

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John H. Bemis
Cabinet Secretary

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

Jami Bailey, Division Director
Oil Conservation Division



***Response Required - Deadline**

Field Inspection Program
"Preserving the Integrity of Our Environment"

06-Nov-13

EOR OPERATING COMPANY

One Riverway SUITE 610
Houston TX 77056

LETTER OF VIOLATION -

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

MILNESAND UNIT No.122

N-7-8S-35E

30-041-00029-00-

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
11/05/2013	Bradenhead	Sylvia Dickey	Yes	No	2/8/2014	iSAD1330955284
Comments on Inspection: BHT 10/08/2013; ANNUAL UIC TESTING; **NOTE OPERATOR FAILED MIT 4/14/2010. AS OF THIS DATE NO RECORD ON REPAIRS OR WORK PERFORMED AS OF 4/14/2010; WELL HAS BEEN PLACED BACK ON INJECTION DURING VARIOUS MONTHS SINCE 4/14/2010; OPERATOR MUST SUBMIT S/RPT C103' SHOWING PRIOR WORK AND MIT PRESSURE TEST JUSTIFYING MECHANICAL INTEGRITY OF WELL ***OPERATOR IN VIOLATION OF NMOCD RULE 19.15.26.11/ 19.16.7.14***						

MILNESAND UNIT No.054

H-13-8S-34E

30-041-00251-00-

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
11/05/2013	Pressure Test	Sylvia Dickey	Yes	No	2/8/2014	iSAD1330953904
Comments on Inspection: PRESSURE TEST OKAY 10/08/2013; ANNUAL UIC TESTING***NOTE WELL DID NOT PASS ANNUAL TEST IN 2010; NO RECORD ON FILE OF WORK PERFORMED AS A RESULT OF VIOLATION 3/10/10 OPERATOR NEEDS TO SUBMIT BLM SUNDRY REPORT 3160-5 REGARDING ANY REMEDIAL WORK PERFORMED AS OF 3/10/2010;						

NOV 06 2013

MILNESAND UNIT No.056

F-13-8S-34E

30-041-00253-00-

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
11/05/2013	Bradenhead	Sylvia Dickey	Yes	No	2/8/2014	iSAD1330950587

Comments on Inspection: ***LETTER OF VIOLATION***NO RECORD SHOWING REPAIRS FOR PRIOR YEAR TEST FAILURES** OPERATOR IN VIOLATION OF NMOCD RULE 19.15.26.11*** WELL SHOWS LAST DATE OF INJECTION 11/2012 **2ND NOTICE OF VIOLATION**

MILNESAND UNIT No.310

F-19-8S-35E

30-041-10059-00-

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
11/05/2013	Bradenhead	Sylvia Dickey	Yes	No	2/8/2014	iSAD1330954532

Comments on Inspection: BHT 10/9/2013; ANNUAL UIC TESTING; WELL HAS NO INJECTION IN 162 MONTHS; BLM TA EXPIRED 6/2/2010;

HORTON FEDERAL No.025

F-29-8S-35E

30-041-10119-00-

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
11/05/2013	Pressure Test	Sylvia Dickey	Yes	No	2/8/2014	iSAD1330955760

Comments on Inspection: PRESSURE TEST 10/09/2013; ANNUAL UIC TESTING; WELL SHOWS NO INJECTION FOR 56 MONTHS. OPERATOR FAILED MIT 6/2/2008, AS OF TODAY NO RECORD ON REPAIRS. **OPERATOR IN VIOLATION OF NMOCD RULE 19.15.25.8 WELLS TO BE PROPERLY ABANDONED.***

MILNESAND UNIT No.024

J-19-8S-35E

30-041-10147-00-

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
11/05/2013	Bradenhead	Sylvia Dickey	Yes	No	2/8/2014	iSAD1330948751

Comments on Inspection: BHT 10/09/2013; TA STATUS EXPIRES 6/20/2013; **OPERATOR MUST RESUBMIT REQUEST TO BLM REGARDING STATUS OF WELL***OPERATOR IN VIOLATION OF NMOCD RULE 19.15.25.13***

HORTON FEDERAL No.032

H-30-8S-35E

30-041-20756-00-

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
11/05/2013	Pressure Test	Sylvia Dickey	Yes	No	2/8/2014	iSAD1330956465

Comments on Inspection: PRESSURE TEST OKAY 10/09/2013; STATUS OF WELL RECORDS SHOW WELL HAS EXPIRED TA STATUS; **NOTE OPERATOR CAN SUBMIT REQUEST TO BLM FOR EXTENSION OF TA STATUS FOR APPROVAL ON CHART TEST 10/09/2013*** WELL HAS BEEN SHUT IN FOR 57 MONTHS.**

HORTON FEDERAL No.038

H-30-8S-35E

30-041-20821-00-

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
11/05/2013	Pressure Test	Sylvia Dickey	Yes	No	2/8/2014	iSAD1330952324

Comments on Inspection: PRESSURE TEST 10/09/2013 OKAY; WELL HAS BEEN SHUT IN FOR 30 MONTHS OPERATOR MUST EITHER TA, PA OR PLACE WELL BACK ON INJECTION ***OPERATOR IN VIOLATION OF NMOCD RULE 19.15.25.8***WELLS TO BE PROPERLY ABANDONED***

MILNESAND UNIT No.026

P-19-8S-35E

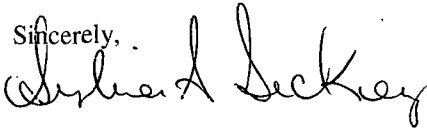
30-041-10149-00-

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
11/05/2013	Bradenhead	Sylvia Dickey	Yes	No	2/8/2014	iSAD1330957118

Comments on Inspection: BHT 10/09/2013; WELL HAS EXPIRED TA STATUS; ***WELL IS ON ACO EXPIRES 11/20/2013** "FOR RECORD ONLY"***

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.

Sincerely,



Hobbs OCD District Office

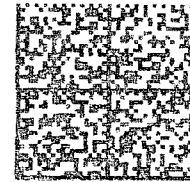
COMPLIANCE OFFICER

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



HASLER 015H14150977
\$0.46
11/06/13
Mailed From 88240
US POSTAGE

EOR OPERATING COMPANY
ATTN: REGULATORY
ONE RIVERWAY, STE. 610
HOUSTON, TX 77056