



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Susana Martinez
Governor

John H. Bemis
Cabinet Secretary

Jami Bailey
Division Director
Oil Conservation Division

Response Required – Deadline Enclosed

*High Inspection Program
Preserving the Integrity of Our Environment*

07-Jul-11

DWIGHT A TIPTON
PO BOX 1025
LOVINGTON NM 88260

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

COASTAL A STATE No.003		N-9-9S-33E		30-025-23654-00-00		
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
07/06/2011	Routine/Periodic	Maxey Brown	Yes	No	8/9/2011	iMGB1118745603
Violations Absent Well Identification Signs (Rule 103) Surface Leaks/Spills						

Comments on Inspection: Well Sign (Rule 19.15.16.8). NEED TO INSTALL WELL SIGN TO REFLECT PROPER INFORMATION. SIGN AT WELL IS FOR THE COASTAL A STATE #2 WELL ALSO NEED TO CORRECT OIL LEAK AT EAST TANK AND LOAD LINE CONTAINMENT RULE 19.15.29.8 THIS IS 2ND LETTER OF NON-COMPLIANCE ON SIGN ISSUE MGB

COASTAL A STATE No.001		D-9-9S-33E		30-025-23799-00-00		
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
07/06/2011	Routine/Periodic	Maxey Brown	Yes	No	8/9/2011	iMGB1118746196
Violations Absent Well Identification Signs (Rule 103)						

Comments on Inspection: NO Well Sign (Rule 19.15.16.8) NEED TO INSTALL WELL SIGN. THIS IS 3RD LETTER OF NON-COMPLIANCE MGB

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
07/06/2011	Routine/Periodic	Maxey Brown	Yes	No	8/9/2011	iMGB1118746527

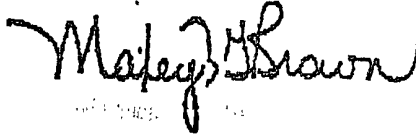
Violations

Absent Well Identification Signs (Rule 103)

Comments on Inspection: Well Sign (Rule 19 15 16 8 STILL NEED WELL SIGN. CORRECT SIGN HAS BEEN INSTALLED AT THE #3 WELL. NEEDS TO BE ON THIS WELL. THIS IS 2ND LETTER OF NON-COMPLIANCE. MGB

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.

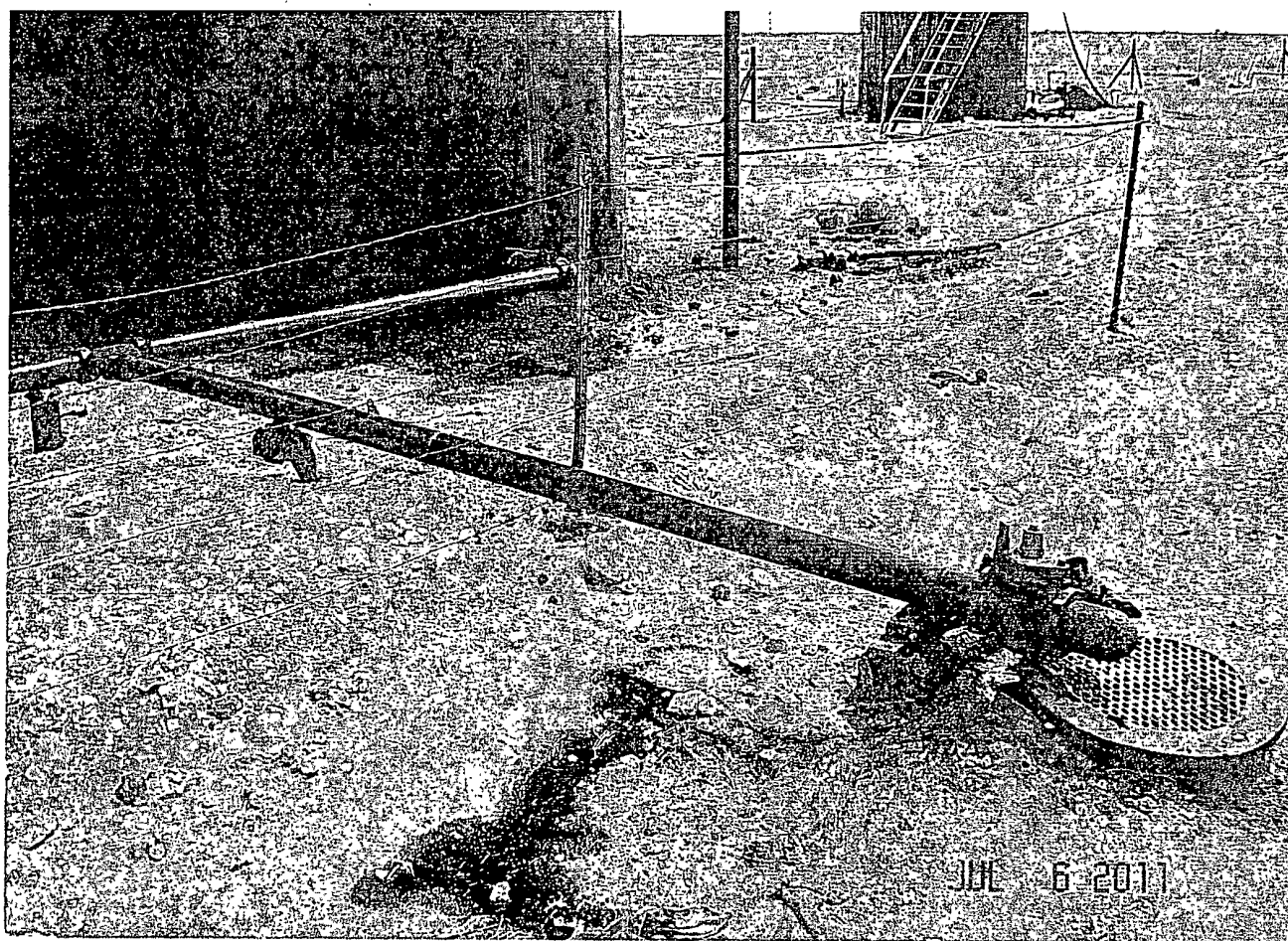
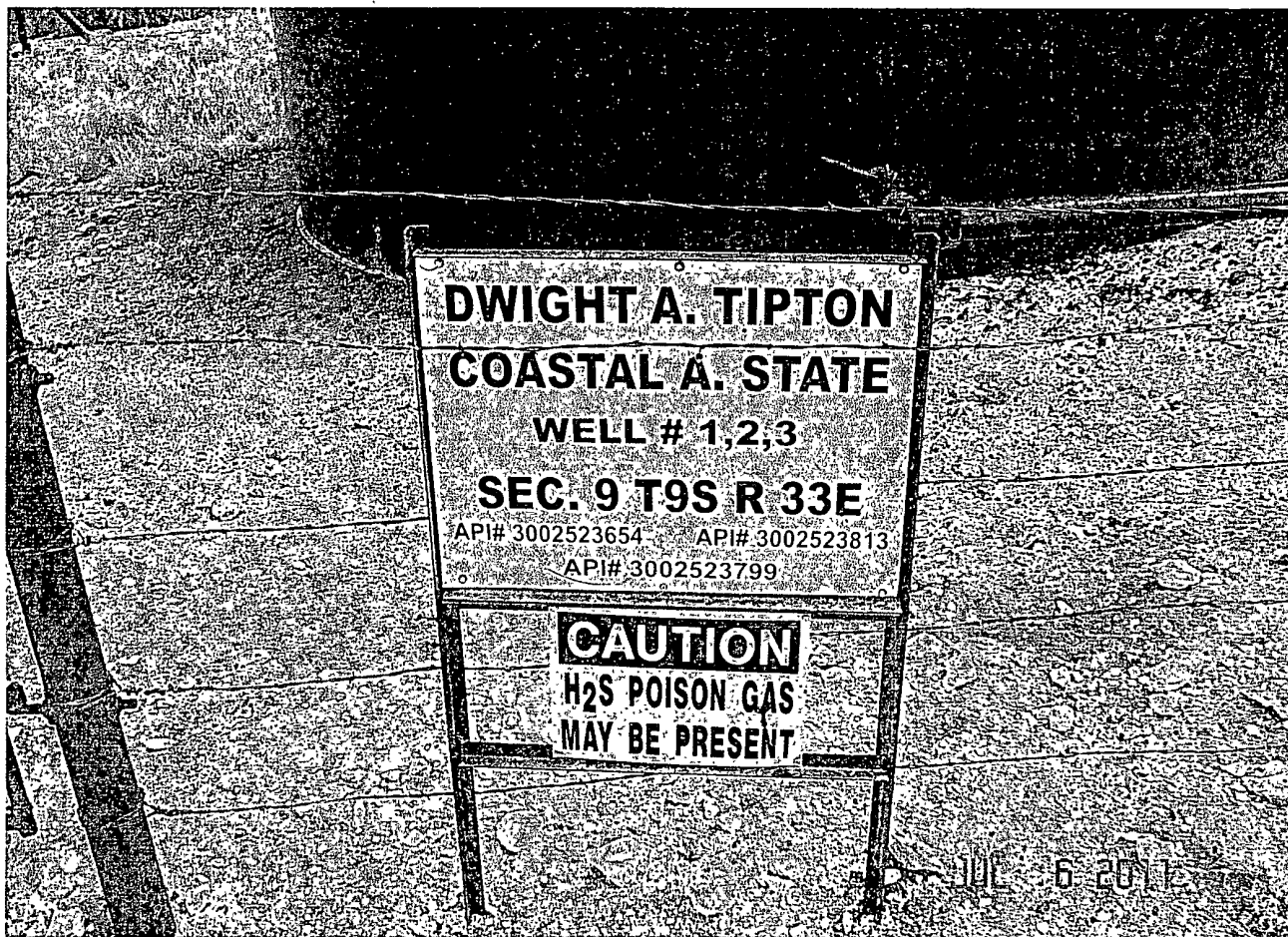
Sincerely,



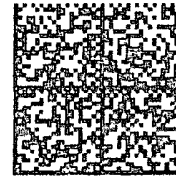
Hobbs OCD District Office

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



EMNRD
OIL CONSERVATION DIVISION
1625 N FRENCH DRIVE
HOBBS NM 88240



HASLER

015H14150977

\$0.44

07/07/11

Mailed From 88240

US POSTAGE

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PO BOX 1025
LOVINGTON NM 88260