

Williams, Chris, EMNRD

From: Williams, Chris, EMNRD
Sent: Tuesday, July 17, 2007 2:59 PM
To: 'justin.findley@meritenergy.com'
Cc: Brown, Maxey G, EMNRD; Wink, Gary, EMNRD
Subject: Extension Susco State No. 001 API 30-025-25554

An extension is granted conditionally. The condition that has to be met immediately is the repair of the fence in such way as to prevent the cattle from getting into the battery. If this is not done the extension for the rest of the work will be revoked. The extension is granted until 8/31/2007.

Chris Williams
NMOCD District Supervisor- Hobbs Office

7/17/2007

July 11, 2007

RE: LETTER OF VIOLATION - Inspection

Mr. Chris Williams
EMNRD - Oil Conservation Division
1625 N. French Drive
Hobbs, New Mexico 88240

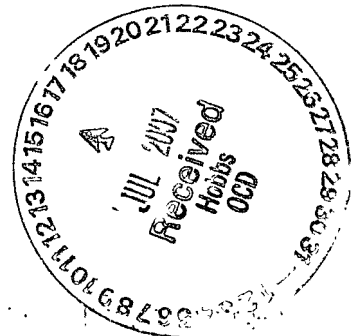
Dear Chris Williams:

Merit Energy would like to request an extension for an inspection violation that occurred on June 26, 2007. In a letter dated June 28, 2007, Merit Energy was ordered to repair or remove unused or junk tanks, replace fencing and to continue to repair the main road of the Susco State No. 001 by July 29, 2007. Merit Energy would like to propose a new corrective action date of August 31, 2007. A main reason for this request is to allow time to file a right of entry notice which can take up to 30 days. During this time, Merit Energy will make arrangements to remove the tank and address all remedial measures associated with the inspection violation. Merit Energy requests that you notify us either verbally or by letter on your decision.

Merit Energy would also like to thank the OCD for working with us to bring our New Mexico properties into compliance. We look forward to working with the OCD in the future.

Respectfully,

Justin E. Findley
Operations Engineer
Merit Energy Company
justin.findley@meritenergy.com
972-628-1493





NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Field Inspection Program

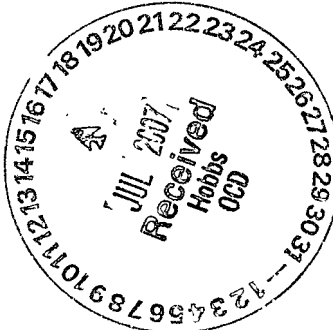
"Preserving the Integrity of Our Environment"

28-Jun-07

MERIT ENERGY CO

13727 Noel Road, Suite 500

Dallas TX 75240



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

SUSCO STATE No.001

P-19-9S-33E

30-025-25554-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
06/26/2007	Routine/Periodic	Maxey Brown	Yes	No	7/29/2007	iMGB0717744839
	Violations					
	Drill Site/Roads (Rule 114)					
	General Housekeeping (Rule 114)					

Comments on Inspection: NEED TO REPAIR OR REMOVE UNUSED OR JUNK TANKS(OPEN CLEANOUT/MANWAYS) FROM TANK BATTERY. RULE 13. ALSO REPAIR OR REPLACE FENCE TO PREVENT LIVESTOCK FROM ENTERING FACILITY. RULE 114. CONTINUE TO REPAIR MAIN ROAD TO ALLOW ACCESS TO TANK BATTERY AND WELLS. RULE 114. IF DISCUSSION OR EXTENSION OF TIME IS NEEDED TO CORRECT ALL ITEMS LISTED, CONTACT MR. CHRIS WILLIAMS 505-393-6161 EXT.102. THIS IS 1ST LETTER OF NON-COMPLIANCE.