



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

NOTICE OF VIOLATION (3-04-10)

June 21, 2004

CERTIFIED MAIL

RETURN RECEIPT NO: 7002 2410 0006 6464 0851

Mr. Jim Hicks
Hicks Oil & Gas Inc.
P.O. Drawer 3307
Farmington, NM 87401

RE: Violation of Order R-7930

Dear Mr. Hicks:

On June 7, 2004, New Mexico Oil Conservation Division (OCD) Deputy Inspector, Bruce Martin, observed that the Hicks Oil & Gas Inc. (Hicks) well Southeast Cha Cha Unit #37, located in Unit Letter O, Section 15, Township 28 North, Range 13 West, API 30-045-24160, was in violation of OCD order R-7930.

An OCD investigation found the following:

1. The injection pressure gauge on the pressure-limiting device for the referenced well was reading 1135 psi.
2. The pressure-limiting device was set to 1150 psi.
3. The words "1058 MAX" were written on the pressure-limiting device and a mark had been scribed at that point on the face of the device.
4. A calibrated pressure gauge supplied by Wendell Webb of Hicks showed a wellhead injection pressure of 1100 psi.
5. A review of C-115 reports shows that Hicks has been reporting an injection pressure of 600 psi for every month since at least January 1994.

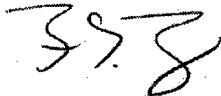
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6. Order R-7930 states in pertinent part, "(2) The injection well or system shall be equipped with pressure limiting switch or other acceptable device which will limit the wellhead pressure on the injection well to no more than 1058 psi."

Further violations of order R-7930 may result in Hicks being summoned to a public enforcement hearing before a Division Hearing Examiner where the Division staff will recommend issuance of a formal order requiring compliance with OCD rules. Such an order may include cancellation of authority to inject and imposition of civil penalties.

If you have questions, please feel free to contact me at 505-334-6178 ext 11.

Sincerely,



Frank T. Chavez
District Supervisor
fchavez@state.nm.us

FTC/mk

Cc: Gail MacQuesten, OCD Legal Counsel
Charlie Perrin
Will Jones
Well File
NOV File