



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

Field Inspection Program

"Preserving the Integrity of Our Environment"

15-Sep-09

VPR OPERATING, LLC

1406 CAMP CRAFT ROAD SUITE 106

AUSTIN TX 78746

PENROC OIL CORP.

P.O. BOX 2769

HOBBS, NM 88241

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

MALMAR UNIT No.310

J-12-17S-32E

30-025-00518-00-00

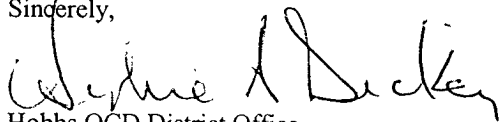
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
09/15/2009	Pressure Test	Sylvia Dickey	Yes	No	12/19/2009	iSAD0925848042

Comments on Inspection:

NEED TO CHECK WELLFILE PER OPERATOR IS A PRODUCER; ***NO DATA IN WELLFILE OPERATOR NEEDS TO SUBMIT INFORMATION JUSTIFYING PRODUCER AND APPROVED POOL AND FORMATION; ****OPERATOR IN VIOLATION OF NMOC RULE 19.15.16.18 Log, Completion and Workover Reports (OLD RULE 117)*****

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,



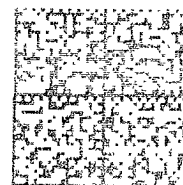
Hobbs OCD District Office

COMPLIANCE OFFICER

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.

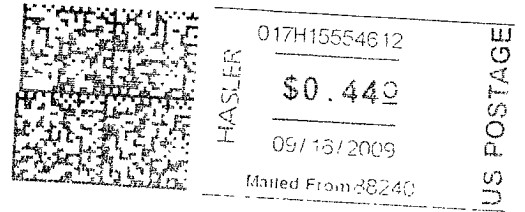
RD
CONSERVATION DIVISION
N FRENCH DRIVE
BS NM 88240



HASLER	017H1605-010	US POSTAGE
	\$ 4.40	
	03/16/2009	
	Mailed From 88240	

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SERVATION DIVISION
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JM 88240



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