NEW MEXICO ENERGY, MINERALS NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON Governor Jennifer A. Salisbury Cabinet Secretary

Lori Wrotenbery Director Oil Conservation Division

Field Inspection Program "Preserving the Integrity of Our Environment"

08-Jan-02

B & W OIL CO R-252 N HALDEMAN RD ARTESIA, NM 88210-

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.

Please be advised that failure to comply with this directive will result in an application for an order to Show Cause why the Bond should be forfeited, the well plugged and civil penalties assessed.

INSPECTION DETAIL SECTION

ARTESIA METEX UNIT 047

J-25-18S-27E

30-015-00955-00-00

Inspection Date

Type Inspection

Inspector

Violation?

*Significant Non-Compliance? Corrective

01/03/2002 Routine/Periodic

Mike Bratcher

Yes

Action Due By:

Inspection No. 2/4/2002 iMLB02004576

Comments on Inspection:

Flow line leak into pasture. Violation Rule 116 requiring reporting and remediation.

ARTESIA METEX UNIT 057

D-36-18S-27E

30-015-00990-00-00

Inspection

01/03/2002

Date Type Inspection

Routine/Periodic

Inspector

Violation?

Yes

*Significant Non-Compliance? Nο

Corrective Action Due By:

Inspection No.

2/4/2002 iMLB02003495

Comments on Inspection:

Idle well. Violation Rule 201.

Mike Bratcher