

State of New Mexico  
Energy, Minerals and Natural Resources Department

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**Susana Martinez**  
Governor

**John Bemis**  
Cabinet Secretary

**Brett F. Woods, Ph.D.**  
Deputy Cabinet Secretary

**Jami Bailey**  
Division Director  
Oil Conservation Division



**\*Response Required – Deadline Enclosed\***

*Field Inspection Program  
"Preserving the Integrity of Our Environment"*

08-Nov-12

**Burnett Oil Co Inc**  
Melissa T Caldwell  
Burnett Plaza, Suite 1500  
801 Cherry St., Unit 9  
Fort Worth TX 76102

**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***

**GISSLER A No.041**

O-14-17S-30E

**30-015-39931-00-00**

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
11/08/2012	File and Compliance	Richard Inge	Yes	No	11/27/2012	iREI12313496C

**Comments on Inspection:** File review for this well revealed the following violations:  
19.15.15.13 UNORTHODOX LOCATIONS NSL order not obtained prior to producing well

19.15.7.15 REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT OIL AND GAS (Form C-104) Form C104 has not been filed.

19.15.16.20 ALLOWABLES AND AUTHORIZATION TO TRANSPORT OIL AND GAS Allowable has not been assigned to well.

19.15.7.14 SUNDRY NOTICES AND REPORTS ON WELLS Regulatory filing deadline requirements have not been met.

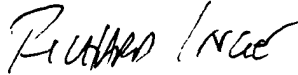
Due to the seriousness of these violations, the well is to be shut in immediately. Contact Randy Dade by November 27, 2012, to advise of status of plan of action to bring this well into compliance.

November 8, 2012

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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,

A handwritten signature in black ink, appearing to read "Richard Ince". The signature is written in a cursive, somewhat stylized font.

Artesia 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.