



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

Field Inspection Program

"Preserving the Integrity of Our Environment"

30-Jun-03

READ & STEVENS INC

PO BOX 1518

ROSWELL, NM 88201-0000

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

BUNKER HILL WATER FLOOD UNIT 016 M-13-16S-31E 30-015-23485-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
06/26/2003	Routine/Periodic	Mike Bratcher	Yes	No	7/28/2003	iMLB0317750003
Comments on Inspection: Heavy contamination around fiberglass tank and treater at tank battery. Violation Rule 13 and Rule 116. Well sign is not mounted.						

BUNKER HILL WATER FLOOD UNIT 006 F-13-16S-31E 30-015-24270-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
06/26/2003	Routine/Periodic	Mike Bratcher	Yes	No	7/28/2003	iMLB0317744675
Comments on Inspection: Well is pumping. Heavy contamination and oil standing at wellhead area. Fiberglass tank at battery has been allowed to run over creating a pool of heavy oil on the ground. Violation Rule 13 and Rule 116.						

BUNKER HILL WATER FLOOD UNIT 010 I-14-16S-31E 30-015-24559-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
06/26/2003	Routine/Periodic	Mike Bratcher	Yes	No	7/28/2003	iMLB0317747941
Comments on Inspection: Area at fiberglass tank has contamination and standing oil at base. Violation Rule 13 and Rule 116. Tank is not netted. Violation Rule 18.						

BUNKER HILL WATER FLOOD UNIT 011**J-14-16S-31E****30-015-24560-00-00**


Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
06/26/2003	Routine/Periodic	Mike Bratcher	Yes	No	7/28/2003	iMLB0317748692
Comments on Inspection: No well sign. Violation Rule 103.						

BANDIT STATE 004**D-10-23S-26E****30-015-32553-00-00**

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
06/26/2003	Routine/Periodic	Gerry Guye	Yes	No	7/28/2003	iGEG0317749483
Comments on Inspection: Violation of Rule 103(No well sign)						

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.