



NEW MEXICO ENERGY, MINERALS and 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"

25-Sep-01

MELROSE OPERATING COMPANY

5813 NW GRAND BLVD STE B

OKLAHOMA CITY, OK 73118-

Dear Sirs:

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 guidelines as established in the Division Rules and Regulations, corrective actions 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 and arrangements made so the well and/or facilities may be reinspected.

INSPECTION DETAIL SECTION

ARTESIA UNIT 033	N-36-17S-28E	30-015-01758-00-00			
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By: Inspection No.
09/24/2001	Routine/Periodic	Mike Bratcher	Yes	No	12/28/2001 MLB012675569

Comments on Inspection: Well not producing. Violation Rule 201 Wells to be properly abandoned.

ARTESIA UNIT 034	2-2-18S-28E	30-015-01783-00-00			
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By: Inspection No.
09/24/2001	Routine/Periodic	Mike Bratcher	Yes	No	12/28/2001 MLB012675358

Comments on Inspection: Well is not producing. Violation Rule 201 Wells to be properly abandoned.

STATE 647 AC 731 204	B-33-18S-28E	30-015-10538-00-00			
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By: Inspection No.

1-201 Idle well

09/24/2001 Routine/Periodic Mike Bratcher Yes No 12/28/2001 MLB012674878

Comments on Inspection: Well not in production. Violation Rule 201 Wells to be properly abandoned.

09/24/2001 Routine/Periodic Mike Bratcher Yes No 10/25/2001 MLB012683226

Comments on Inspection: No Well Sign. Violation Rule 103

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

Sincerely,

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.