

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna
Cabinet Secretary

Mark E. Fesmire,
Director
Oil Conservation

11-Dec-07

7001 1940 0001 9971 5628

CALVIN F TENNISON
c/o Bill Rich
2401 Martin Lane
Carlsbad, NM 88220

LOV NO. 02-07-231

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

HANAGAN STATE No.001

G-8-25S-30E

30-015-04746-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
12/10/2007	Routine/Periodic	Richard Inge	Yes	No	1/10/2008	iREI0734439317

Comments on Inspection: Location OK. Unregistered pits on location. Both pits have hydrocarbon contamination on top. Both pits fenced. 1st pit netted with wire. Some of netting below fluid level. 2nd pit with nylon netting and a large hole in netting. The hydrocarbon contaminated soil is what is holding up the east side of pit 2.

Well sign shows Sisters LLC. as owner.

Pits are in violation of rule 50. Please submit a C-144 Pit Closure Plan to the Artesia OCD by compliance due date. Pits are to be closed within 15 days of c-144 plan approval.

Sincerely,

RICHARD INGE

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.