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NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Response Required - Deadline Enclosed

Francisco Commission Commission

28-Jul-08

M E W ENTERPRISE 300 S. KENTUCKY AVE ROSWELL NM 88203-4523 LOV NO. 2-08-126

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

BRIAN LOWE No.001

G-26-7S-28E

30-005-10187-00-00

Inspection Date

Type Inspection

Inspector

*Significant
Violation? Non-Compliance?

Corrective Action Due By:

Inspection No.

07/14/2008

Routine/Periodic

Richard Inge

Yes

No

8/11/2008

iREI0819640255

Comments on Inspection:

Violations of OCD rules 19.15.1.13 (General Operations/Waste Prohibited) and 19.15.3.116 (Release notification and Corrective Action). Stuffing box leak. Fresh oil all over wellhead and on

the ground

Please fix the leak, clean up the location and submit a final c-141 clean up report by Corrective

Action Due By date.

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,

Artesia OCD District Office

RILLARD (NAS

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