

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson

Governor

Jim Noel

Cabinet Secretary

Karen W. Garcia

Deputy Cabinet Secretary

Mark Fesmire
Division Director

Oil Conservation Division



EDGE PETROLEUM OPERATING COMPANY, INC.

Attn: Angela Lightner

415 W. Wall St Suite 1700

Midland TX 79701

LOV NO. 02-09-157

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

GERONIMO 28 STATE COM No.001

J-28-17S-28E

30-015-31829-00-00

Inspection

Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
07/28/2010	Phone call	Richard Inge	Yes	No	10/31/2010	iREI1020952842

Comments on Inspection: On 07/27/2010 an inspection was made. "Setup up as a disposal well, but injection authority expired. Not currently injecting. Meter shows TTL BBLs 28955.35. Electricity is on, switch set to off."

Informed Operator that their injection authority automatically expired on 8/15/2008 when they failed to have their well tested and witnessed by the OCD and also failed to begin injection into the well before that date. The first reported injection was April 2009. Operator must immediately shut the well in, including disconnecting the well from the injection line. Operator must reapply for an SWD permit or submit plans to P&A the well by Corrective Action Due By Date.

Oil Conservation Division


1301 W. Grand Avenue • Artesia, New Mexico 88210

Phone (575) 748-1283 • Fax (575) 748-9720 • www.emnrd.state.nm.us/OCD



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,

A handwritten signature in black ink, appearing to read "Richard Ingle".

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.