

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 *"Preserving the Integrity of Our Environment"*

18-Apr-01

MALLON OIL COMPANY
P.O. BOX 3256
CARLSBAD, NM 88221

f ✓

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 is a subjective determination based on one or more factors of the results of the inspection.

Please notify the District I Office at 505-393-6161 ext. 112 or 114 of the date corrective actions are scheduled and arrangements made so the well and/or facilities may be re-inspected.

INSPECTION DETAIL SECTION

| | | | |
|---|---|--------------------------|--------------------------------------|
| PENNZOIL STATE 002 | B-18-16S-37E | 30-025-26749-00-0 | Inspection No. IJDR0110041479 |
| Inspection Date: 4/10/01 11:30:58 AM | Corrective Action Due by: 07/10/2001 | | |
| Type Inspection | Inspector | Violation? | *Significant Non-Compliance? |
| Routine/Periodic | Johnny | Yes | No |
| Violation Types: | Shut In Status. | | |
| Comments on Inspection: | Well is SI. No pump jack. Tbg. And rods ✓ | | |

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

Chris Williams/BW
Chris Williams, District I Supervisor

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|---------------------------|-----------------|
| BEFORE EXAMINER | |
| OIL CONSERVATION DIVISION | |
| OCD | EXHIBIT NO. 135 |
| CASE NO. 12758-A | |

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.