



# 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"*

06-Jun-08

**YATES PETROLEUM CORPORATION**

105 S 4TH ST

ARTESIA NM 88210

**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**

**ROYAL BAC STATE COM No.001**

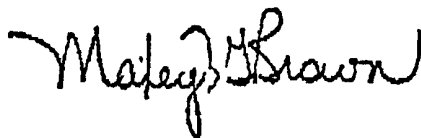
I-24-10S-34E

**30-025-01817-00-00**

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
06/04/2008	Plugged Well Surface Restor	Maxey Brown	Yes	No	9/7/2008	iMGB0815635767
<b>Comments on Inspection:</b> DO NOT RELEASE. RULE 202. NEED TO REMOVE ALL 4 DEADMAN (ANCHORS) AND YELLOW PLASTIC MARKERS. ALSO 3 JTS OF JUNK LINE PIPE AND FENCE POSTS AT NORTHEAST ANCHOR. NEED TO REMOVE CELLAR BOARDS ABOVE GRADE AND ROLL OF BARBED WIRE FROM CELLAR. 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. Such a hearing may result in imposition of CIVIL PENALTIES for your violation of OCD rules.

Sincerely,



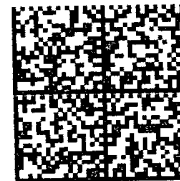
**COMPLIANCE OFFICER**

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

\$0.420

06/06/2008

Mailed From 88240

US POSTAGE

YATES PETROLEUM CORPORATION  
105 S 4TH ST  
ARTESIA NM 88210