

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
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"

27-Aug-14

BURGUNDY OIL & GAS OF N M INC
401 W TEXAS STE 1003
MIDLAND, TX 79701

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

EUNICE MONUMENT UNIT No.027				P-24-20S-36E	30-025-04318-00-00		
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.	
08/26/2014	Routine/Periodic	Mark Whitaker	Yes	No	11/29/2014	iMAW1423851399	
		Violations					
		Surface Damage/Restoration					
Comments on Inspection:		DO NOT RELEASE. Conduit next to dry hole marker. Anchor on SW and SE corners of location. Wire rope to east of marker. NEED TO REMOVE ANCHORS, CONDUIT, AND WIRE ROPE FROM LOCATION. 1st notice.					

EUNICE MONUMENT UNIT No.022				K-19-20S-37E	30-025-06173-00-00		
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.	
08/26/2014	Routine/Periodic	Mark Whitaker	Yes	No	11/29/2014	iMAW1423850643	
		Violations					
		Surface Damage/Restoration					
Comments on Inspection:		DO NOT RELEASE. Anchor SW of dry hole marker. Wellhead parts, thread protectors and joint of casing east of marker. NEED TO REMOVE ANCHOR, CASING, WELLHEAD PARTS, AND OTHER DEBRIS FROM LOCATION. 1st notice.					

AUG 27 2014

EUNICE MONUMENT UNIT No.011

E-19-20S-37E

30-025-06183-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
08/26/2014	Routine/Periodic	Mark Whitaker	Yes	No	11/29/2014	iMAW1423849282
Violations						
Surface Damage/Restoration						

Comments on Inspection: DO NOT RELEASE. Dry hole marker should read 2310' FNL not 2310' FSL. Anchors on NW, NE, and SW corners of location. Wire braided rope on north side by anchor. Pile of thread protectors and other debris on south side. NEED TO CORRECT DRY HOLE MARKER, REMOVE ANCHORS, WIRE ROPE, THREAD PROTECTORS, AND OTHER DEBRIS FROM LOCATION. 1st notice.

EUNICE MONUMENT UNIT No.017

G-20-20S-37E

30-025-06185-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
08/26/2014	Routine/Periodic	Mark Whitaker	Yes	No	11/29/2014	iMAW1423845384
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.

EUNICE MONUMENT UNIT No.009

D-21-20S-37E

30-025-06203-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
08/26/2014	Routine/Periodic	Mark Whitaker	Yes	No	11/29/2014	iMAW1423844909
Violations						
Surface Damage/Restoration						

Comments on Inspection: DO NOT RELEASE. Dry hole marker good. Flowline riser next to marker. NEED TO REMOVE RISER 2 FOOT BELOW GROUND LEVEL. 1st notice.

EUNICE MONUMENT UNIT No.019

E-21-20S-37E

30-025-06231-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
08/26/2014	Routine/Periodic	Mark Whitaker	Yes	No	11/29/2014	iMAW1423855281
Violations						
Absent Well Identification Signs (Rule 103)						

Comments on Inspection: Well sign not legible (Rule 19.15.16.8). NEED TO REPLACE WELL SIGN. 1st notice.

EUNICE MONUMENT UNIT No.033

N-20-20S-37E

30-025-21715-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
08/26/2014	Routine/Periodic	Mark Whitaker	Yes	No	11/29/2014	iMAW1423847011
Violations						
Surface Damage/Restoration						

Comments on Inspection: DO NOT RELEASE. Dry hole marker good. Conduit and electrical box west of dry hole marker. NEED TO REMOVE CONDUIT OFF LOCATION AND POWER POLE AND REMOVE ELECTRICAL BOX. 1st notice.

Rule 19.15.16.8
Each sign shall show operator's name, property name, well number, location by footage, unit letter section, township, range, and API number

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,

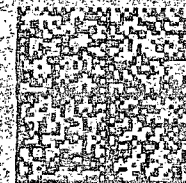

COMPLIANCE OFFICER

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.

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HASLER 015H14.150977
\$1.40
08/27/14
Mailed From 88240

US POSTAGE

BURGUNDY OIL & GAS OF NM INC
401 WEST TEXAS
SUITE 1003
MIDLAND, TX 79701