



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

*Land Inspection Program
"Do as you would be done by the landowner"*

21-Jul-05

PENROC OIL CORP

PO BOX 2769

HOBBS NM 88241-2769

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

STATE M-AI No.002			M-6-18S-28E		30-015-02627-00-00	
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
07/21/2005	Routine/Periodic	Chris Beadle	Yes	No	8/22/2005	iCLB0520246150
Violations						
Absent Well Identification Signs (Rule 103)						
Tank Battery Equipment (Rules 114, 115)						
Surface Damage/Restoration						
Surface Leaks/Spills						
Comments on Inspection: Well Sign not in compliance with Rule 103. Sign does not list footages or API number as required by NMAC 19.15.3.103.F(4) and (5). Produced fluids have impacted soil approximately 25 yards out from wellhead. Tank Battery west of well has large area of contamination on west end of site. Contamination has run off site onto adjacent road and LP State #3 well site. Remediation required at wellhead and tank battery. Contact NMOCD District 2 (Artesia) Environmental Compliance Officer to discuss remediation requirements.						

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.