



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

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Governor

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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 employed 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	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
10/16/2001	Routine/Periodic	Mike Bratcher	Yes	No	11/29/01	MLB012995321

Comments on Inspection: Well sign illegible. Violation Rule 103.

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
10/16/2001	Routine/Periodic	Mike Bratcher	Yes	No	11/29/01	MLB012995334

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 violation is record # 338 in compliance*

BUNKER HILL WATER FLOOD UNIT 027 E-24-16S-31E 30-015-23886-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
10/16/2001	Routine/Periodic	Mike Bratcher	Yes	No	11/29/01	MLB012995114

Comments on Inspection: Well sign lists well in section 26. Well is located in section 24. Violation Rule 103.