



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Susana Martinez
Governor

John H. Bemis
Cabinet Secretary

Jami Bailey
Division Director
Oil Conservation Division

Field Inspection Program
"Preserving the Integrity of Our Environment"

23-Aug-11

HOBBS OCD

STEPHENS & JOHNSON OP CO
PO BOX 2249
WICHITA FALLS TX 76307

AUG 23 2011

RECEIVED

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

E O CARSON No.028				N-28-21S-37E	30-025-39025-00-00		
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.	
08/22/2011	Routine/Periodic	Mark Whitaker	Yes	No	11/25/2011	iMAW1123453170	
Comments on Inspection:		Well P&A'd during drilling operations in October of 2008 due to severe lost circulation Permission to plug approved by Paul Kautz. No dry hole marker has been erected nor is there any record that a below ground marker was installed. NEED TO VERIFY BELOW GROUND MARKER HAS BEEN INSTALLED. INSTALL A BELOW GROUND MARKER THAT IS WITNESSED BY THE OCD. OR INSTALL AN ABOVE GROUND MARKER 1st notice					

E O CARSON No.028Y				N-28-21S-37E	30-025-39237-00-00		
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.	
08/22/2011	Routine/Periodic	Mark Whitaker	Yes	No	11/25/2011	iMAW1123451479	
Violations		Absent Well Identification Signs (Rule 103)					
Comments on Inspection:		Well sign incorrect. API number, well number, and footage from south line need to be corrected. (This sign was made for the No. 28 well that was plugged during drilling) 1st notice.					

AUG 23 2011

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.

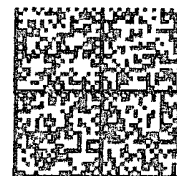
Sincerely,


COMPLIANCE OFFICER

Hobbs 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

EMNRD
OIL CONSERVATION DIVISION
1625 N FRENCH DRIVE
HOBBS NM 88240



HASLER 015H14150977
\$0.44
08/23/11
Mailed From 88240

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WICHITA FALLS, TX 76307