

RECEIVED JUL 1 8 1997

NM-067-97-GH-952  
Number

Page 5 of 6

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

NOTICE OF INCIDENTS OF NONCOMPLIANCE

Identification	
Lease	NM 90527
CA	
Unit	
PA	

Certified Mail-Return  
Receipt Requested P416330942

Hand Delivered, Received  
by

Bureau of Land Management <i>Carlsbad Resource Area</i>		Operator <i>Santa Fe Energy Resources</i>	
Address <i>6206 Greene, Carlsbad NM 88220</i>		Address <i>Po Box 2327, Carlsbad NM 88220</i>	
Telephone <i>(505) 887-6544</i>		Attention	
Site Name <i>H.F. '7' Fed</i>	Well or Facility Identification <i>No. 1</i>	1/4 1/4 Sec. <i>NE SW 7</i>	Township <i>23S</i>
Inspector <i>G. Hunt</i>		Range <i>29E</i>	Meridian <i>NMPM</i>

THE FOLLOWING VIOLATION WAS FOUND BY BUREAU OF LAND MANAGEMENT INSPECTORS ON THE DATE AND AT THE SITE LISTED ABOVE

Date	Time (24-hour clock)	Violation	Gravity of Violation
<i>7-15-97</i>	<i>1430</i>	<i>43 CFR 3163.1 O.O. 7. II. A.</i>	<i>MINOR</i>
Corrective Action To be Completed by	Date Corrected	Assessment for Noncompliance	Assessment Reference
<i>8.15.97</i>		<i>\$</i>	<i>43 CFR 3163.1 ( )</i>

Remarks: *Current method of water disposal has not been approved for this lease. Submit for approval of water disposal method as required in Onshore Order No. 7.*

When violation is corrected, sign this notice and return to above address.

Company Representative Title *Area Supt.* Signature *Mil All* Date *7-30-97*

Company Comments *Sundry attached*

WARNING

Incidents of Noncompliance correction and reporting time frames begin upon receipt of this Notice or 7 business days after the date it is mailed, whichever is earlier. Each violation must be corrected within the prescribed time from receipt of this Notice and reported to the Bureau of Land Management office at the address shown above. Please note that you already may have been assessed for noncompliance (see amount under "Assessment for Noncompliance"). If you do not comply as noted above under "Corrective Action To Be Completed By," you may incur an additional assessment under (43 CFR 3163.1) and may also incur Civil Penalties (43 CFR 3163.2). All self-certified corrections must be postmarked no later than the next business day after the prescribed time for correction.

Section 109(d)(1) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3163.2(f)(1), provides that any person who "knowingly or willfully" prepares, maintains, or submits false, inaccurate, or misleading reports, notices, affidavits, records, data, or other written information required by this part shall be liable for a civil penalty of up to \$25,000 per violation for each day such violation continues, not to exceed a maximum of 20 days.

REVIEW AND APPEAL RIGHTS

A person contesting a violation shall request a State Director review of the Incidents of Noncompliance. This request must be filed within 20 business days of receipt of the Incidents of Noncompliance with the appropriate State Director (see 43 CFR 3165.3). The State Director review decision may be appealed to the Interior Board of Lands Appeals, 4015 Wilson Blvd., Arlington, VA 22203 (see 43 CFR 3165.4). Contact the above listed Bureau of Land Management office for further information.

Signature of Bureau of Land Management Authorized Officer *G. Hunt* Date *7-16-97* Time *1143*

FOR OFFICE USE ONLY

Number	Date	Assessment	Penalty	Termination
<i>SP 33</i>				
Type of Inspection				
<i>FA</i>				

RECEIVED  
 1997 JUL 1 4:44  
 BUREAU OF LAND MANAGEMENT  
 CARLSBAD RESOURCE AREA