

Susana Martinez

Governor

Harrison H. Schmitt
Cabinet Secretary-Designate

Daniel Sanchez
Acting Division Director
Oil Conservation Division



Response Required - Deadline Enclosed

Field Inspection Program
"Preserving the Integrity of Our Environment"

12-Jan-11

NORDSTRAND ENGINEERING INC 3229 D'AMICO STREET, SUITE 200 HOUSTON TX 77019 LOVNO. 02-09-186

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

WEST HENSHAW PREMIER UNIT No.004Z

L-4-16S-30E *Significant

30-015-03862-00-00

Inspection
Date Typ

01/12/2011

Type Inspection
Routine/Periodic

Inspector
Kimberly Wilson

Violation? Yes Non-Compliance?

Corrective
Action Due By:

ction Due By: Inspection No. 1/26/2011 iKMW1101232110

Comments on Inspection:

Well status of temporary abandonment expired on 1/5/2004. This well is showing production since 9/12/2009, violation of NMAC 19.15.7.14 & NMAC 19.15.7.15.

Operator must submit a C-103 stating date well was brought back into production, a C-103 stating any remedial work that has been done since change of operator dated 10/2004, and a C-104 requesting authorization to transport oil and gas, to OCD District II office no later than January 26, 2011.

Oil Conservation Division
1301 W. Grand Avenue • Artesia, New Mexico 88210
Phone (575)748-1283 • Fax (575) 748-9720 • www.emnrd.state.nm.us/OCD



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,

Kemberly M. Welson 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.