

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 Luvironment"

10-Jul-08

L E JONES OPERATING INC

PO BOX 1185 DUNCAN OK 73534

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.

			INSPECTIO!	V DETAIL	L SECTION				
MCNEILL Inspection Date	No.001 Type Inspection	1	Inspector	Violation?	B-33-19S-38E *Significant Non-Compliance?	30-025-36044-00- Corrective Action Due By:	00 Inspection No.		
07/10/2008	Routine/Perio	dic	Mark Whitaker	Yes	No	9/10/2008	iMAW0819239414		
Comments	on Inspection:	from well. NEEI	O TO REMOVE SU NG RULE 114) AND	RPLUS CHI	EMICAL DRUMS (G	ell sign more than 50 f ENERAL 60 FEET OF WELL. 1			
MCNEILL Inspection Date	No.002 Type Inspection	1	Inspector	Violation?	G-33-19S-38E *Significant Non-Compliance?	30-025-36301-00- Corrective Action Due By:	00 Inspection No.		
07/10/2008	Routine/Perio	dic	Mark Whitaker	Yes	No	9/10/2008	iMAW0819238279		
Comments on Inspection:		Well sign (Rule 103). Sign must be within 50 feet of well. NEED TO MOVE WELL SIGN. 1st letter of non-compliance. MW							
MCNEILL . Inspection Date	A No.001 Type Inspection	1	Inspector	Violation?	H-33-19S-38E *Significant Non-Compliance?	30-025-36401-00- Corrective Action Due By:	00 Inspection No.		
07/10/2008	Routine/Perio	dic	Mark Whitaker	Yes	No	9/10/2008	iMAW0819239836		
Comments	on Inspection:	chemical drums,	and junk on east sid	e of location		l. Surplus tubular good E CHEMICAL DRUM nce. MW			

MCNEILL Inspection Date 07/10/2008	No.003 Type Inspection Routine/Perio	-	Violation? r Yes	C-33-19S-38E *Significant Non-Compliance? No	30-025-36682-00- Corrective Action Due By: 9/10/2008	Inspection No.			
Comments	on Inspection:	Location and equipment in good shape. Surplus chemical drums on location. NEED TO REMOVE SURPLUS CHEMICAL DRUMS (GENERAL HOUSEKEEPING RULE 114). 1st letter of noncompliance. MW							
MCNEILL Inspection Date	32 No.001 Type Inspection	Inspector	Violation?	P-32-19S-38E *Significant Non-Compliance?	30-025-36690-00- Corrective Action Due By:	00 Inspection No.			
07/10/2008	Routine/Perio Violations Absent Well Iden	dic Mark Whitake tification Signs (Rule 103)	r Yes	No	9/10/2008	iMAW0819236597			
Comments	on Inspection:	No well sign (Rule 103). NEED TO INSTALL WELL SIGN WITH INFORMATION CURRENTLY REQUIRED UNDER RULE 103. 1st letter of non-complinance. MW							
MCNEILL Inspection Date	B No.002 Type Inspection	Inspector	Violation?	O-33-19S-38E *Significant Non-Compliance?	30-025-36726-00- Corrective Action Due By:	00 Inspection No.			
07/10/2008	Routine/Perio	dic Mark Whitake	r Yes	No	9/10/2008	iMAW0819240353			
Comments on Inspection: Location needs attention. Equipment OK. Oil staining at wellhead. Surplus chemical drums on location. Drilling pit closed. NEED TO REMOVE SURPLUS CHEMICAL DRUMS (GENERAL HOUSEKEEPING RULE 114).									
MCNEILL D No.002				K-33-19S-38E *Significant	30-025-37589-00- Corrective				
Date	Type Inspection	Inspector	Violation?	Non-Compliance?	Action Due By:	Inspection No.			

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 Divison 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.

Yes

Location needs attention. Equipment OK. Surplus chemical drums on location. NEED TO

REMOVE SURPLUS CHEMICAL DRUMS (GENERAL HOUSEKEEPING RULE 114). 1st

Mark Whitaker

No

iMAW0819237823

9/10/2008

Sincerely,

COMPLIANCE OFFICER

letter of non-compliance. MW

Hobbs OCD District Office

07/10/2008 Routine/Periodic

Comments on Inspection:

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



014H15215335 \$0.429 \$0,429 07/10/2008 Mailed From 88240

L E JONES OPERATING INC PO BOX 1185 DUNCAN, OK 73534-1185