



Mailed 6-5-07

Paul R-eng
and *Jim K-eng*
MT

**NEW MEXICO ENERGY, MINERALS
NATURAL RESOURCES DEPARTMENT**

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary



Mark E. Fesmire, P.E.

Director

Oil Conservation Division

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JUN 04 2007

MAIL ROOM



Field Inspection Program
"Preserving the Integrity of the Environment"

Completed 6-5-07
final form
attached

LOV NO. 0213701

LETTER OF VIOLATION - Inspection

01-Jun-07

YATES PETROLEUM CORPORATION

105 S 4TH ST

ARTESIA NM 88210

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

NIX CURTIS J F No.001

D-32-18S-26E

30-015-00258-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
05/18/2007	Inactive Well Verification	Gerry Guye	Yes	No	6/29/2007	iGEG0713847598
Comments on Inspection: No record of contact by operator requesting Final Inspection on this well, which has been plugged in excess of one (1) year. Violation of Rule 19.15.4.202.B						

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,

[Signature]
Artesia OCD District Office

JUN 05 2007

**PRODUCTION DEPARTMENT
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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.

Oil Conservation Division * 1301 W. Grand * Artesia, New Mexico 88210

Phone: 505-748-1283 * Fax: 505-748-9720 * <http://www.emnrd.state.nm.us>



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Mark H.
5-12-05

GARY E. JOHNSON

Governor
Betty Rivera
Cabinet Secretary

Lori Wrotenberg
Director
Oil Conservation Division

Yates Petroleum Corporation
105 South 4th Street
Artesia, New Mexico 88210

Form C-103 Report of Plugging for your *Nix-Curtis JF #1 - Sec 32-T18S-R26E 30-015-00258*
Cannot be approved until an NMOCD representative has made an inspection of the location and found it to be cleared to comply with OCD rules and regulations. Please check each item in the space provided to indicate that the work has been accomplished and the location is ready for final inspection.

- ☒ 1. All pits have been filled and leveled.
- ☒ 2. Rat hole and cellar have been filled and leveled.
- ☒ 3. A steel marker 4" in diameter and approximately 4' above mean ground level has been set in concrete to mark the exact location of the plugged well. (Marker must have operator name, lease name, well number and location including quarter/quarter section or unit letter, section, township, range and API well ID number permanently welded, stamped or otherwise engraved into the metal marker.)
- ☒ 4. The location has been leveled as nearly as possible to original top ground contour and has been cleared of all junk and equipment.
- ☒ 5. The dead men and tie downs have been cut and removed.
- ☒ 6. If a one well lease or last remaining well on lease, the battery and burn pit locations have been leveled and cleared of all junk & equipment.
- ☒ 7. All environmental concerns have been addressed as per OCD guidelines.

The above are minimum requirements and no plugging bond will be cancelled until all locations for plugged and abandoned wells have been inspected and Form C-103 approved.

When all of the work outlined above has been done, please notify this office by completing, signing and returning this letter to us so that our representative will not have to make more than one trip to the location.

I certify that the above work has been done and the above-mentioned lease is ready for OCD inspection and approval.

Do not release until this is addressed.
10.
Jim Kuy
Name
DELG Supse.
Title

Date:
6-5-07

Van Barton
Field Rep. II