



NEW MEXICO ENERGY, MINERALS  
NATURAL RESOURCES DEPARTMENT

*Person M-eng  
Kathy P. Land  
Ray S-eng  
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Shannon M. FYE only*

**BILL RICHARDSON**

Governor

**Joanna Prukop**

Cabinet Secretary

**Mark E. Fesmire, P.E.**

Director

**Oil Conservation Division**

09-Feb-05

**YATES PETROLEUM CORPORATION**

105 S 4TH ST

ARTESIA NM 88210-0000

*Completed  
6-2005*

RECEIVED  
JUN 16 2005  
OCD-ARTESIA

**NOTICE OF VIOLATION - Inactive Well(s)**

Dear Operator:

A review of our records and recent inspection(s) indicate that the subject well(s) has been shut-in for an extended period of time. Rule 201 of the Rules and Regulation of the Oil Conservation Division provides that a well may be shut-in no longer than sixty days after suspension of drilling operations, upon determining that the well is no longer usable (e.g., a dry hole), or one year after last production. To comply with guidelines as established in the Rules and Regulations, corrective actions must be taken immediately and the well(s) brought into compliance.

The detail section below indicates preliminary findings and/or probable nature of the violation.

The following options are available:

1. Immediately restore the well(s) to production, injection or disposal as applicable.
2. Request 'Temporary Abandoned' status pursuant to Rule 203, which requires that you set a plug and conduct a mechanical integrity test.
3. Submit a proposal to 'Plug and Abandon' the well(s) pursuant to Rule 202, proceed with plugging procedures on a timely basis after the proposal has been evaluated, amended and/or approved.

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.

**IDLE WELL INSPECTION DETAIL SECTION**

**CREEK AL FEDERAL 003** C-25-18S-30E 30-015-20234-00-00 Inspection No. iMLB0503951091

Inspection Date: 2/8/2005 2:11:26 PM Corrective Action Due by: 5/14/2005  
 Type Inspection: *Ignore as per Mike* Inspector: Mike Bratcher *phone conv. 2-11-05* Violation? Yes \*Significant Non-Compliance? No  
 Routine/Periodic: *per Mike*  
 Comments on Inspection: Records indicate last production for this well was July 2002. Well is in violation of Rule 201.

*had prod since 10-04*

**CREEK AL FEDERAL 005** N-24-18S-30E 30-015-20260-00-00 Inspection No. iMLB0503951280

Inspection Date: 2/8/2005 2:14:35 PM Corrective Action Due by: 5/14/2005 *60 day ext. due 7-14-05*  
 Type Inspection: Inspector: Mike Bratcher Violation? Yes \*Significant Non-Compliance? No  
 Routine/Periodic: Mike Bratcher  
 Comments on Inspection: Pumpjack dismantled. Flowline valves are closed. Last reported production for this well was July 2001. Well is in violation of Rule 201.

*Back on prod 6-2005*

*Accepted for record*