



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor
Betty Rivera
Cabinet Secretary

Lori Wrotenbery

Director
Oil Conservation Division

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13 September 2002

Aceco Petroleum Co
2106 W Richey
Artesia, New Mexico 88210

RE: Adkins Williams Stste # 6 O-17-18-28 API 30-015-01906 Violation of Rule 703:

Adkins Williams Stste # 1 O-17-18-28 API 30-015-10450 Violation of Rule 703:

Dear Sirs:

This second directive is to notify you that these wells are still in violation of Rule 703

On 7 June, 2002 a letter was sent notifying you on the violation of Rule 703. An inspection of the wells 9 September, 2002 found no action had been taken on 11

Rule 703 of the New Mexico Oil Conservation Division provides as follows:

19.15.9.703 OPERATION AND MAINTENANCE

A. Injection wells shall be equipped, operated, monitored, and maintained to facilitate periodic testing and to assure continued mechanical integrity which will result in no significant leak in the tubular goods and packing materials used and no significant fluid movement through vertical channels adjacent to the well bore.

B. Injection project, including injection wells and producing wells and all related surface facilities shall be operated and maintained at all times in such a manner as will confine the injected fluids to the interval or intervals approved and prevent surface damage or pollution resulting from leaks, breaks, or spills.

C. Failure of any injection well, producing well, or surface facility, which failure may endanger underground sources of drinking water, shall be reported under the "Immediate Notification" procedure of Rule 116.

D. Injection well or producing well failures requiring casing repair or cementing are to be reported to the Division prior to commencement of workover operations.

E. Injection wells or projects which have exhibited failure to confine injected fluids to the authorized injection zone or zones may be subject to restriction of injection volume and pressure, or shutin, until the failure has been identified and corrected.

[7-1-81...2-1-96; 19.15.9.703 NMAC - Rn, 19 NMAC 15.I.703, 11-30-00]

These wells must be brought into compliance on or before 1 October, 2002.

In the event that a satisfactory response is not received to this letter of direction by 1 October, 2002, 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,

Van Barton
Field Rep. II