

7006 3450 0001 4287 2485 NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop Cabinet Secretary Mark E. Fesmire, P.E.
Director
Oil Conservation Division

Response Required - Deadline Enclosed

The State of the S

09-May-08

EOG RESOURCES INC

P.O. Box 2267 Midland TX 79702 LOV NO. 2-08-077

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 SABA B 12 FEE No.002H

P-12-16S-24E

No

30-015-34465-00-00

Inspection Date

Type Inspection

Inspector

*Significant
Violation? Non-Compliance?

Corrective Action Due By:

Inspection No.

05/09/2008 F

File and Compliance Review Gerry Guye

Yes

5/26/2008 iGEG0813031867

Comments on Inspection:

No report of final plugging. Violation of Rule 1103. "The operator shall file a report of plugging operations within 30 days following completion of plugging operations on any well. Said report shall be filed on form C-103 and shall include the date the plugging operations were begun and the date the work was completed, a detailed account of the manner in which the work was performed including the depths and lengths of the various plugs set, the nature and quantities of materials employed in the plugging operations including the weight of the mud used, the size and depth of all

casing left in the hole and any other pertinent information."

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,

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.