



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

**Joanna Prukop**

Cabinet Secretary

**Mark E. Fesmire, P.E.**

Director

**Oil Conservation Division**

**\*Response Required – Deadline Enclosed\***

*Field Inspection Program*

*"Preserving the Integrity of Our Environment"*

04-Mar-08

**MELROSE OPERATING COMPANY**

PO BOX 953

MIDLAND TX 79702

**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***

<b>JALMAT FIELD YATES SAND UNIT No.121</b>				<b>N-11-22S-35E</b>	<b>30-025-08588-00-00</b>	
<b>Inspection Date</b>	<b>Type Inspection</b>	<b>Inspector</b>	<b>Violation?</b>	<b>*Significant Non-Compliance?</b>	<b>Corrective Action Due By:</b>	<b>Inspection No.</b>
02/26/2008	Compliance Verification	Buddy Hill	Yes	No	2/27/2008	iLWH0805743935
<b>Violations</b>						
EPA Permit Violation						
<b>Comments on Inspection:</b> WELL IS ACTIVE,,NO RECORD OF REPAIRS..TBG. PRESSURE @ 2100#,,PL IS 770#..OVER PRESSURE LIMIT..FIRST NOTICE						
<b>JALMAT FIELD YATES SAND UNIT No.122</b>				<b>M-11-22S-35E</b>	<b>30-025-08592-00-00</b>	
<b>Inspection Date</b>	<b>Type Inspection</b>	<b>Inspector</b>	<b>Violation?</b>	<b>*Significant Non-Compliance?</b>	<b>Corrective Action Due By:</b>	<b>Inspection No.</b>
02/26/2008	Routine/Periodic	Buddy Hill	Yes	No	2/27/2008	iLWH0805745095
<b>Violations</b>						
Exceeded Allowable Inj. Pressures						
<b>Comments on Inspection:</b> TBG. PRESSURE @ 1990#..INJECTION PRESSURE OVER LIMIT..FIRST NOTICE						

**JALMAT FIELD YATES SAND UNIT No.126**

C-14-22S-35E

**30-025-08615-00-00**

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
02/26/2008	Routine/Periodic	Buddy Hill	Yes	No	2/27/2008	iLWH0805747995
<b>Violations</b> Exceeded Allowable Inj. Pressures						
<b>Comments on Inspection:</b> INJECTION PRESSURE OVER LIMIT..TBG. @ 1960#..						

**CONE JALMAT YATES POOL UNIT No.503**

N-24-22S-35E

**30-025-08641-00-00**

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
02/26/2008	Routine/Periodic	Buddy Hill	Yes	No	3/19/2008	iLWH0805750140
<b>Violations</b> Surface Release						
<b>Comments on Inspection:</b> REMEDIATION OF CONTAMINATED AREA UNCHANGED SINCE 11-7-07..SOME OF AREA UNTOUCHED..NEEDS SITE REMEDIATION COMPLETED..SECOND NOTICE						

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,

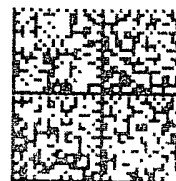
**COMPLIANCE OFFICER**

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  
014H15215335  
\$0.410  
03/04/2008  
Mailed From 88240  
US POSTAGE

MELROSE OPERATING COMPANY  
1000 W. WILSHIRE SUITE 223  
OKLAHOMA CITY, OK 73116