

State of New Mexico  
Energy, Minerals and Natural Resources Department

**Susana Martinez**  
Governor

**David Martin**  
Cabinet Secretary

**Brett F. Woods, Ph.D.**  
Deputy Cabinet Secretary

**Jami Bailey, Division Director**  
Oil Conservation Division



**\*Response Required - Deadline Enclosed\***

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

14-Apr-14

**HOBBS OCD**

**YATES PETROLEUM CORPORATION**  
105 S 4TH ST  
ARTESIA NM 88210

**APR 15 2014**

**RECEIVED**

**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**

| STATE QE 13 No.001  |                            | N-13-12S-34E |            | 30-025-29634-00-00           |                           |                |
|---|----------------------------|--------------|------------|------------------------------|---------------------------|----------------|
| Inspection Date   | Type Inspection            | Inspector    | Violation? | *Significant Non-Compliance? | Corrective Action Due By: | Inspection No. |
| 04/14/2014  | File and Compliance Review | Maxey Brown  | Yes        | No                           | 5/18/2014                 | iMGB1410459197 |
| <b>Comments on Inspection:</b> RULE 19.15.17.13. Need to submit closure plan for approval to Mr. Geoffrey Leking, District 1-Hobbs. The pit on this location has been in place since late 2004. Do not begin remediation or removal of contents without receiving prior approval. This is 1st letter of non-compliance. |                            |              |            |                              |                           |                |

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.

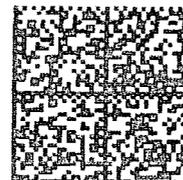
Sincerely,

  
District Supervisor

Hobbs 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.

**EMNRD  
OIL CONSERVATION DIVISION  
1625 N FRENCH DRIVE  
HOBBS NM 88240**



HASLER 015H14150977  
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04/15/14  
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YATES PETROLEUM CORP.  
ATTN: MIRIAM MORALES  
105 S. 4TH STREET  
ARTESIA, NM 88210