



NEW MEXICO ENERGY, MINERALS and
NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark F. Fesmire, P.E.

Oil Conservation Division

RECEIVED

APR 18 2008

HOBBS OCD

Response Required – Deadline Enclosed

Field Inspection Program

"Preserving the Integrity of Our Environment"

03-Apr-08

Completed 4-16-08

YATES PETROLEUM CORPORATION

105 S 4TH ST

ARTESIA NM 88210

APR 07 2008

PRODUCTION DEPARTMENT
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

ROGER BAQ STATE COM No.001

H-22-11S-35E

30-025-22842-00-00

4/22/08

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
04/01/2008	Plugged Well Surface Restor	Maxey Brown	Yes	No	7/5/2008	iMGB0809270449
Comments on Inspection: DO NOT RELEASE. RULE 202. NEED TO REMOVE MISC PIPE (PIPE STANDS) FROM NORTHEAST CORNER OF LOCATION. ALSO REMOVE SIGNS FROM AROUND P/A MARKER. THIS IS 1ST LETTER OF NON-COMPLIANCE.						

P/A'D msh
OK TO RELEASE

MERLE STATE UNIT No.015

L-24-10S-34E

30-025-38485-00-00

4/22/08

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
04/01/2008	Plugged Well Surface Restor	Maxey Brown	Yes	No	7/5/2008	iMGB0809250900
Comments on Inspection: DO NOT RELEASE. RULE 202. NEED TO CORRECT MARKER. SHOULD READ 1650 FSL. (NOT 1660 FSL). ALSO MARKER NEEDS API #, AND REMOVE SIGNS FROM NORTHWEST CORNER OF LOCATION. THIS IS 1ST LETTER OF NON-COMPLIANCE.						

P/A'D msh
OK TO RELEASE

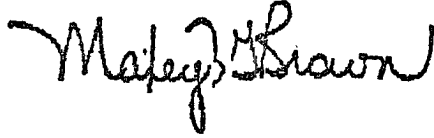
OK 4/22/2008

Maxey Brown

COMPLIANCE OFFICER

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,



Hobbs OCD District Office

COMPLIANCE OFFICER

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.