

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Betty Rivera
Cabinet Secretary

Lori Wrotenberg
Director
Oil Conservation Division

Field Inspection Program
"Preserving the Integrity of Our Environment"

28-Oct-02

N DALE NICHOLS
PO BOX 1972
MIDLAND TX 79702-

Dear Operator:

The following inspection(s) indicate one or more violations as described in the detail section below. The inspection(s) indicates that the well, equipment, location or operational status failed to meet standards of the New Mexico Oil Conservation Division. 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 below 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.

Please notify the proper district office of the Division of the date corrective actions are scheduled to be made so that arrangements can be made to reinspect the well and/or facility.
Please be advised that failure to comply with this directive will result in an application for an order to Show Cause why the Bond should not be forfeited, the well plugged and civil penalties assessed.

INSPECTION DETAIL SECTION

STANDARD STATE 004

H-5-8S-27E

30-005-10443-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
10/22/2002	Routine/Periodic	Mike Bratcher	Yes	No	1/25/2003	iMLB0229629331
Comments on Inspection: Contamination and oil standing at well head. Violation Rule 13 and Rule 116. Well sign is not mounted and does not list operator. Violation Rule 103.						

AVALANCHE JOURNAL STATE 005

L-4-8S-27E

30-005-10472-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
10/22/2002	Routine/Periodic	Mike Bratcher	Yes	No	1/25/2003	iMLB0229629169
Comments on Inspection: Contamination and oil standing at well head. Violation Rule 13 and Rule 116.						

ARD STATE 002

3-4-8S-27E

30-005-61893-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
10/22/2002	Routine/Periodic	Mike Bratcher	Yes	No	1/25/2003	iMLB0229629643
Comments on Inspection: Sign lists well as Julian Ard Acme #2. Violation Rule 103. Small pump at tank battery is leaking produce fluid. Fluids have saturated area at tank battery and has run across location and out into pasture. Fiberglass tank has run over and has tank bottom type sludge around base and at base of other vessels at battery. Violation Rule 13 and Rule 116.						