



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary



Mark E. Fesmire, P.E.

Director

Oil Conservation Division

27-Oct-06

MEWBOURNE OIL CO

PO Box 5270

Hobbs NM 88241



LETTER OF VIOLATION - Inspection

LDU NO. 020667

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

DINERO 20 FEDERAL No.001

P-20-22S-28E

30-015-33222-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
10/26/2006	Routine/Periodic	Gerry Guye	Yes	No	11/27/2006	iGEG0629945303

Comments on Inspection:

Drilling Pit Open, small pieces of liner visible in small area. Fence does not circle the pit. Rule 50 provides in part ... "Fencing and netting. All pits shall be fenced or enclosed to prevent access by livestock, and fences shall be maintained in good repair." Rule 50 also provides in part ... "Except as otherwise specified in Section 50 of 19.15.2 NMAC, a pit or below-grade tank shall be properly closed within six months after cessation of use."

Pit has been reclaimed & all work has been done.

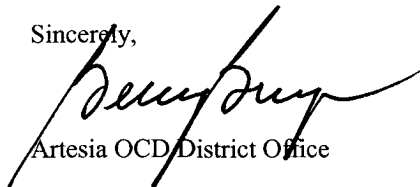
**Accepted for record
NMOC**

FEB 14 2007

Forster Green

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,



Penny Dwyer

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.