

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"

23-Jun-05

MERIT ENERGY CO

PO Box 69

Loco Hills NM 88255

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.

		INSPECTIO	ON DETAIL	L SECTION		
J L KEEL B No.009 Inspection Date Type Inspection		Inspector	Violation?	H-5-17S-31E *Significant Non-Compliance?	30-015-05076-00- Corrective Action Due By:	00 Inspection No.
05/11/2005	Pressure Test	Gerry Guye	Yes	No	6/30/2005	iGEG0503829651
	Absent Well Identificat	ion Signs (Rule 103)				
Comments	on Inspection: No	Well Sign (Rule 103).				
J L KEEL I Inspection Date	No.025 Type Inspection	Inspector	Violation?	L-6-17S-31E *Significant Non-Compliance?	30-015-05088-00- Corrective Action Due By:	OO Inspection No.
05/10/2005	Pressure Test Violations MIT Failure	Gerry Guye	Yes	No	8/13/2005	iGEG0503829810
Comments of	on Inspection: Prev	vious violation not resolved.				
J L KEEL I Inspection Date	No.026 Type Inspection	Inspector	Violation?	M-6-17S-31E *Significant Non-Compliance?	30-015-05089-00- Corrective Action Due By:	00 Inspection No.
05/10/2005	Pressure Test Violations Exceeded Allowable In	Gerry Guye	Yes	No	8/13/2005	iGEG0503829813
Comments of	•	rious violation not resolved.				

N-20-17S-31E **TURNER B No.044** 30-015-05311-00-00 *Significant Corrective Inspection Type Inspection Violation? Inspection No. Date Inspector Non-Compliance? Action Due By: 04/25/2005 Bradenhead Gerry Guve Yes No 7/29/2005 iGEG0503830247 **Violations** MIT Failure Comments on Inspection: No bradenhead connection visible. Shut in **TURNER B No.050** D-29-17S-31E 30-015-05437-00-00 *Significant Inspection Corrective Violation? Date Type Inspection Inspector Non-Compliance? Action Due By: Inspection No. 04/26/2005 Bradenhead Gerry Guye Yes No 7/30/2005 iGEG0503830320 Comments on Inspection: No bradenhead connection visible F-7-17S-31E J L KEEL A No.016 30-015-25423-00-00 Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 05/05/2005 Pressure Test Gerry Guye Yes Nο 8/8/2005 iGEG0503829845

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.

Shut-in. Violation of Rule 19.15.9.705.B(2).

Sincerely,

Artesia OCD/District Office

Violations

Comments on Inspection:

Well Monitoring Not Possible

te: 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.