



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

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Cabinet Secretary

Karen W. Garcia

Deputy Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Field Inspection Program

"Preserving the Integrity of Our Environment"

29-Nov-10

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.001				D-4-22S-35E	30-025-29277-00-00	
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
11/29/2010	Routine/Periodic	Mark Whitaker	Yes	No	3/4/2011	iMAW1033340689
	Violations					
	Surface Leaks/Spills					
Comments on Inspection:		Heater treater east of well seeping fluid at bottom on west side of vessel. NEED TO REPAIR VESSEL, REMOVE COMTAMINATED SOIL, AND DISPOSE OF PROPERLY. 1st notice.				

SAN SIMON STATE No.004				N-4-22S-35E	30-025-29694-00-00	
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
11/29/2010	Routine/Periodic	Mark Whitaker	Yes	No	3/4/2011	iMAW1033338413
	Violations					
	Idle well (Rule 201)					
Comments on Inspection:		T/A status expired. NEED TO RETEST FOR T/A STATUS. RETURN TO PRODUCTION, OR PLUG & ABANDON WELL. 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. Such a hearing may result in imposition of CIVIL PENALTIES for your violation of OCD rules.

Sincerely,



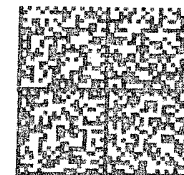
COMPLIANCE OFFICER

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



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