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NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON Governor Betty Rivera Cabinet Secretary

Lori Wrotenbery Director Oil Conservation Division

Field Inspection Program "Preserving the Integrity of Our Environment"

03-Jun-02

ACECO PETROLEUM CO 2106 W RICHEY 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 not be forfeited, the well plugged and civil penalties assessed.

INSPECTION DETAIL SECTION

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GILMORE STATE 001 NIC		NIC	N-17-18S-28E		30-015-01894-00-00	
Inspection Date 05/28/2002	Type Inspection Routine/Perio		Violation? Yes	*Significant Non-Compliance? No	Corrective Action Due By: ON 03/02	Inspection No. iMLB02148381
Comments	on Inspection:	No well sign. Violation R	ule 103. B/T PJ-Oper.	1/11 No Well	2 sign	
SIGNAL ST	TATE 002	IIC	E-17-18S-28E	30-015-01901-00-0	V	
Inspection Date 05/28/2002	Type Inspection Routine/Period	Inspector dic Mike Bratcher	Violation? Yes	*Significant Non-Compliance? No	Corrective Action Due By: 09 (03/02	Inspection No. iMLB02148355
- Comments (on Inspection:	No Well Sign. Violation R	Rule 103. 7/11 No	wellsign (f	J is operation	
GRARIDGE	E STATE 004	NIC	L-17-18S-28E	30-015-01905-00-0(~
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By: 7/3/00	Inspection No.
		No well sign 1/-1	03 7/11	No well Sign	ha in the second s	
		0.1				

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

05/28/2002	Routine/Periodic	M Bratcher	Yes	No	50/03/02	iMLB02148368
Comments	on Inspection: No	well sign. Violation R	ule 103. PJ-Oper.			
WELCH ST	TATE 005 NEC		J-17-18S-28E	30-015-01912-00-00	D	
Inspection Date 05/28/2002	Type Inspection Routine/Periodic	Inspector Mike Bratcher	Violation? Yes	*Significant Non-Compliance? No	Corrective Action Due By: O1 03 02	Inspection No. iMLB02148418
Comments		l sign lists Collier as o ar to have been opera		unted. Violation Rule 103		iot
ADKINS W	TLLIAMS STATE 0	D2Y > NIC	O-17-18S-28E	30-015-01920-00-00)	
Inspection Date 05/28/2002	Type Inspection Routine/Periodic	Inspector Mike Bratcher	Violation? Yes	*Significant Non-Compliance? No	Corrective Action Due, By: © 1/03/02	Inspection No. iMLB02148432
Comments			Equipment OK. Well 7/11 NO Chb	sign is not mounted and li Hige		
ADKINS W	ILLIAMS STATE 0	NIC	O-17-18S-28E	30-015-10450-0 0 -00	- Gerry has	Vio for no bra
Inspection Date 05/28/2002	Type Inspection Routine/Periodic	Inspector Mike Bratcher	Violation? Yes	*Significant Non-Compliance? No	Corrective Action Due By: 07/03/02	Inspection No. iMLB02148455
Comments of	on Inspection: Well	appears idle. Well sig	gn is not mounted and	lists wrong operator. Vio	lation Rule 103.	10 change
WELCH ST	ATE 007 NJ	⁻ C	K-17-18S-28E	30-015-10451-00-00)	
Inspection Date 05/28/2002	Type Inspection Routine/Periodic	Inspector Mike Bratcher	Violation? Yes	*Significant Non-Compliance? No	Corrective Action Due By: 07/03/02	Inspection No. iMLB02148373
Comments o	n Inspection : No w	ell sign. Violation Ru	ile 103. PJ-Oper.	?/11 No usel	sign	

Thank you for your prompt attention to this matter and your efforts in helping to protect our environment and the infra-structure of the oil and gas industry.

Sincerely,

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Oil Conservation Division, District II

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.

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