



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

*Oil Inspection Program
"Preserving the Integrity of Our Environment"*

25-Mar-05

THUNDERBOLT PETROLEUM, LLC

PO BOX 10523

MIDLAND TX 79702

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

CAL-MON No.001			L-16-18S-29E	30-015-25635-00-00		
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/16/2005	Routine/Periodic	Mike Bratcher	Yes	Yes	6/19/2005	iMLB0507553029
	Violations					
	Surface Leaks/Spills					
	Exceeded Allowable Inj. Pressures					
Comments on Inspection:		Well is injecting. Tubing pressure guage is at 1220 psi. Guage on Murphy switch at pump is also at 1220 psi. Max allowable injection pressure for this well is 1100 psi. Netted fiberglass tank on West end of tank battery has been allowed to overflow. Produced fluids exited location on South side and traveled downhill in multiple flowpaths going South to Southwest in direction. Staining is evident in numerous areas over 100 yards away from location. Released volume is estimated to be over 25 bbls. Well is in violation of injection permit. Produced fluids release is in violation of Rule 13 and Rule 116. Company rep Robert Lee was notified by phone call on this date.				

CAL-MON No.002			L-16-18S-29E	30-015-25693-00-00		
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/16/2005	Routine/Periodic	Mike Bratcher	Yes	No	4/25/2005	iMLB0507554149
	Violations					
	Surface Leaks/Spills					
Comments on Inspection:		Equipment and location needs attention. Some staining at wellhead area from produced fluids releases and around pumpjack from what appears to be gear box oil leaks. This leak appears to be ongoing with a substantial amount of oil released. Well site is in violation of Rule 13.				

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.