

30-015-33215



CLAYTON WILLIAMS ENERGY, INC.

August 2, 2005

State of New Mexico
New Mexico Energy, Minerals and Natural Resources Department
Oil Conservation Division
DISTRICT II
1301 W. Grand Avenue
Artesia, New Mexico 88210

RECEIVED

AUG 04 2005

OCU-ARTESIA

Attention: Mr. Chris Beadle

Re: **NOTICE OF VIOLATION – INSPECTION No. ICLB0518941185**

Clayton Williams Energy, Inc.
State '20B' Lease, Well No. 19
Property Code No. 25235
Eddy County, New Mexico

Mr. Beadle:

Pursuant to your correspondence dated July 8, 2005 regarding the above captioned well, Clayton Williams Energy, Inc. has corrected the violation.

The wellhead had a leak of **less than 5 barrels**. Our pumper foreman has had the area remediated and rototilled, cleaning up the location. It is our understanding that this action rectifies the violation and the location is ready for re-inspection. Also, since the leak was less than 5 barrels, **we are not required to file Form C-141**.

Should you have any questions or require further after your re-inspection, please contact us at the address below. My direct phone line number is (432) 688-3240. We appreciate your assistance in clearing up these matters. At Clayton Williams Energy, Inc. we strive to meet the standards imposed by the Office of the Conservation. It is most certainly in everyone's best interest to maintain prudent operating practices in our industry.

Sincerely yours,

A handwritten signature in cursive script that reads "Betsy Luna".

Betsy Luna
Engineering Technician



NEW MEXICO ENERGY, MINERALS and
NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

*Field Inspection Program
"Preserving the Integrity of Our Environment"*

XC: Matt
Phillip

08-Jul-05

CLAYTON WILLIAMS ENERGY INC
6 DESTA DR STE 3000
MIDLAND TX 79705

RECEIVED
AUG 04 2005
OCDD-ARTESIA NOTICE OF VIOLATION - Inspection

Dear Operator:

The following inspection(s) indicate that the well, equipment, location or operational status of the well(s) failed to meet standards of the New Mexico Oil Conservation Division as described in the detail section below. 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 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 on the date(s) indicated.

Please notify the proper district office of the Division, in writing, 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

STATE 20 B No.019		B-20-17S-29E		30-015-33215-00-00		
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
07/08/2005	Routine/Periodic	Chris Beadle	Yes	No	8/8/2005	iCLB0518941185
Violations						
Surface Leaks/Spills						
Comments on Inspection:		Produced liquids were found pooled at the wellhead over approximately 30 square foot area. Heavy contamination needs to be remediated. Wellhead does not show leaking conditions (no fresh liquids on casing, valves or flow line connections) and the source of the produced liquids around the wellhead could not be determined at time of inspection. Remediation of wellhead area required.				

In the event that a satisfactory response is not received to this letter of direction by the "Corrective Action Due By:" date shown above, 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,



Artesia OCD District Office

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.

7/29 Chris Beadle ext. 107