State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

Tony Delfin

Acting Cabinet Secretary

David R. Catanach, Division Director

Oil Conservation Division



Response Required - Deadline Enclosed

Field Inspection Program

"Preserving the Integrity of Our Environment"

20-Dec-16

HOBBS COD

DEC 2 1 2016

RECEIVED

BARRY D LEE DBA BARRY LEE INVESTMENTS

HC 65 BOX 222

CROSSROADS NM 88114

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

AINSWORTH DB No.001 M-23-9S-33E 30-025-30052-00-00 *Significant Corrective Inspection Violation? Type Inspection Inspector Inspection No. Date Non-Compliance? Action Due By: 12/19/2016 Routine/Periodic Mark Whitaker Yes No 3/24/2017 iMAW1635440027 Violations Surface Damage/Restoration Comments on Inspection: DO NOT RELEASE BONDS. Rule 19.15.25.10 (D) requires that restoration of location be completed within 1 year of completion of plugging operations. This well was P&A'd in January of 2015. PA marker was found to be correct. Stub pole and conduit west of marker. 2 power poles and transformers south side of location. NEED TO REMOVE STUB POLE, CONDUIT, POWER POLES AND TRANSFORMERS. IF POWER POLES ARE NOT THE PROPERTY OF OPERATOR, A COPY OF CORRESPONDENCE TO PROVIDER OF POWER STATING THAT WELL HAS BEEN P&A'D AND REQUESTING REMOVAL OF ALL SERVICES SHOULD BE ATTACHED TO THE C103 FOR RELEASE.

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,

Nearle Whitshum Petroleum Engr. Specialist

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



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