

NEW MEXICO ENERGY, MINERALS 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

24-Apr-13

APR 2 4 2013

RECEIVED

THE COLBORN COMPANY, INC.

P.O.BOX 1804 524 TEXAS AVENUE EUNICE NM 88231

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

SAN SIMON STATE No.004

N-4-22S-35E

30-025-29694-00-00

Inspection

Type Inspection Date

Inspector

Violation?

*Significant Corrective Action Due By:

Inspection No.

04/23/2013 Routine/Periodic Mark Whitaker

Yes

Non-Compliance? No

7/27/2013

iMAW1311342466

Violations

Absent Well Identification Signs (Rule 103)

Idle well (Rule 201)

Comments on Inspection:

T/A status has expired. No well sign. NEED TO INSTALL NEW WELL SIGN. NO

PRODUCTION REPORTED IN OVER 10 YRS. NEED TO PUT WELL ON PRODUCTION OR

PLUG & ABANDON.

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.

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



015H14150977 \$0.46 \$0.46 04/24/13

Mailed From 88240

THE COLBORN COMPANY, INC. PO BOX 1804 EUNICE, NM 88231-1804