

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop Cabinet Secretary Lori Wrotenbery

Oil Conservation Division

Nield Inspection Pengram

Presenting the Integrity of Our Emissionness.

19-Aug-03

SMITH & MARRS INC PO BOX 863 KERMIT, TX 79745-0000

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.

18 : 43 - 4 - 64		INS	PECTIO	N DETAIL	SECTION		
RED LAKE Inspection Date	SAND UNIT Type Inspection)-17S-28E Violation?	30-015-01476-00-00 *Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
08/18/2003	Routine/Perio	dic Mike I	Bratcher	Yes	No	9/19/2003	iMLB0323041993
	on Inspection:	No well sign. Violation I					
	SAND UNIT	006	E-28	-17S-28E	30-015-01599-00-00		N.
Inspection Date	Type Inspection	Inspect	or	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
08/18/2003	Routine/Perio	dic Mike I	Bratcher	Yes	No	9/19/2003	iMLB0323039074
Comments	on Inspection:	Flowline leak has allowed has been repaired.	d oil to rur	and blow out	across pasture. Violation	Rule 13 and 116	i. Leak

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.

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Artesia OCD District Office

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.