BILL RICHARDSON
Governor

Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

17-Jan-08

7001 1940 0001 9971 5864

HANSON OPERATING CO INC
PO BOX 1515
ROSWELL NM 88202

LOV NO. 02-08-015

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

HANLAD STATE No.001   K-16-10S-27E   30-005-62794-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
01/17/2008	Bradenhead	Richard Inge	Yes	No	1/28/2008	iREI0801737046

Comments on Inspection: Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "...The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by compliance due date to schedule the required inspection on this well will require that this well be shut-in on the compliance due date.

PRESLER LAKE No.004   B-12-9S-29E   30-005-62960-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
01/17/2008	Bradenhead	Richard Inge	Yes	No	1/28/2008	iREI0801737115

Comments on Inspection: Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "...The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by compliance due date to schedule the required inspection on this well will require that this well be shut-in on the compliance due date.

QUINCY AMQ STATE No.009 G-12-8S-27E **30-005-63052-00-00**

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
01/17/2008	Bradenhead	Richard Inge	Yes	No	1/28/2008	iREI0801737177

Comments on Inspection: Violation of NMOCD Rule 19 15.9.704.A (5), which states in part "…The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by compliance due date to schedule the required inspection on this well will require that this well be shut-in on the compliance due date.

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 Divison 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,

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