

State of New Mexico  
Energy, Minerals and Natural Resources Department

Susana Martinez  
Governor

David Martin  
Cabinet Secretary

Brett F. Woods, Ph.D.  
Deputy Cabinet Secretary

Jami Bailey, Division Director  
Oil Conservation Division



**\*Response Required - Deadline Enclosed\***

*Field Inspection Program*  
*"Preserving the Integrity of Our Environment"*

28-Aug-14

**BURGUNDY OIL & GAS OF N M INC**  
401 W TEXAS STE 1003  
MIDLAND TX 79701

**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***

STATE VACUUM UNIT No.015		I-32-17S-34E		30-025-02173-00-00		
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
08/28/2014	Routine/Periodic Violations Surface Leaks/Spills	Mark Whitaker	Yes	No	12/1/2014	iMAW1424046496
<b>Comments on Inspection:</b>		Injection line has leaked. Small pin hole leak at time of field visit. Operator should repair injection line and submit C141 regarding leak to Tomas Oberding in Hobbs District Office.				

STATE VACUUM UNIT No.019		O-32-17S-34E		30-025-02177-00-00		
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
08/28/2014	Routine/Periodic Violations Surface Damage/Restoration	Mark Whitaker	Yes	No	12/1/2014	iMAW1424045117
<b>Comments on Inspection:</b>		DO NOT RELEASE. NEED TO CUT BOLTS OFF CONCRETE SLAB FLUSH WITH SURFACE. REMOVE OLD SIGN FRAME, WIRE ROPE ANCHORS EAST, WEST AND SOUTH OF DRY HOLE MARKER. 1st notice.				

**AUG 29 2014**

STATE VACUUM UNIT No.018

N-32-17S-34E

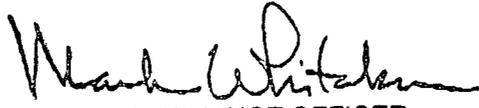
30-025-02179-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
08/28/2014	Routine/Periodic	Mark Whitaker	Yes	No	12/1/2014	iMAW1424046975
Violations Absent Well Identification Signs (Rule 103)						

Comments on Inspection: NO WELL SIGN (Rule 19.15.16.8). NEED TO INSTALL WELL SIGN. 1ST NOTICE.

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.

Sincerely,



COMPLIANCE OFFICER

Hobbs OCD District Office

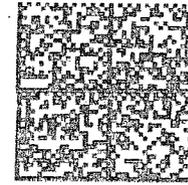
Note: Information in Detail Section comes directly from field inspector data entries - not all blanks will contain data.

\*Significant Non-Compliance events are reported directly to the EPA, Region VI, Dallas, Texas.

Rule 19.15.16.8

Each sign shall show operator's name, property name, well number, location by footage, unit letter section, township, range, and API number

EMNRD  
OIL CONSERVATION DIVISION  
1625 N FRENCH DRIVE  
HOBBS NM 88240



HASLER	015H14150977	US POSTAGE
	<b>\$0.48</b>	
	08/28/14	
	Mailed From 88240	

BURGUNDY OIL & GAS OF NM INC  
401 WEST TEXAS  
SUITE 1003  
MIDLAND, TX 79701