

NEW MEXICO ENERGY, MINERALS 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"

04-Mar-05

JUDAH OIL

P. O. BOX 568 ARTESIA NM 88211

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

VSW STATE No.001

Inspection

Date

03/02/2005

Type Inspection Routine/Periodic

Inspector

Mike Bratcher

Violation? Yes

*Significant Non-Compliance? No

P-16-18S-28E

30-015-01884-00-00 Corrective

4/4/2005

Inspection No. Action Due By:

iMLB0506141159

Violations

Evaporation Pits

Comments on Inspection:

Historical type contamination at well head area. Tank battery for this well is located just West of well and has an unlined, undeclared pit that contains fluids and hydrocarbon contamination. Pit is in close proximity to a windmill/water well being used for livestock watering. Pit is in violation of

Rule 50 and must be closed and remediated per OCD Rules, Regulations and Guidelines.

LACKAWANA No.009

Type Inspection

Inspector

Violation?

A-21-18S-28E *Significant

30-015-01970-00-00

Corrective Action Due By:

Inspection No.

Date 03/02/2005

Inspection

Routine/Periodic

Mike Bratcher

Yes

Non-Compliance? No

4/4/2005

iMLB0506139749

Violations

Evaporation Pits

Comments on Inspection:

Well head area is heavily contaminated, most appears to be historical. Some contaminated soils stockpiled on location. Well site has an undeclared, unlined pit that contains fluids. Pit is within an estimated 100 yards of a windmill currently used for livestock watering. Pit is in violation of Rule

50 and must be closed and remediated per OCD rules, regulations and guidelines.

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 Divison 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.