

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 Euregeity of that Euremanum"

30.015-24704

04-Apr-06

PURE RESOURCES, LP 500 W ILLINOIS AVE MIDLAND TX 79701

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

NYMEYER No.001

F-15-23S-28E

30-015-23675-00-00

Inspection Date

Type Inspection

Inspector

*Significant
Violation? Non-Compliant

Corrective

Inspection No.

03/29/2006

Routine/Periodic

ispector

1/--

Non-Compliance?

Action Due By:

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Violations

Chris Beadle

Yes

4/15/2006

iCLB0608838042

Violation

Tank Battery Equipment (Rules 114, 115)

Comments on Inspection:

Net on water tank is down, inside tank. Liquids in tank have heavy layer of oil. Net must be

replaced or repaired immediately.

Contact NMOCD District 2 Office when net has been replaced or repaired.

NYMEYER A No.002

F-15-23S-28E

30-015-26704-00-00

Inspection Date

03/29/2006

Type Inspection

Inspector

Violation?

*Significant Non-Compliance?

Corrective Action Due By:

Inspection No.

Routine/Periodic Violations

Chris Beadle

Yes

No

4/21/2006

iCLB0608837203

Surface Damage/Restoration

Surface Leaks/Spills

Comments on Inspection:

Location appears to have had a release of produced fluids causing chloride impact across location and has run off the location on the north east corner. This run off has impacted cultivated farm land over area appx 4 x 3 feet. The tank battery area is impacted over the entire length inside the berm and there are chloride impacted areas outside the berm along the west wall and between the well and tank battery.

Remediation is required. Submit a Form C-141 (Release Notification and Corrective Actions) for this release.

Submit remediation work plan to OCD District 2 Office. Remediation work plan must include general site characteristics, site ranking score, soil remediation action levels, soil remediation methods, and planned analytical testing for TPH, B-TEX, Chlorides or any other contaminants of concern as applicable. Please use the "Guidelines For Remediation of Leaks, Spills, and Releases" as your guide. This document may be found on the NMOCD web site: www.emnrd.state.nm.us/ocd, under Publications> Environmental Handbook> Miscellaneous Guidelines> Remediation of Leaks, Spills and Releases.

OCD approved remediation must be completed on this release no later than April 30, 2006. Provide NMOCD District 2 Office with the remediation work plan prior to April 15, 2006.

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 the OCD.

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.