



# 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*

*"Preserving the Integrity of Our Environment"*

12-Jan-06

## **ST. MARY LAND & EXPLORATION COMPANY**

PO Box 7168

Billings MT 59103

## **LETTER 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**

#### **GERONIMO FEDERAL No.001**

G-24-18S-31E

30-015-24927-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
01/09/2006	Routine/Periodic	Chris Beadle	Yes	No	1/20/2006	iCLB0600943682

#### **Violations**

Tank Battery Equipment (Rules 114, 115)

Surface Damage/Restoration

Surface Leaks/Spills

#### **Comments on Inspection:**

Location is heavily contaminated. Standing fluids across location originating from pooled fluids around casing. Pumpjack is operating, no leaks observed at packing. Fluids appear to be coming from casing below ground. The location has been recently worked by heavy machinery, contamination has been scraped over entire location. Area of tank battery on east side of location, inside fence, is heavily contaminated. Crude oil tank (second from south end) has pooled oil at access cover, saturated soils have been accumulating near tanks, soils have been built up to contain the contamination. Leaks from gun barrels have contaminated the majority of the area inside the fence line. Contaminated and saturated soils are covering flow lines entering the area of the pump on the northwest corner of the tank battery.

Remediation is required. Submit C-141 (Release Notification and Corrective Action). Once BLM required remediation is completed, submit a Final Report C-141 with narrative of remediation actions taken and results of last samples showing chloride levels remaining.

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.