NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

Field Inspection Program
"Preserving the Integrity of Our Environment"

03-Mar-03

M E W ENTERPRISES 300 S. KENTUCKY AVE ROSWELL, NM 88203-4523

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

CANNON 002			I-17-10S-25E	30-005-00042-00-0	0	
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
02/28/2003	Routine/Periodic	Mike Bratcher	Yes	No	6/3/2003	iMLB0305952021
Comments on Inspection:		Historical contamination of PJ-Oper.	on location. Well sign	does not list operator. V	iolation Rule 103.	•
02/28/2003	Compliance	Mike Bratcher	Yes	No	6/3/2003	iMLB0305952215
Comments of		Tank area on location has diked area. Violation Rule		ion and fresh oil has run	from gun barrel ou	ut onto
CANNON 001			P-17-10S-25E	30-005-00044-00-0	0	
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
02/28/2003	Routine/Periodic	Mike Bratcher	Yes	No	6/3/2003	iMLB0305952633
Comments o	n Inspection:	Historical contamination of	n location. No well s	ign. Violation Rule 103.		

DEKALB FEDERAL 003 Inspection			E-27-10S-25E	30-005-00069-00-00 *Significant	Corrective		
Date	Type Inspection	Inspector	Violation?	Non-Compliance?	Action Due By:	Inspection No.	
02/28/2003	Routine/Period	ic Mike Bratcher	Yes	No	6/3/2003	iMLB0305945660	
Comments	on Inspection:	leaks at wellhead. Area at	edge of location has	Oil is pooled and has run a oil pooled from old flowlin 6. Clean up and remediation	e being uloaded	rom and piled	
02/28/2003	Compliance	Mike Bratcher	Yes	No	6/3/2003	iMLB0305946046	
Comments	on Inspection:	Two well signs on this location 103.	cation. One is illegible	e and the other is not for thi	s well. Violation	n Rule	
CANNON FEE 001 Inspection			H-17-10S-25E	30-005-60680-00-00 *Significant	Corrective		
Date	Type Inspection	Inspector	Violation?	Non-Compliance?	Action Due By:	Inspection No.	
02/28/2003	Routine/Period		Yes	No	6/3/2003	iMLB0305951396	
Comments	on Inspection:	Historical contamination tank. Violation Rule 13 a		ocation has been leaking. (Oil pooled at bot	tom of	
02/28/2003	Routine/Period	ic Mike Bratcher	Yes	No	6/3/2003	iMLB0305951630	
Comments on Inspection:		No well sign. Violation R	ule 103.				
CANNON FEE 002Y Inspection			A-17-10S-25E	30-005-61234-00-00 *Significant	Corrective		
Date	Type Inspection	Inspector	Violation?	Non-Compliance?	Action Due By:	Inspection No.	
02/28/2003	Routine/Period	ic Mike Bratcher	Yes	No	6/3/2003	iMLB0305949990	
Comments	on Inspection:	Equipment and Location location. Violation Rule 1		Oil is pooled at wellhead a	and run out acro	ss	
02/28/2003	Compliance	Mike Bratcher	Yes	No	6/3/2003	iMLB0305950178	
•		No well sign. Violation Rule 103.					
CANNON FEE 003		H-17-10S-25E	30-005-61499-00-00				

Inspection

Date

*Significant

Corrective Non-Compliance? Action Due By:

Inspection No.

02/28/2003 Routine/Periodic

Type Inspection

Mike Bratcher

Inspector

Violation? Yes

No

6/3/2003

iMLB0305950777

Comments on Inspection:

No flowline. Pumpjack is dismantled and has no motor. No well sign. Well sign for this well is on the Dekalb Fed # 3 in section 27. Violation Rule 103.

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, Mike Small

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.