



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

Field Inspection Program

"Preserving the Integrity of Our Environment"

30-Oct-01

YATES PETROLEUM CORPORATION

105 S 4TH ST

ARTESIA, NM 88210-

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.

INSPECTION DETAIL SECTION

PATHFINDER AFT STATE 002

G-21-10S-27E

30-005-62627-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
10/22/2001	Routine/Periodic	Mike Bratcher	Yes	No	11/29/01	MLB013030644

Comments on Inspection: Fiberglass tank at tank battery needs renetted. Area around tank battery needs clean-up from leaks/spills. Violation Rule 116 and Rule 13.

PATHFINDER AFT STATE 001

O-21-10S-27E

30-005-62628-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
10/22/2001	Routine/Periodic	Mike Bratcher	Yes	No	11/29/01	MLB013028598

Comments on Inspection: Well sign is illegible and not mounted. Violation Rule 103.

PATHFINDER AFT STATE 004

G-21-10S-27E

30-005-62645-00-00

1/15/02 Not in Compliance

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
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10/22/2001 Routine/Periodic Mike Bratcher Yes No 11/29/01 MLB013030697

Comments on Inspection: No Well Sign. Violation Rule 103.

PATHFINDER AFT STATE 007

F-21-10S-27E

30-005-62775-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
10/22/2001	Routine/Periodic	Mike Bratcher	Yes	No	11/29/01	MLB013030464

Comments on Inspection: Well sign illegible. Violation Rule 103.

10/22/2001 Routine/Periodic Mike Bratcher Yes No 11/29/01 MLB013030474

Comments on Inspection: Leaks have occurred at tank battery. Ground inside containment dike is saturated. Oil has escaped from containment dike and run onto pasture. Staining is apparent 30-40 yards from tank battery. Violation Rule 116 and Rule 13.

Thank you for your prompt attention to this matter and your efforts in helping to protect our environment and the infrastructure of the oil and gas industry.

Sincerely,

Oil Conservation Division, District II

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.