

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"

24-Sep-03

NADEL AND GUSSMAN PERMIAN, LLC

3200 1ST NATIONAL TOWER TULSA, OK 74103-0000

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

MARALO STATE 001

Inspection

E 001 3-6-24S-25E

30-015-23026-00-00

No

Date Type Inspection

Inspector

Violation? Non-Compliance?

*Significant Corrective

e By: Inspection No.

09/23/2003 Routine/Periodic

Mike Bratcher

Yes

Action Due By: 10/24/2003

iMLB0326641578

Comments on Inspection:

This well has a P/A marker on well bore. Cellar is still open, lined with timbers and has approx 12-24 inches of water standing in it. There is an open workover/plugging pit and misc piles of dirt and debris on location. Marker can be moved around by hand. Well does not appear to be properly

plugged. Violation Rule 201.

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

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Note: nformation 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.