

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governoi

Joanna Prukop Cabinet Secretary Mark E. Fesmire, P.E.
Director

Oil Conservation Division

Field Inspection Program
"Preserving the Integrity of Our Environment"

04-May-10

BEC CORP

PO BOX 1392 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

BRUNSON ARGO B No.003

D-10-22S-37E

30-025-10170-00-00

Inspection

Inspection Date

Type Inspection

Inspector

Violation?

*Significant Non-Compliance? Corrective Action Due By:

Inspection No.

05/04/2010 Routine/Periodic

Mark Whitaker

Yes

No

8/7/2010

iMAW1012448011

Violations

Absent Well Identification Signs (Rule 103)

Surface Leaks/Spills

Comments on Inspection:

Well sign at pumping unit not legible (19.15.16.8). Contaminated soil on plastic west and north of well. Well sign at battery not legible. Fence around battery down. Plastic drum under oil load line at battery full of oil and water. NEED TO REPLACE WELL SIGNS, REMOVE & PROPERLY DISPOSE OF CONTAMINATED SOIL, REPAIR FENCE AROUND BATTERY, AND

REMOVE FLUIDS FROM DRUM AT BATTERY. 1st notice.

BRUNSON ARGO B No.004

C-10-22S-37E

30-025-10172-00-00

Inspection

Type Inspection

Inspector

Violation? No

*Significant Non-Compliance? Corrective
Action Due By:

Inspection No.

Date 05/04/2010

Routine/Periodic

Mark Whitaker

Yes

No

8/7/2010

iMAW1012449036

Violations

Absent Well Identification Signs (Rule 103)

Comments on Inspection:

Well sign not legible (Rule 19.15.16.8). NEED TO REPLACE WELL SIGN. 1st 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 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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