

exico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

Brett F. Woods, PH.D Acting Cabinet Secretary

Daniel Sanchez Acting Division Director Oil Conservation Division

Response Required - Deadline Enclosed

Field Inspection Program "Preserving the Integrity of Our Environment"

24-Feb-11



One Riverway SUITE 610 Houston TX 77056

Dear Operator:

LETTER OF VIOLATION - Inspection

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

U D SAWYER No.001 Inspection				A-34-9S-36E	30-025-03629-00-	00
Date 02/24/2011	Type Inspection Routine/Periodic Violations	Inspector Maxey Brown	Violation? Yes	*Significant Non-Compliance? No		Inspection No. iMGB1105534143

Absent Well Identification Signs (Rule 103)

NO Well Sign (Rule 19.15.16.8). UNABLE TO FIND WELL SIGN., NEED TO INSTALL Comments on Inspection: SIGN. MGB

CROSSROA Inspection	ADS SILURO DEVONIA	N UNIT No.105		B-34-9S-36E	30-025-23472-00-0	00
Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
02/24/2011	Routine/Periodic Violations	Maxey Brown	Yes	No		iMGB1105533459

Absent Well Identification Signs (Rule 103)

Comments on Inspection:

Well Sign (Rule 19-15-16-8). NEED TO CORRECT WELL TO SHOW CORRECT WELL NAME AND NUMBER. MGB.

Oil Conservation Division 1625 N. French Drive - Hobbs, New Mexico 88240 Phone (575) 393-6161 • Fax (575) 393-0720 • www.emnrd.state.nm.us/OCD



CROSSROADS SILURO DEVONIAN UNIT No.307

J-27-9S-36E

30-025-24100-00-00

Inspection Date

02/24/2011

Type Inspection Routine/Periodic Inspector

Violation?

*Significant Non-Compliance? No

Corrective Action Due By:

Inspection No.

Maxey Brown

Yes

5/30/2011

iMGB1105536800

Violations

Absent Well Identification Signs (Rule 103)

Comments on Inspection:

Hobbs OCD District Office

Well Sign (Rule 19.15.16.8). NEED TO CORRECT WELL SIGN TO SHOW CORRECT LEASE

NAME. MGB.

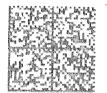
In the event that a satisfactory response is not received to this letter of direction by the "Corrective Action Due By:" date shown above, further enforcement will occur. Such enforcement may include this office applying to the Division for an order summoning you to a hearing before a Divison Examiner 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,

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.

EMNRD
OIL CONSERVATION DIVISION
1625 N FRENCH DRIVE
HOBBS NM 88240



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EOR OPERATING COMPANY ONE RIVERWAY SUITE 610 HOUSTON TX 77056