



# New Mexico Energy, Minerals and Natural Resources Department

**Susana Martinez**  
Governor

**Bill Brancard**  
Acting Cabinet Secretary

**Daniel Sanchez**  
Acting Division Director  
Oil Conservation Division



03-Jan-11

**SANDRIDGE EXPLORATION AND PRODUCTION, LLC**  
123 ROBERT S. KERR AVENUE  
OKLAHOMA CITY, OK 73102-6406

*02-09-179*

*Mailed: 1/5/11 pes*

**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.

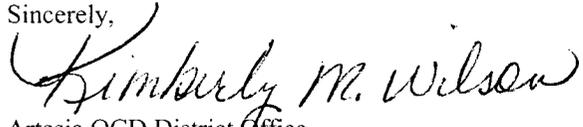
**INSPECTION DETAIL SECTION**

Inspection		Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
<b>SKELLY UNIT No.137</b>						
						C-28-17S-31E 30-015-22506-00-00
<b>Date</b>	<b>Type Inspection</b>					
01/03/2011	Routine/Periodic	Kimberly Wilson	Yes	No	1/14/2011 iKMW110035535	
<b>Comments on Inspection:</b> No well sign, violation of NMAC 19.15.16.8. Operator must submit a C-103 stating date sign was installed by January 17, 2011.						
<b>SKELLY UNIT No.401</b>						
						D-28-17S-31E 30-015-29817-00-00
<b>Date</b>	<b>Type Inspection</b>					
01/03/2011	Routine/Periodic	Kimberly Wilson	Yes	No	1/14/2011 iKMW110035551	
<b>Comments on Inspection:</b> No well sign, violation of NMAC 19.15.16.8. Operator must submit a C-103 stating date sign was installed by January 17, 2011.						
<b>SKELLY UNIT No.402</b>						
						E-28-17S-31E 30-015-29860-00-00
<b>Date</b>	<b>Type Inspection</b>					
01/03/2011	Routine/Periodic	Kimberly Wilson	Yes	No	1/14/2011 iKMW110035557	
<b>Comments on Inspection:</b> No well sign, violation of NMAC 19.15.16.8. Operator must submit a C-103 stating date sign was installed by January 17, 2011.						



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,

  
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.