

# New Mexico Energy, Minerals and Natural Resources Department

**Susana Martinez**  
Governor

**John Bemis**  
Cabinet Secretary-Designate

**Brett F. Woods, Ph. D.**  
Deputy Cabinet Secretary

**Jami Bailey**  
Division Director  
Oil Conservation Division



July 18, 2011

NGX Company  
Attention: Jim Schultz  
P.O. Box 1834  
Roswell, NM 88202

NGX Company  
Attention: George Scott Jr.  
215 W. Third  
Roswell, NM 88201

Dear Operator,

On February 16, 2011, NGX Company was notified of the need to submit a procedure for plugging and abandoning well Boggs Fee #001 (API No. 30-015-24447). As of the date of this letter, no such procedure has been submitted to the Oil Conservation Division (OCD). In addition, NGX Company owes additional financial assurance for Boggs Fee #001. Please see attached letter.

You have thirty (30) days from the date of this letter to contact Daniel Sanchez, OCD Compliance and Enforcement Manager to resolve these issues. Mr. Sanchez can be reached at 505.476.3493 or at [Daniel.Sanchez@state.nm.us](mailto:Daniel.Sanchez@state.nm.us). If NGX Company does not resolve these matters within the thirty (30) days, the OCD will seek a Plugging Order pursuant to an Examiner Hearing.

Sincerely,



Gabrielle A. Gerholt  
Associate General Counsel  
505.476.3451

Cc: Artesia District Office

Encl: February 16<sup>th</sup> letter





# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

**Joanna Prukop**

Cabinet Secretary

**Mark E. Fesmire, P.E.**

Director

**Oil Conservation Division**

**\*Response Required – Deadline Enclosed\***

*Field Inspection Program*

*"Preserving the Integrity of Our Environment"*

16-Feb-11

Mailed: 2/17/2011  
JEF

**NGX COMPANY**

P O BOX 1834

ROSWELL NM 88202

**LOVNO. 02-09-194**

**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**

**BOGGS FEE No.001**

**I-21-22S-27E**

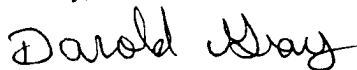
**30-015-24447-00-00**

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
02/16/2011	Complaint Response	Darold J. Gray	Yes	No	5/22/2011	iDJG1104741833

**Comments on Inspection:** Met on location with land owner. Well appears to be idle. No production reported for 116 mos. 4 feet tall weeds on most of location. Well head intact, open cellar covered w/ grating. No tanks on location. Heater, flow lines & meter run. In TB area, signs of release or spill. Several piles on loc of what appears to be cuttings. Photos taken. Operator to submit procedure to plug & abandon the well to OCD District II office no later than 5/22/2011.

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 Division 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,



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.