



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

SUSANA MARTINEZ

Governor

John H. Bemis

Cabinet Secretary

Jami Bailey

Director

Oil Conservation Division

Response Required – Deadline Enclosed

Field Inspection Program

"Preserving the Integrity of Our Environment"

HOBBS OCD

FEB 07 2013

07-Feb-13

RECEIVED

HANSON OPERATING CO INC

PO BOX 1515

ROSWELL NM 88202

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

MAX GUTMAN No.004

F-19-22S-38E

30-025-12135-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
02/07/2013	Routine/Periodic	Mark Whitaker	Yes	No	5/13/2013	iMAW1303838986

Violations

Absent Well Identification Signs (Rule 103)

Comments on Inspection: Well sign not legible (Rule 19.15.16.8). Well sign should be legible from a distance of 50'. NEED TO REPLACE WELL SIGN. 1st notice.

MAX GUTMAN No.001

M-19-22S-38E

30-025-21760-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
02/07/2013	Routine/Periodic	Mark Whitaker	Yes	No	5/13/2013	iMAW1303839658

Violations

Absent Well Identification Signs (Rule 103)

Comments on Inspection: Well sign not legible (Rule 19.15.16.8). Well sign should be legible from a distance of 50'. NEED TO REPLACE WELL SIGN. 1st notice.

FEB 07 2013

MAX GUTMAN No.002

L-19-22S-38E

30-025-21909-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
02/07/2013	Routine/Periodic	Mark Whitaker	Yes	No	5/13/2013	iMAW1303839971
Violations Absent Well Identification Signs (Rule 103)						
Comments on Inspection: Well sign not legible (Rule 19.15.16.8). Well sign should be legible from a distance of 50'. NEED TO REPLACE WELL SIGN. 1st notice.						

MAX GUTMAN No.005

N-19-22S-38E

30-025-22473-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
02/07/2013	Routine/Periodic	Mark Whitaker	Yes	No	5/13/2013	iMAW1303839508
Violations Absent Well Identification Signs (Rule 103)						
Comments on Inspection: Well sign not legible (Rule 19.15.16.8). Well sign should be legible from a distance of 50'. NEED TO REPLACE WELL SIGN. 1st notice.						

MAX GUTMAN No.007

D-19-22S-38E

30-025-24841-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
02/07/2013	Routine/Periodic	Mark Whitaker	Yes	No	5/13/2013	iMAW1303838343
Violations Absent Well Identification Signs (Rule 103)						
Comments on Inspection: No well Sign (Rule 19.15.16.8). NEED TO INSTALL WELL SIGN. 1st notice.						

MAX GUTMAN No.008

E-19-22S-38E

30-025-28490-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
02/07/2013	Routine/Periodic	Mark Whitaker	Yes	No	5/13/2013	iMAW1303838068
Violations Absent Well Identification Signs (Rule 103)						
Comments on Inspection: Well sign not legible (Rule 19.15.16.8). Well sign should be legible from a distance of 50'. NEED TO REPLACE WELL SIGN. 1st notice.						

MAX GUTMAN No.009

K-19-22S-38E

30-025-28845-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
02/07/2013	Routine/Periodic	Mark Whitaker	Yes	No	5/13/2013	iMAW1303839302
Violations Absent Well Identification Signs (Rule 103)						
Comments on Inspection: Well sign not legible (Rule 19.15.16.8). Well sign should be legible from a distance of 50'. NEED TO REPLACE WELL SIGN. 1st notice.						

MAX GUTMAN No.010

F-19-22S-38E

30-025-31096-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
02/07/2013	Routine/Periodic	Mark Whitaker	Yes	No	5/13/2013	iMAW1303839141
Violations Absent Well Identification Signs (Rule 103)						
Comments on Inspection: Well sign not legible (Rule 19.15.16.8). Well sign should be legible from a distance of 50'. 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 Division Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon this well.

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.

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John Bemis
Cabinet Secretary

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

Jami Bailey
Division Director
Oil Conservation Division



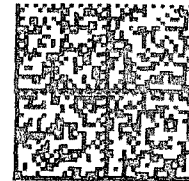
February 7, 2013

GENERAL INSPECTION NOTES:

Other areas of concern noted during today's field inspection include numerous leaking gear boxes, chemical drums with no labeling, open chemical drums with holes, uncovered containment pans with oil and a dead bird, illegible signs, and other miscellaneous debris scattered around the locations. The leaking gear boxes and chemical drums represent a potential environmental hazard. These issues violate a number of OCD's rules and regulations and should be addressed immediately.

Mark Whitaker,
Compliance Officer, District I

EMNRD
OIL CONSERVATION DIVISION
1625 N FRENCH DRIVE
HOBBS NM 88240



HASLER

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02/07/13

Mailed From 88240

US POSTAGE

HANSON OPERATING CO INC
PO BOX 1515
ROSWELL, NM 88202