

## NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON** 

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

10-Apr-07

AMERICO ENERGY RESOURCES LLC 7575 SAN FELIPE SUITE 200 HOUSTON TX 77063

LOV NO. 0 299 07

**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.

		INS	SPECTION D	ETAII	L SECTION		
EAST SHUGART UNIT No.003 Inspection Date Type Inspection		0.003 Inspec	tor Vio	lation?	A-34-18S-31E *Significant Non-Compliance?	30-015-05683-00-0 Corrective Action Due By:	00 Inspection No.
04/10/2007	0/2007 Routine/Periodic		Guye	Yes	No	5/1/2007	iGEG0710043329
Comments		No Company Represent with OCD to reschedule		radenh	ead test. Well must be	shut in pending conta	act
EAST SHUGART UNIT No.002 Inspection Date Type Inspection		0.002	tor Viol	lation?	B-34-18S-31E *Significant Non-Compliance?	30-015-05684-00-0 Corrective Action Due By:	00 Inspection No.
04/10/2007	007 Routine/Periodic		Guye	Yes	No	5/1/2007	iGEG0710043205
Comments		No Company Represent with OCD to reschedule		radenhe	ead test. Well must be	shut in pending conta	act
EAST SHUGART UNIT No.015 Inspection Date Type Inspection		0.015	tor Viol	ation?	F-34-18S-31E *Significant Non-Compliance?	30-015-05687-00-0 Corrective Action Due By:	Inspection No.
04/10/2007	Routine/Period	ic Gerry	Guye	Yes	No	5/1/2007	iGEG0710043576
Comments		No Company Representation No Company Representation No.		radenhe	ead test. Well must be	shut in pending conta	ect

EAST SHUGART UNIT No.016 L-34-18S-31E 30-015-05688-00-00 \*Significant Inspection Corrective Type Inspection Violation? Inspection No. Inspector Date Non-Compliance? Action Due By: 04/10/2007 4/30/2007 iGEG0704041326 Compliance Verification Gerry Guye Yes No **Comments on Inspection:** Well is currently injecting @1250 psi and 500 bpd in violation of shut-in order LOV #027606 issued on Nov 27, 2006. Well must be shut in immediately and the OCD contacted prior to return to injection. EAST SHUGART UNIT No.024 N-35-18S-31E 30-015-05691-00-00 \*Significant Corrective Inspection Type Inspection Violation? Inspection No. Inspector Date Non-Compliance? Action Due By: 04/10/2007 iGEG0710044668 Routine/Periodic Gerry Guye Yes No 5/1/2007 Comments on Inspection: No Company Representative to witness Bradenhead test. Well must be shut in pending contact with OCD to reschedule. EAST SHUGART UNIT No.006 C-35-18S-31E 30-015-05696-00-00 Inspection \*Significant Corrective Inspection No. Type Inspection Inspector Violation? Date Non-Compliance? Action Due By: 04/10/2007 Routine/Periodic Gerry Guve Yes 5/1/2007 iGEG0710043459 Comments on Inspection: No Company Representative to witness Bradenhead test. Well must be shut in pending contact with OCD to reschedule. EAST SHUGART UNIT No.022 J-35-18S-31E 30-015-05698-00-00 Inspection \*Significant Corrective Violation? Inspection No. **Type Inspection** Inspector Date Non-Compliance? Action Due By: 04/10/2007 Routine/Periodic Gerry Guye Yes No 5/1/2007 iGEG0710044572 Comments on Inspection: No Company Representative to witness Bradenhead test. Well must be shut in pending contact with OCD to reschedule. **EAST SHUGART UNIT No.023** O-35-18S-31E 30-015-05699-00-00 Inspection \*Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 04/10/2007 Routine/Periodic Yes iGEG0710044619 Gerry Guye 5/1/2007 Comments on Inspection: No Company Representative to witness Bradenhead test. Well must be shut in pending contact with OCD to reschedule. **EAST SHUGART UNIT No.020** L-35-18S-31E 30-015-05702-00-00 Inspection \*Significant Corrective **Type Inspection** Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 04/10/2007 Routine/Periodic Gerry Guye Yes iGEG0710043685 No Company Representative to witness Bradenhead test. Well must be shut in pending contact Comments on Inspection: with OCD to reschedule EAST SHUGART UNIT No.009 H-35-18S-31E 30-015-05703-00-00 \*Significant Inspection Corrective Type Inspection Violation? Inspector Inspection No. Date Non-Compliance? Action Due By: 04/10/2007 Routine/Periodic Gerry Guye Yes No 5/1/2007 iGEG0710043525 **Comments on Inspection:** No Company Representative to witness Bradenhead test. Well must be shut in pending contact with OCD to reschedule. **EAST SHUGART UNIT No.032** M-35-18S-31E 30-015-20254-00-00 Inspection \*Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 04/10/2007 Routine/Periodic Gerry Guve Yes iGEG0710044714 5/1/2007 **Comments on Inspection:** No Company Representative to witness Bradenhead test. Well must be shut in pending contact with OCD to reschedule. EAST SHUGART UNIT No.033 K-34-18S-31E 30-015-26484-00-00 Inspection \*Significant Corrective Type Inspection Violation? Inspection No. Inspector Date Non-Compliance? Action Due By: 04/10/2007 Routine/Periodic Gerry Guye Yes No 5/1/2007 iGEG0710044759 Comments on Inspection: No Company Representative to witness Bradenhead test. Well must be shut in pending contact with OCD to reschedule.

**EAST SHUGART UNIT No.042** A-34-18S-31E 30-015-27670-00-00 \*Significant Corrective Inspection Type Inspection Inspector Violation? Inspection No. Non-Compliance? Date Action Due By: 04/10/2007 Routine/Periodic Gerry Guye Yes No 5/1/2007 iGEG0710044801 Comments on Inspection: No Company Representative to witness Bradenhead test. Well must be shut in pending contact with OCD to reschedule. **EAST SHUGART UNIT No.052** B-35-18S-31E 30-015-27946-00-00 \*Significant Corrective Inspection Violation? Inspection No. Date Type Inspection Inspector Non-Compliance? Action Due By: 04/10/2007 Routine/Periodic Gerry Guye Yes 5/1/2007 iGEG0710044844 No Comments on Inspection: No Company Representative to witness Bradenhead test. Well must be shut in pending contact with OCD to reschedule. EAST SHUGART UNIT No.056 G-35-18S-31E 30-015-27949-00-00 Inspection \*Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 04/10/2007 Routine/Periodic Gerry Guye 5/1/2007 iGEG0710044884 Yes No Comments on Inspection: No Company Representative to witness Bradenhead test. Well must be shut in pending contact with OCD to reschedule. **EAST SHUGART UNIT No.058** K-35-18S-31E 30-015-27951-00-00 \*Significant Inspection Corrective Inspection No. Type Inspection Inspector Violation? Date Non-Compliance? Action Due By: 04/10/2007 Routine/Periodic Gerry Guye Yes No 5/1/2007 iGEG0710044951 **Comments on Inspection:** No Company Representative to witness Bradenhead test. Well must be shut in pending contact with OCD to reschedule. **EAST SHUGART UNIT No.076** F-35-18S-31E 30-015-28201-00-00 Inspection \*Significant Corrective Type Inspection Violation? Inspector Inspection No. Date Non-Compliance? Action Due By: 04/10/2007 Routine/Periodic Gerry Guye Yes No 5/1/2007 iGEG0710045148 Comments on Inspection: No Company Representative to witness Bradenhead test. Well must be shut in pending contact with OCD to reschedule. **EAST SHUGART UNIT No.075** K-35-18S-31E

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.

Violation?

Yes

No Company Representative to witness Bradenhead test. Well must be shut in pending contact

Inspector

with OCD to reschedule.

Gerry Guye

30-015-28204-00-00

Corrective

Action Due By:

5/1/2007

Inspection No.

iGEG0710045098

\*Significant

Non-Compliance?

Inspection

Date

Comments on Inspection:

04/10/2007

Type Inspection

Routine/Periodic

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.