



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

10-Aug-07

MEWBOURNE OIL CO

PO Box 5270

Hobbs NM 88241

LOV NO. 0218207

LETTER 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

DERRINGER 18 FEDERAL No.001

C-18-20S-29E

30-015-34362-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
08/10/2007	Routine/Periodic	Ron Harvey	Yes	No	9/20/2007	iREH0722244074
Violations Emergency/Temporary Pits						
Comments on Inspection: Pit full of liquids/solids. Pit fence ok. Pit liner breached on south end, violation of Rule 50. Photos taken.						

CASS DRAW 30 No.001

N-30-22S-28E

30-015-34588-00-00

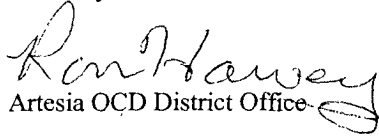
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
08/10/2007	Routine/Periodic	Ron Harvey	Yes	No	9/20/2007	iREH0722240624
Violations Emergency/Temporary Pits						
Comments on Inspection: Pit full of liquids/solids. Pit fence ok. Evidence of drilling pit overflow. Contaminated soil has been pushed back up on pit wall berm in several locations. Evidence of chlorides outside pit along south wall. Violation of rule 50. Photos taken.						

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
08/10/2007	Routine/Periodic Violations Emergency/Temporary Pits	Ron Harvey	Yes	No	9/20/2007	IREH0722233394

Comments on Inspection: Pit still open and full of liquids/solids. Pit fence ok. Pit contents have overflowed pit wall and breached pit liner, violation of rule 50. Photos taken.

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.