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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

Letter of Violation
Please see enclosed for details

26-Mar-08

DAVID H ARRINGTON OIL & GAS INC

PO BOX 2071 214 W TEXAS S 400

MIDLAND TX 79702

LOV NO. 02-08-049

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

FEDERAL 34 No.001

N-34-20S-26E

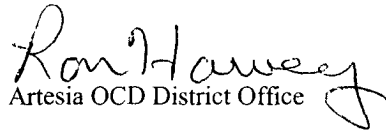
30-015-22738-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/24/2008	Routine/Periodic	Ron Harvey	Yes	No	4/24/2008	iREH0808436696
Violations						
Surface Leaks/Spills						

Comments on Inspection: Well sign does not indicate footages or API number, violation of Rule 103. Soil inside TB berm area saturated in several locations with produced water and some hydrocarbons. Evidence of tanks overflowing. Violation of Rule 116. Operator must submit remediation plan and C-141 to OCD District II office for approval no later than 4/24/2008. Operator must also submit analytical data prior cleanup. There is a large amount of misc junk on the east side of the location as well as inside the TB berm area that needs to be removed. Photos taken.

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