

NEW MEXICO ENERGY, MINERALS 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"

26-Oct-09

CAMERON OIL & GAS INC

PO BOX 1456

ROSWELL NM 88202-1456

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

BYERS A No.002

G-7-20S-38E

30-025-07745-00-00

Inspection

Type Inspection Date

Inspector

Violation?

*Significant Non-Compliance?

Corrective Action Due By:

Inspection No.

Routine/Periodic 10/26/2009

Mark Whitaker

Yes

No

12/31/2009

iMAW0929945385

Violations

Absent Well Identification Signs (Rule 103)

Comments on Inspection:

No pumping Unit, All valves on well closed. Rods stacked out in tbg. Last production reported 5 months ago. Took picture. Well sign not legible and not in compliance with current rules. No sign

at battery. NEED TO INSTALL NEW WELL SIGN AT WELL AND BATTERY. 1st notice. MW

STOVALL G No.001

E-8-20S-38E

30-025-07758-00-00

Inspection

Type Inspection Date

Inspector

Violation?

*Significant Non-Compliance?

Corrective Action Due By:

Inspection No.

Routine/Periodic 10/26/2009

Yes

Mark Whitaker

No

12/31/2009

iMAW0929946115

Violations

Absent Well Identification Signs (Rule 103)

Comments on Inspection:

Well sign not legible and not in compliance with current rules. No well sign at battery. NEED TO

INSTALL NEW WELL SIGN AT WELL AND BATTERY. 1st notice. MW

STOVALL G No.002

L-8-20S-38E

30-025-14625-00-00

Inspection

Date Typ

Type Inspection

Inspector

*Significant
Violation? Non-Compliance?

Corrective

Inspection No.

10/26/2009 Routin

Routine/Periodic

Mark Whitaker

Yes

No

Action Due By: 12/31/2009

iMAW0929946561

Violations

Surface Leaks/Spills

General Housekeeping (Rule 114)

Comments on Inspection:

Location needs attention. Two drums on chemical north of well. No placards. Fluid in both drums. Oily mess around wellhead. NEED TO REMOVE CHEMICAL DRUMS AND OTHER DEBRIS FROM LOCATION. NEED TO REMOVE CONTAMINATED SOIL FROM AROUND

WELLHEAD AND DISPOSE OF PROPERLY. 1st notice. MW

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.

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



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