



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Susana Martinez
Governor

John H. Bemis
Cabinet Secretary

Jami Bailey
Division Director
Oil Conservation Division

Response Required – Deadline Enclosed

Field Inspection Program
"Preserving the Integrity of Our Environment"

12-Oct-11

HOBBS OCD

ENDEAVOR ENERGY RESOURCES, LP
110 NORTH MARIENFELD SUITE 200
MIDLAND TX 79701

OCT 13 2011

RECEIVED

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

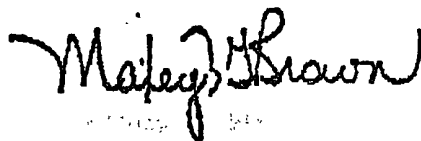
| LEVICK STATE No.002 | | | | G-20-8S-33E | 30-005-10123-00-00 | |
|-------------------------|-----------------------------|---|------------|------------------------------|---------------------------|----------------|
| Inspection Date | Type Inspection | Inspector | Violation? | *Significant Non-Compliance? | Corrective Action Due By: | Inspection No. |
| 10/12/2011 | Plugged Well Surface Restor | Maxey Brown | Yes | No | 1/15/2012 | iMGB1128553024 |
| Comments on Inspection: | | DO NOT RELEASE RULE 19.15.25.10. LARGE PILE OF CALACHI NORTH OF WELL NEEDS TO BE LEVELLED TO NATURL CONTOUR. THIS IS 1ST LETTER OF NON-COMPLIANCE MGB | | | | |

| CONOCO No.003 | | | | N-15-8S-33E | 30-005-20844-00-00 | |
|-------------------------|-----------------------------|--|------------|------------------------------|---------------------------|----------------|
| Inspection Date | Type Inspection | Inspector | Violation? | *Significant Non-Compliance? | Corrective Action Due By: | Inspection No. |
| 10/12/2011 | Plugged Well Surface Restor | Maxey Brown | Yes | No | 1/15/2012 | iMGB1128553539 |
| Comments on Inspection: | | DO NOT RELEASEE RULE 19.15.25.10 NEED TO REMOVE ELECTRICAL MAIN DISCONNECT AND METER BASE WITH CONDUIT RISER FROM POLE THIS IS 1ST LETTER OF NON-COMPLIANCE REMINDER TO CONTACT LEA COUNTY ELEC COOP IF SECONDARY POLES WILL NOT BE USED IN FUTURE OPERATIONS. MGB | | | | |

OCT 13 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.

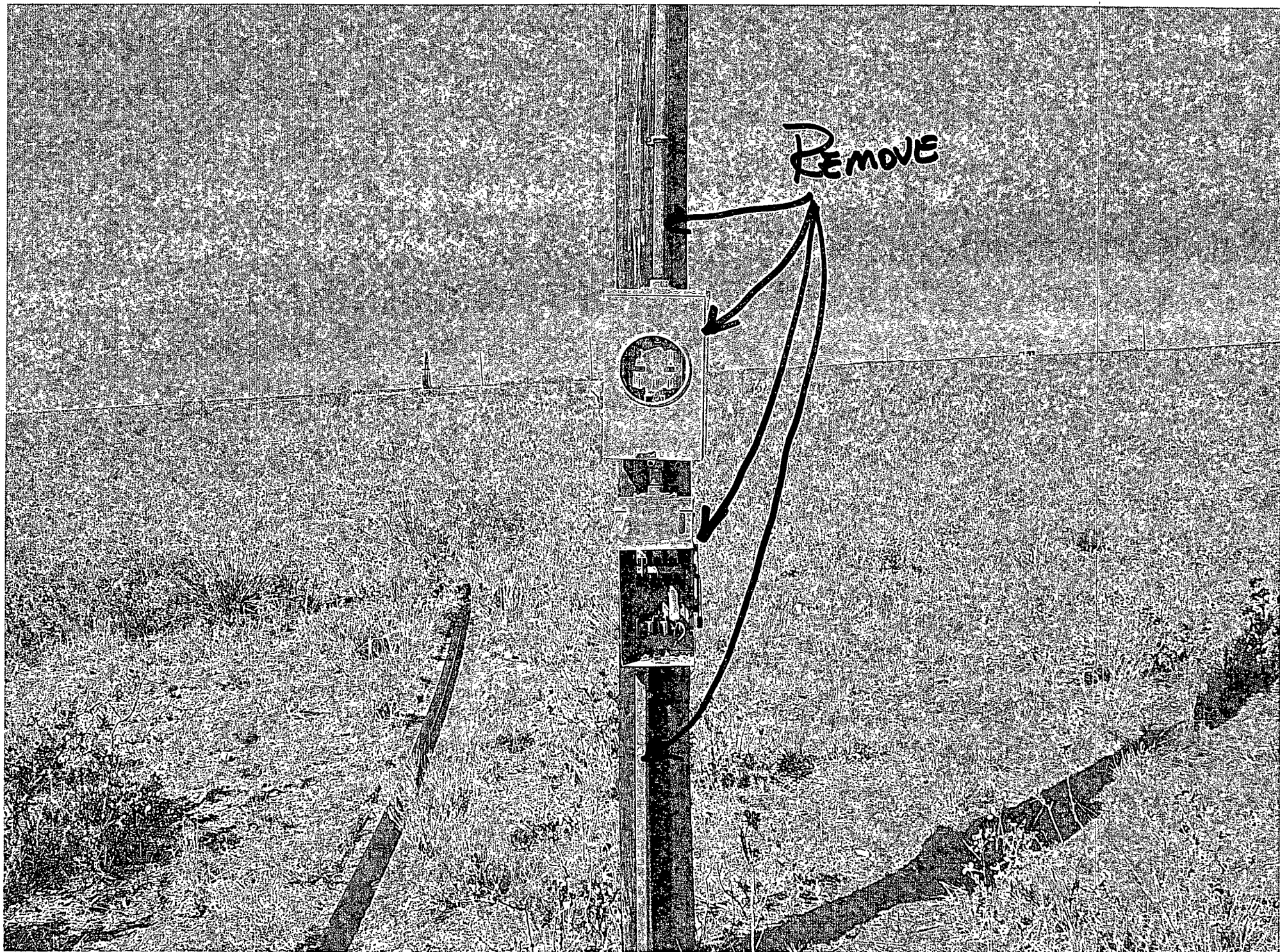
Sincerely,



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

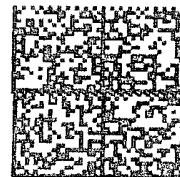


ENDEAVOR MONOCO #3

20-005-20844

10/12/2011

EMNRD
OIL CONSERVATION DIVISION
1625 N FRENCH DRIVE
HOBBS NM 88240



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| HASLER | 015H14150977 | US POSTAGE |
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| | 10/12/11 | |
| | Mailed From 88240 | |

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MIDLAND TX 79701