



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Response Required – Deadline Enclosed

*Field Inspection Program
Preserving the Integrity of Our Environment*

HOBBS OCD

SEP 13 2011

13-Sep-11

RECEIVED

EOR OPERATING COMPANY

One Riverway SUITE 610

Houston TX 77056

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

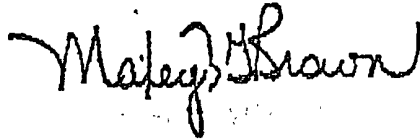
INSPECTION DETAIL SECTION

MILNESAND UNIT No.142					L-12-8S-34E	30-041-10008-00-00	
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.	
09/12/2011	Plugged Well Surface Restor	Maxey Brown	Yes	No	12/16/2011	iMGB1125540221	
Comments on Inspection:		DO NOT RELEASE. 19 15.25 10. NEED TO REMOVE JUNK PIECE OF WIRE ROPE (DRILLING LINE) FROM WEST SIDE OF LOCATION BELOW GRADE MARKER P/C AREA THIS IS 1ST LETTER OF NON-COMPLIANCE MGB					
MILNESAND UNIT No.201					B-25-8S-34E	30-041-10180-00-00	
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.	
09/12/2011	Plugged Well Surface Restor	Maxey Brown	Yes	No	12/16/2011	iMGB1125537591	
Comments on Inspection:		DO NOT RELEASE. RULE 19 15.25 10. NEED TO REMOVE 2 PORTABLE CONCRETE PUMPING UNIT BASES FROM WEST SIDE OF LOCATION. ALSO NEED TO REMOVE CONTROL PANEL AND METER BASE FROM ELECTRIC POLE NW CORNER OF LOCATION CONTACT ELECTRIC PROVIDER TO REMOVE 3 SECONDARY POLES AND OVERHEAD WIRE IF INACTIVE THIS IS 1ST LETTER OF NON-COMPLIANCE					

SEP 13 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.

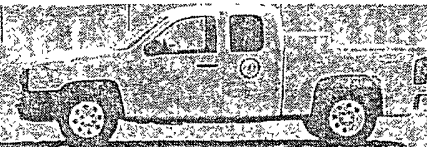
Sincerely,



Hobbs OCD District Office

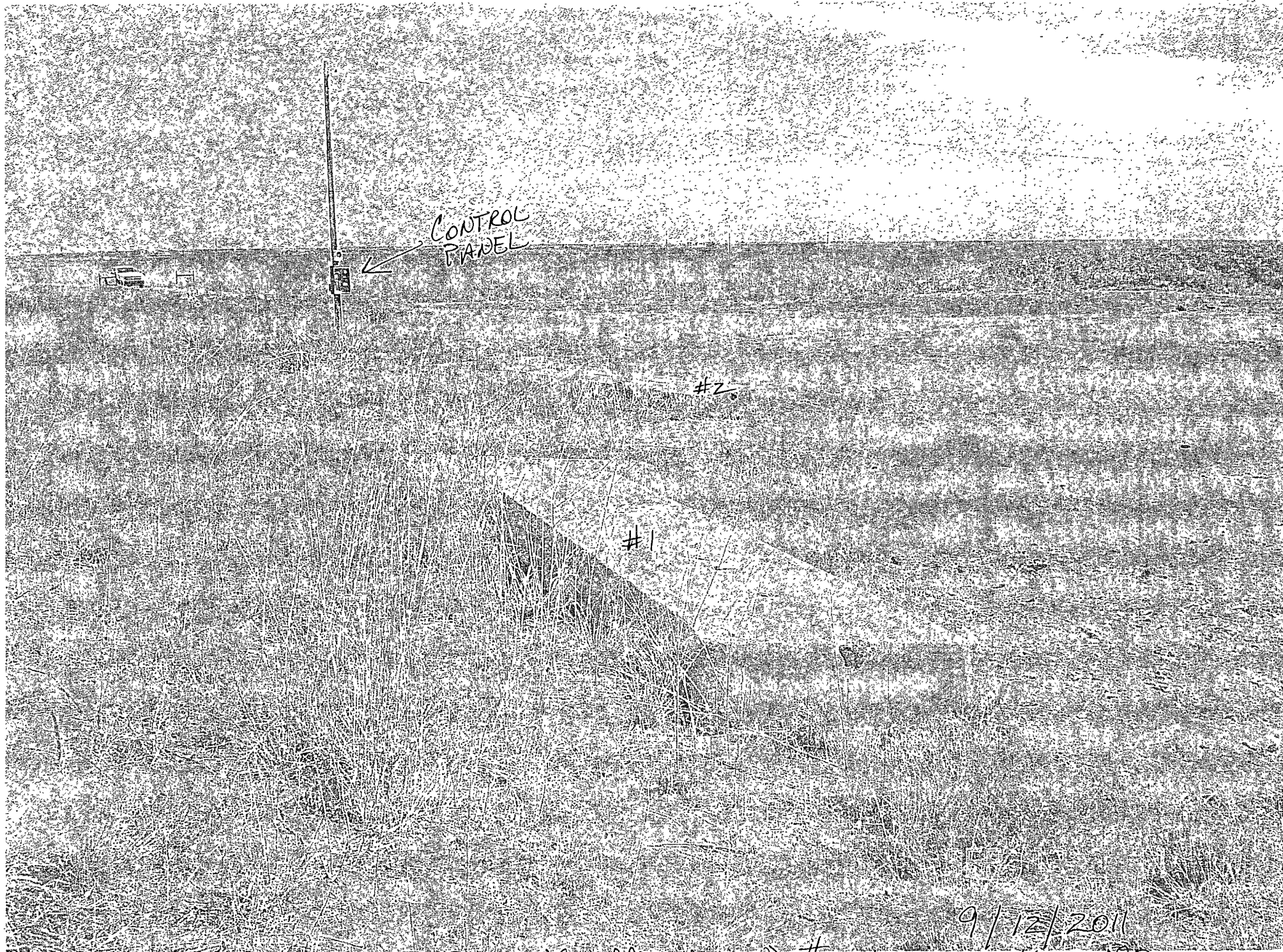
COMPLIANCE OFFICER

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



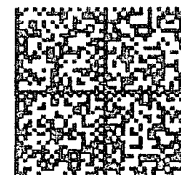
EOR MILNESAND UNIT #142 30-041-10008

9/12/2011



EOR OPERATING MILNESAND #201 30-04-10180

EMNRD
OIL CONSERVATION DIVISION
1625 N FRENCH DRIVE
HOBBS NM 88240



HASLER	015H14150977	US POSTAGE
	\$0.44	
	09/13/11	
	Mailed From 88240	

EOR OPERATING COMPANY
ONE RIVERWAY SUITE 610
HOUSTON TX 77056