

NEW MEXICO ENERGY, MINERALS NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E. Director Oil Conservation Division

24-Jul-06

CIMAREX ENERGY CO OF COLORADO

P O BOX 1237

EUNICE NM 88231

Dear Operator:

LETTER OF VIOLATION - Inspection LOV NO.

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

CRAWFORD 26 No.002

B-26-24S-26E

30-015-33228-00-00

Inspection

Type Inspection

Inspector

*Significant

Corrective

Date

Routine/Periodic

Violation?

07/19/2006

Non-Compliance?

Action Due By:

Inspection No.

Violations

Richard Inge

Yes

No

8/24/2006

iREI0620045643

Evaporation Pits Comments on Inspection:

Pit still on location. Violation of Rule 50. Lining down to fluid level at west end. Possible rule 116 violation. Fence up around pit, but dirt piled up at north-east corner over fence. Rule 50

violation.

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. Such a hearing may result in imposition of CIVIL PENALTIES for your violation of OCD rules.

Sincerely,

RICHARO NGE
Artesia 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.