inspection No.

Comments on Inspection:

Well sign lists well in section 26. Well is located in section 24. Violation Rule 103.

Oil Conservation Division * 1301 W. Grand Ave. * Artesia, New Mexico 88210 Phone: 505-748-1283 * Fax: 505-748-9720 * http://www.emnrd.state.nm.us