



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

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Cabinet Secretary

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Director

Oil Conservation Division

Field Inspection Program

"Preserving the Integrity of Our Environment"

07-Mar-07

TEMPO ENERGY INC

PO BOX 1034

MIDLAND TX 79701

LOV NO. 026307

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

POKER LAKE UNIT STATE No.063

N-8-25S-30E

30-015-24724-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/05/2007	Routine/Periodic	Ron Harvey	Yes	No	4/7/2007	iREH0706441540
Violations Emergency/Temporary Pits						

Comments on Inspection: Location needs attention, misc junk throughout location. Pit full of liquid. Net is below fluid level. Pit is not lined. Separator has leaked in the past. Photos taken. Pit is in violation of Rule 19.15.2.50 [NMAC] and is required to be closed under a NMOCD approved closure plan. Please submit a closure/remediation work plan proposal to the District 2 office no later than April 7, 2007. Work plan is to be formulated based on contaminant delineation, site ranking, and OCD Rules and Guidelines.

POKER LAKE UNIT STATE No.068

O-8-25S-30E

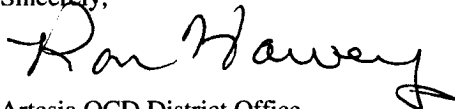
30-015-25318-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/05/2007	Routine/Periodic Violations Emergency/Temporary Pits	Ron Harvey	Yes	No	4/7/2007	iREH0706441881

Comments on Inspection: Location needs attention, misc junk throughout location. Pit is full of liquid and is not lined. Pit is netted but net is loose and is lying in pit liquid. Photos taken. Pit is in violation of Rule 19.15.2.50 [NMAC] and is required to be closed under a NMOCD approved closure plan. Please submit a closure/remediation work plan proposal to the District 2 office no later than April 7, 2007. Work plan is to be formulated based on contaminant delineation, site ranking and OCD Rules and Guidelines.

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.