



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
To ensure the integrity of our environment*

13-Oct-05

CBS OPERATING CORP

PO BOX 2236

MIDLAND TX 79702

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

NORTH SQUARE LAKE UNIT No.012

P-19-16S-31E

30-015-04856-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
10/12/2005	Routine/Periodic	Chris Beadle	Yes	No	11/14/2005	iCLB0528541954
Violations Exceeded Allowable Inj. Pressures						

Comments on Inspection: Injection Pressure Over Limit. (Rule 703/704 B.) Well is injecting at 1500 psi, max allowable is 613 psi. Meter reads 19516. Well must be shut in immediately until pressure is within allowable limits. Contacted Benito Sanchez (432-557-1577) to shut in until well pressure is within allowable limits.

NORTH SQUARE LAKE UNIT No.024

B-29-16S-31E

30-015-04912-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
10/12/2005	Routine/Periodic	Chris Beadle	Yes	No	11/14/2005	iCLB0528549266
Violations Absent Well Identification Signs (Rule 103)						

Comments on Inspection: No Well Sign (Rule 103).

NORTH SQUARE LAKE UNIT No.025

A-29-16S-31E

30-015-04913-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
10/12/2005	Routine/Periodic	Chris Beadle	Yes	No	11/14/2005	iCLB0528552013
Violations Surface Leaks/Spills						

Comments on Inspection: Location needs attention. Equipment OK. Oil pooled at wellhead. Saturated soils around wellhead.

Remediation is required. Contact NMOCD District 2 Environmental Compliance Officer with site ranking and remediation work plan.

Notify NMOCD District 2 Office 48 hours prior to any remediation work or prior to taking samples where results of the samples may be submitted to OCD.

NORTH SQUARE LAKE UNIT No.005

L-20-16S-31E

30-015-10322-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
10/12/2005	Routine/Periodic	Chris Beadle	Yes	No	11/14/2005	iCLB0528546077
Violations Surface Leaks/Spills Exceeded Allowable Inj. Pressures						

Comments on Inspection: Injection Pressure Over Limit. (Rule 703/704 B.) Well is injecting at 2200 psi, maximum allowable is 658 psi. Meter reads 37737. Well must be shut-in immediately until well pressure is within allowable limits. Contacted Benito Sanchez (432-557-1577) to shut in until well pressure is within allowable limits.

Heavy chloride contamination across location. Produced fluids pooled around wellhead from leaking piping.

Remediation is required. Contact NMOCD District 2 Environmental Compliance Officer with site ranking and remediation work plan.

Notify NMOCD District 2 Office 48 hours prior to any remediation work or prior to taking samples where results of the samples may be submitted to OCD.

NORTH SQUARE LAKE UNIT No.003

J-19-16S-31E

30-015-20183-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
10/12/2005	Routine/Periodic	Chris Beadle	Yes	No	11/14/2005	iCLB0528544210
Violations Exceeded Allowable Inj. Pressures						

Comments on Inspection: Injection Pressure Over Limit. (Rule 703/704 B.) Well is injecting at 1600 psi, maximum allowable is 629 psi. Meter reads 26062. Well must be shut-in immediately until well pressure is within allowable limits. Contacted Benito Sanchez (432-557-1577) to shut in until well pressure is within allowable limits.

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.