

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Vull No Action

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

Field Inspection Program
"Preserving the Integrity of Our Environment"

27-Feb-01

SWR OPERATING CO

200 CRESCENT CT

STE 1310

DALLAS, TX 75201-

Dear Sirs:

The following inspection(s) indicate one or more violations as described in the detail section below. The inspection(s) indicates that the well, equipment, location or operational status failed to meet standards of the New Mexico Oil Conservation Division. To comply with guidelines as established in the Division Rules and Regulations, corrective actions must be taken immediately and the situation brought into compliance. The detail section below indicates preliminary findings and/or probable nature of the violation. This is a subjective determination based on one or more factors of the results of the inspection.

Please notify the proper district office of the Division of the date corrective actions are scheduled and arrangements made so the well and/or facilities may be reinspected.

INSPECTION DETAIL SECTION					
SHUGART B 001		O-33-18S-31E	30-015-05670-00-00	Inspection No. iGEG0105838761	
Inspection Date:	2/27/01 10:45:45 A	AM	Correct	Corrective Action Due by: 3/9/0	
Type Inspection	Inspector		Violation?	*Significant Non-Compliance?	
Routine/Periodic	Gerry Guye		Yes	No	
Violation Types:	100				
Comments on Inspe	ction: Valves or	other equipment lea	aking. Fix ASAP. No flowlines.		·

Thank you for your prompt attention to this matter and your efforts in helping to protect our environment and the infrastructure of the oil and gas industry.

Sincerely,

Tim Gum, District Supervisor