



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

Field Inspection Program

"Preserving the Integrity of Our Environment"

22-Sep-11

HOBBS OCD

PURVIS OPERATING CO

3101 N Pecos St. POB 51990 79710-1990
Midland TX 79705

SEP 22 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.

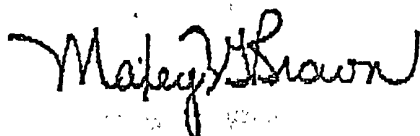
INSPECTION DETAIL SECTION

| ANTELOPE No.001 | | | | A-7-15S-35E | 30-025-38867-00-00 | |
|-------------------------|---|-------------|------------|------------------------------|---------------------------|----------------|
| Inspection Date | Type Inspection | Inspector | Violation? | *Significant Non-Compliance? | Corrective Action Due By: | Inspection No. |
| 09/21/2011 | Complaint Response | Maxey Brown | Yes | No | 12/25/2011 | iMGB1126458649 |
| | Violations | | | | | |
| | General Housekeeping (Rule 114) | | | | | |
| Comments on Inspection: | FOLLOWUP ON COMPLAINT FROM LAND OWNER. NEED TO REMOVE CONTAMINATED SOIL(SLUDGE) AND OILY RAGS LOCATED BY NW ANCHOR. CIRCULATING PUMP HAS LEAKED AND CONTAMINATED SOIL AROUND PUMP NEED TO REMOVE SOIL AROUND PUMP AND PILE OF OILY SOIL NE OF PUMP ALSO GEARBOX ON PUMPING UNIT IS LEAKING AND GEAR OIL IS RUNNING ONTO THE GROUND. NEED TO CORRECT RULES VIOLATED 19.15.10.8, 19.15.29.8. THIS IS 1ST LETTER OF NON-COMPLIANCE | | | | | |

SEP 22 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.

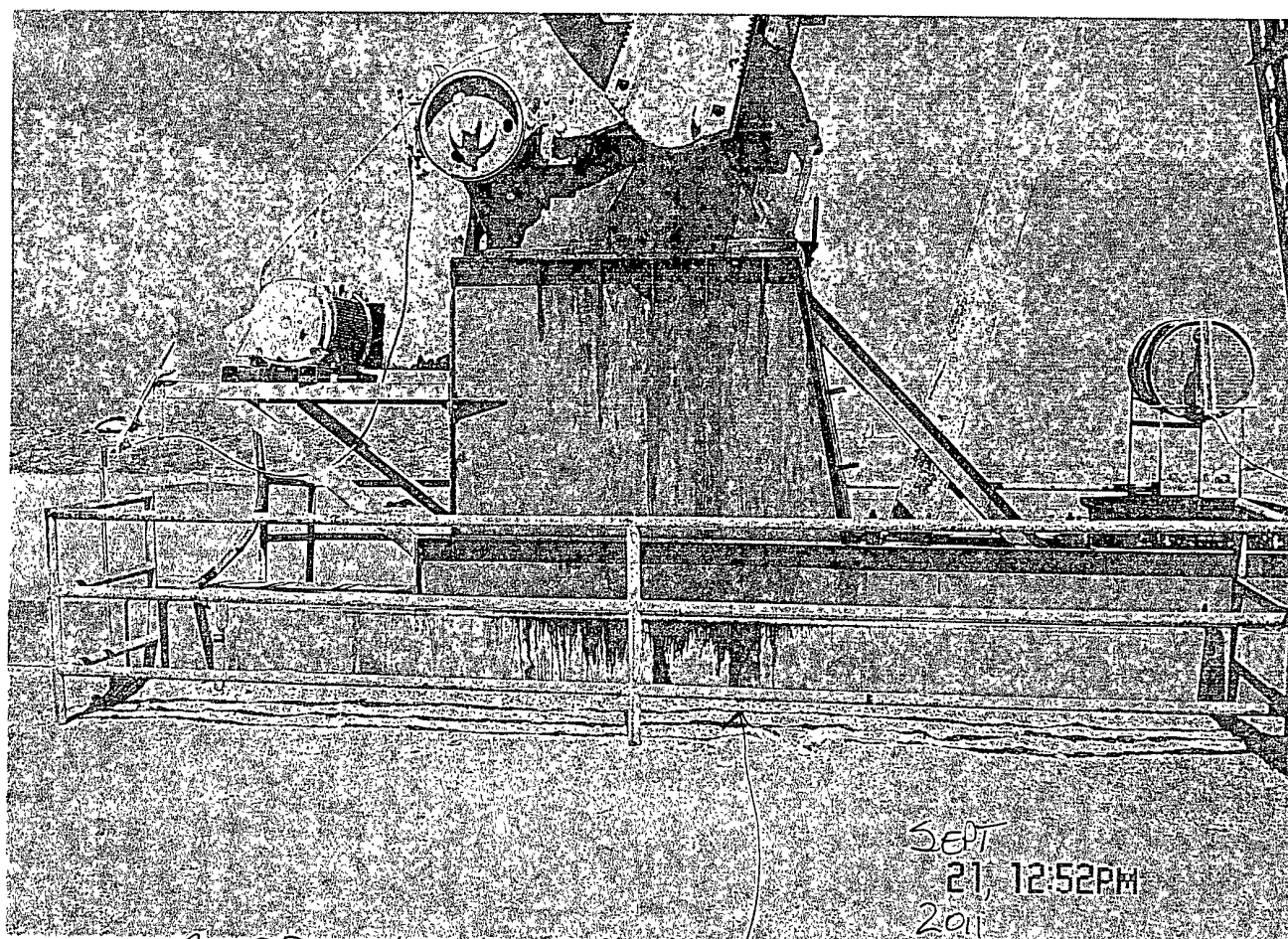
Sincerely,



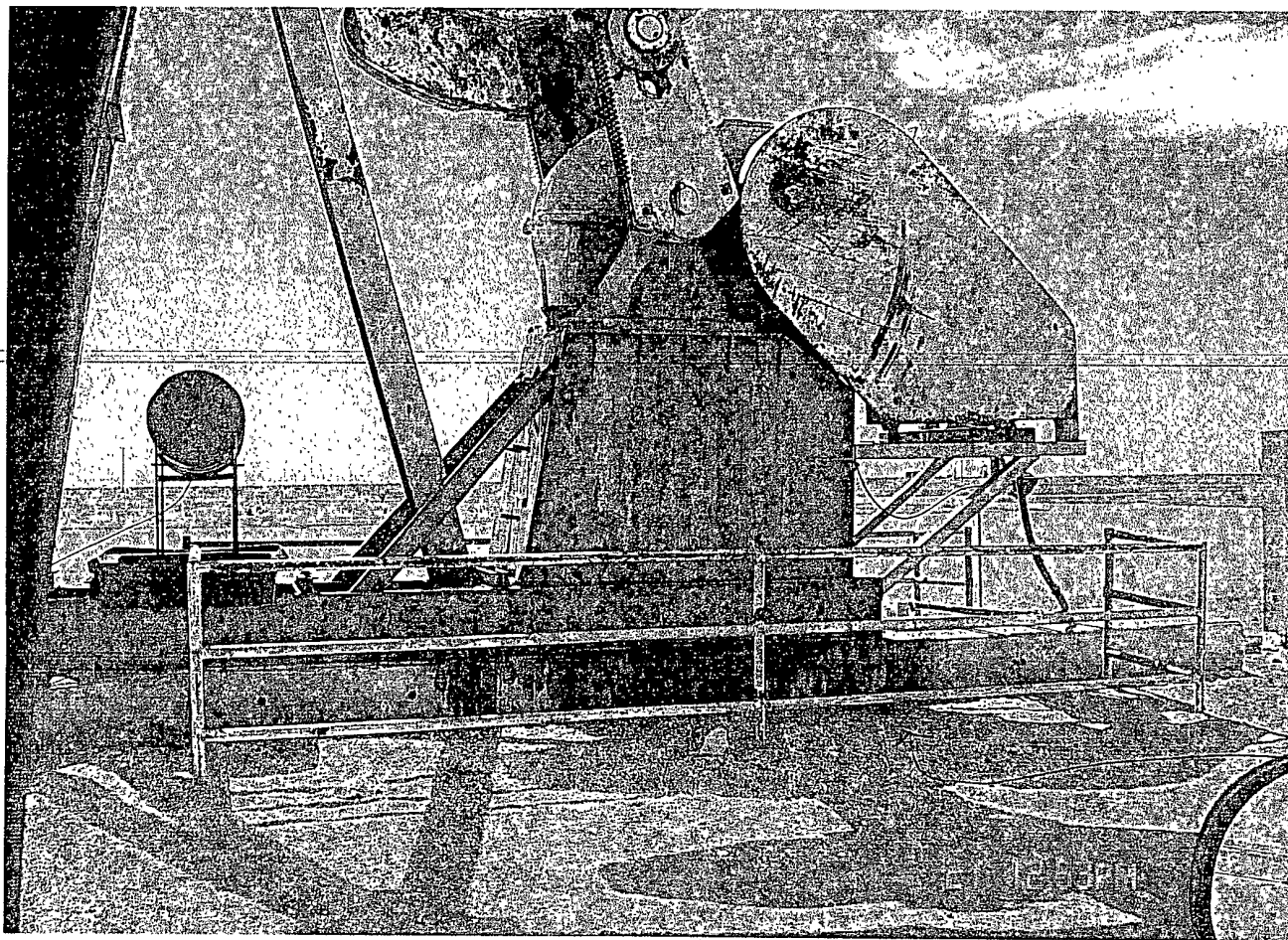
COMPLIANCE OFFICER

Hobbs OCD District Office

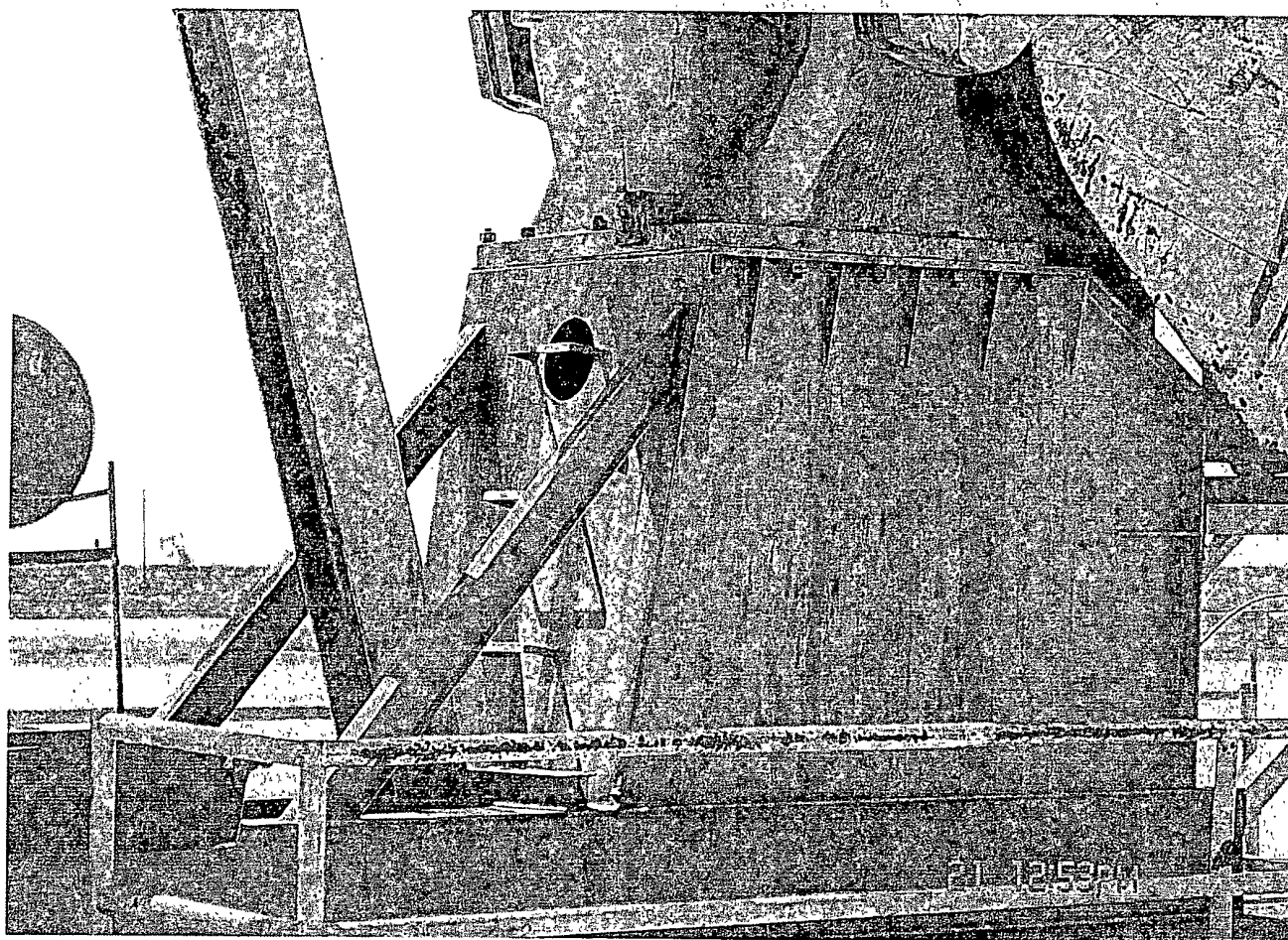
Note: Information in Detail Section comes directly from field inspector data entries - not all blanks will contain data
Significant Non-Compliance events are reported directly to the EPA, Region VI, Dallas, Texas



GEARBOX LEAK STARTING
TO REACH THE POND

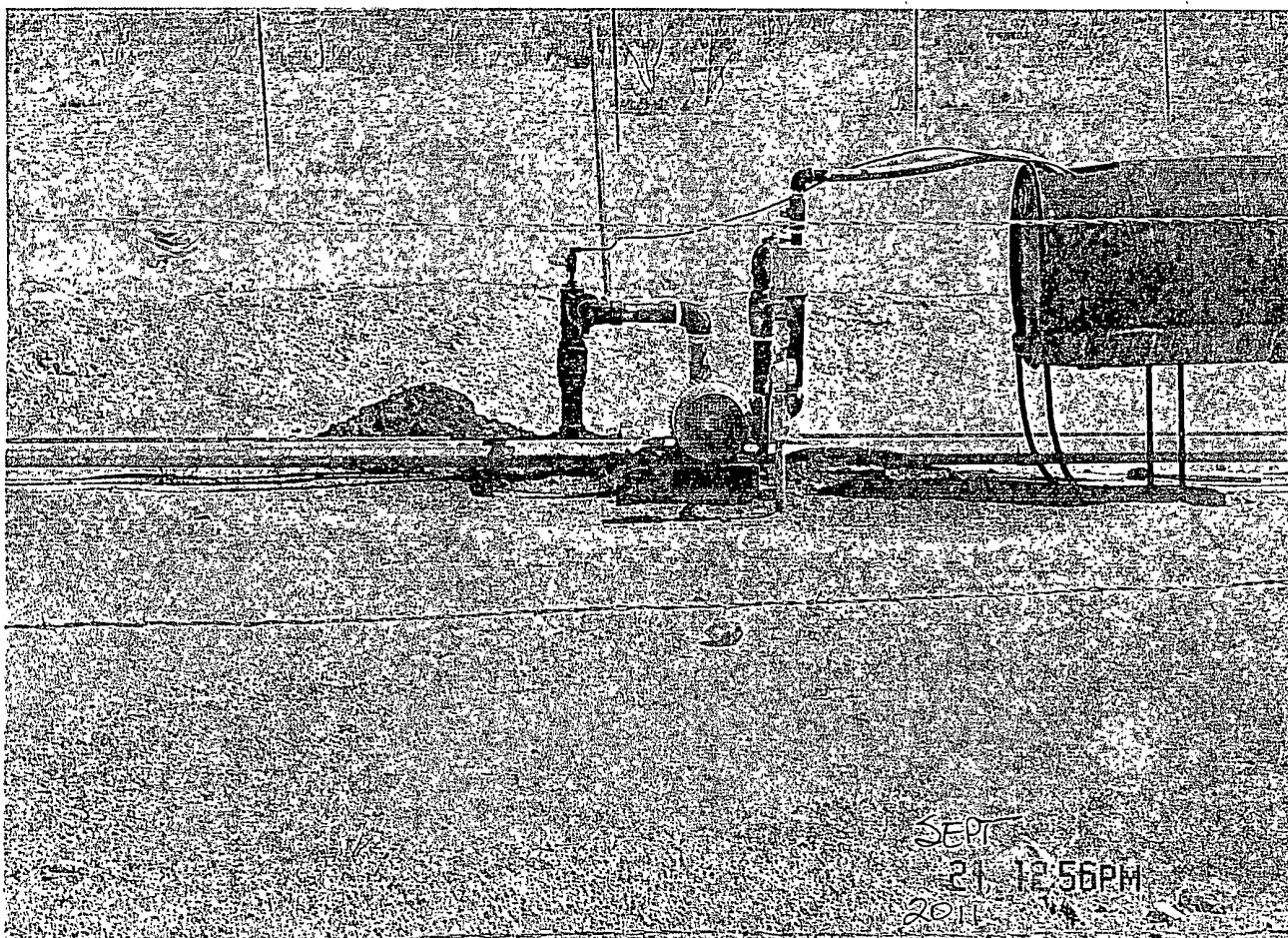


GEAR BOX OIL IS
REACHING THE GROUND

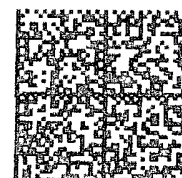




OILY RAGS
& OILY SLUDGE NW OF WELL



EMNRD
OIL CONSERVATION DIVISION
1625 N FRENCH DRIVE
HOBBS NM 88240



| | | |
|--------|-------------------|------------|
| HASLER | 015H14150977 | US POSTAGE |
| | \$0.44 | |
| | 09/22/11 | |
| | Mailed From 88240 | |

PURVIS OPERATING CO
3101 N, PECOS STREET
PO BOX 51990 79710-1990
MIDLAND, TX 79705