

# I & E CFO

Number 10-JAF-020

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UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**NOTICE OF INCIDENTS OF NONCOMPLIANCE**

Identification	
IID	
Lease	NMNM0552659A
CA	
Unit	
PA	

Bureau of Land Management Office HOBBS INSPECTION OFFICE				Operator SIANA OPERATING LLC			
Address 414 WEST TAYLOR HOBBS NM 88240				Address PO BOX 10303 MIDLAND TX 79702			
Telephone 575.393.3612				Attention			
Inspector FRYE				Attn Addr			
Site Name (FACILITY)	Well or Facility A	1/4 1/4 Section NESE 22	Township 23S	Range 34E	Meridian NMP	County LEA	State NM
Site Name (FACILITY)	Well or Facility	1/4 1/4 Section	Township	Range	Meridian	County	State

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
02/25/2010	11:30	43 CFR 3162.5-1(c)	MINOR
Corrective Action To Be Completed By	Date Corrected	Assessment for Noncompliance	Assessment Reference
03/16/2010			43 CFR 3163.1()

Remarks

A spill event has recently occurred at the above referenced location. The spill overran the berm of this facility and into the pasture. Due to the volume that was discharged, this event requires that a Release Notification and Corrective Action form (Form C-141) be submitted to the BLM. In addition to this form the BLM also requires that plans be submitted for both sampling the affected (Remarks continued on following page(s).)

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

Company Representative Title \_\_\_\_\_ Signature \_\_\_\_\_ Date \_\_\_\_\_

Company Comments \_\_\_\_\_

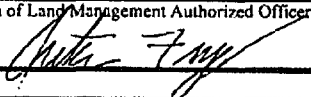
**WARNING**

Incidents of Noncompliance correction and reporting timeframes 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, record, 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 working 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, 801 North Quincy Street, Suite 300, 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 		Date 2/25/10	Time 11:30
FOR OFFICE USE ONLY			
Number 51	Date	Assessment	Penalty
Type of Inspection NU	Termination		

**BLM Remarks, continued**

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soils, and the necessary work to reclaim the disturbed area. Failure to comply with these requests, by the given Abatement Date (3-16-10), will result in Assessment/Civil Penalties. Please contact Justin Frye (575) 234-5922 or Jim Amos (575) 234-5909 with any questions that you may have.

Math - 432 - 682 - 2453

[illegible]

Siana

Curry Fed. #2 SWD

4.02.2010

take area from Battery to  
puddled area 1' then 2' and  
Blend in Hot area to haul off  
either clay barrier or plastic

