



New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John H. Bemis
Cabinet Secretary-Designate

Brett F. Woods, Ph. D.
Acting Cabinet Secretary

Jami Bailey
Division Director
Oil Conservation Division



Response Required – Deadline Enclosed

Field Inspection Program
"Preserving the Integrity of Our Environment"

30-Jun-11

SANDRIDGE EXPL. & PROD. LLC.
2130 W. BENDER
HOBBS, NM 88240

SANDRIDGE EXPLORATION AND PRODUCTION, LLC
123 ROBERT S. KERR AVE
OKLAHOMA CITY OK 73102

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

SEVEN RIVERS QUEEN UNIT No.037

O-34-22S-36E

30-025-09136-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
06/22/2011	Pressure Test	Sylvia Dickey	Yes	No	9/25/2011	iSAD1117342263
Comments on Inspection: ATTEMPTED PT; CANNOT PT; CK WELLFILE FOR WELLBORE SPECS; 2 7/8 CSG CMT TUBING 2 1/16; SLIM HOLE TUBING CEMENT'D IN CASING; ??? UNABLE TO PRESSURE TEST;						

EAST HOBBS SAN ANDRES UNIT No.999

A-31-18S-39E

30-025-39209-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
06/20/2011	Bradenhead	Sylvia Dickey	Yes	No	9/23/2011	iSAD1117140397
Comments on Inspection: BHT OKAY; PRODUCING GAS OUT OF ANNULUS? ***OPERATOR NEEDS TO SUBMIT PAPERWORK REGARDING STATUS OF WELL AND PRIOR WORKOVER PERFORMED. ****SUBSEQUENT REPORT OF FORM C103****						

Oil Conservation Division * 1625 N. French Dr.*

* Hobbs, New Mexico 88240

* Phone: (575) 393-6161 * Fax (575) 393-0720 * <http://www.emnrd.state.nm.us>

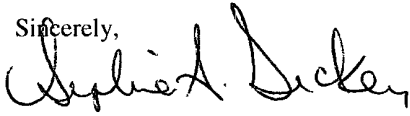


June 30, 2011

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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.

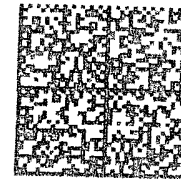
Sincerely,

A handwritten signature in black ink, appearing to read "Stephen Dickey". The signature is fluid and cursive, with a large initial "S" and a long, sweeping underline.

Hobbs OCD District Office
COMPLIANCE OFFICER

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.

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Oil Conservation Division
1625 N. French Drive
Hobbs, NM 88240

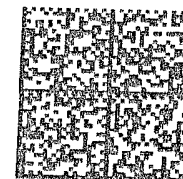


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\$0.44
06/30/11
Mailed From 88240

US POSTAGE

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