



**NEW MEXICO ENERGY, MINERALS and
NATURAL RESOURCES DEPARTMENT**

BILL RICHARDSON

Governor
Joanna Prukop
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

*Field Inspection Program
"Preserving the Integrity of Our Environment"*

11-Mar-04

TOPAT OIL CORP
505 N Big Springs Ste 405
Midland TX 79701

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

JACKIE FEDERAL No.001		J-20-11S-27E	30-005-62365-00-00			
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/10/2004	Routine/Periodic	Mike Bratcher	Yes	No	4/12/2004	iMLB0407046278
Comments on Inspection:		There is a new well sign on location mounted in a frame but is laying face down in the dirt next to misc pipe and plastic flow line parts. This sign remains in violation of Rule 103. There are two tank batteries on this location. The battery marked Rosilee Fed has what appears to be a piece of rubber wrapped around a hose at top of gun barrel. Hose has leaked and has some oil pooled on ground below. The other tank battery is marked Patricia Fed. The storage tank on the south end has what appears to be a leak at a seam and has oil pooled below it. The gun barrel on the North end has a 2" line on the West side at the bottom that has oil and produced water pooled beneath it. The open top fiberglass water tank contains oil and the netting has fallen in below fluid level. There are several areas around this tank with indications of produced water leaks extending out from the North side of tank all around to the West side. This location is in violation of Rules 103, 13, 116, and 310. Please submit a C-141, analytical analysis of impacted areas and remediation plan. All fluids must be picked up within 24 hrs.				
PATRICIA FEDERAL No.003		N-20-11S-27E	30-005-63041-00-00			
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/10/2004	Routine/Periodic	Mike Bratcher	Yes	No	4/12/2004	iMLB0407048463
Comments on Inspection:		No motor on pumping unit. Production reported 6/2003. New well sign does not list well number. Violation Rule 103 which requires specific information on well signs. RBDMS lists this well status as Shut In. Please provide information regarding method of producing this well.				

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.