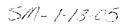
Mailed 1-27-05





## NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop Cabinet Secretary Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Field Inspection Program
"Preserving the Integrity of Our Environment"

07-Jan-05

RECEIVED

JAN 28 7000 OCLEANTERIZE

YATES PETROLEUM CORPORATION

105 S 4TH ST

ARTESIA NM 88210

**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

**UNOCAL AH U FEDERAL No.002** 

Type Inspection Inspector

...

Violation?

\*Significant Non-Compliance?

A-1-22S-31E

30-015-26786-00-00 Corrective

Action Due By:

Inspection No.

01/06/2005 Routine/Periodic

Inspection

Date

Mike Bratcher

Yes

No

2/7/2005

iMLB0500638250

Violations

Surface Leaks/Spills

Comments on Inspection:

Well head area is saturated with some pooling of oil and produced water from leaks at well head equipment. Repair and remediation required. Small pile of contaminated soil on location needs

removal. Violation Rule 13 and Rule 116.

Completed