



# 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"*

05-Oct-11

**EVERQUEST ENERGY CORPORATION**  
10 DESTA DRIVE SUITE 300-E  
MIDLAND TX 79705

**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**

**RANGER No.006**

**N-23-12S-34E**

**30-025-01849-00-00**

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
09/23/2011	Bradenhead	Sylvia Dickey	Yes	No	12/27/2011	iSAD1126636477
<b>Comments on Inspection:</b> NEED TO CHECK WELLFILE FOR REPAIRS; SURFACE VALVE? IS DETACHD ON E. SIDE OF WELLHEAD; NO PRESSURE ON CASING; MASTER TBG VALVE ON INJ. LINE VALVES ARE OPEN. TBG SHWS ZERO. FAILED PRIOR UIC TEST; CHK FOR REPAIRS.**** NOTE ***OPERATOR MUST SUBMIT SUBSEQUENT REPORT C103 FOR REPAIRS REGARDING 1/5/2009 UIC VIOLATION***						

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>



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,



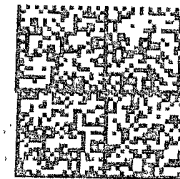
Hobbs OCD District Office

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  
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EVERQUEST ENERGY CORP.  
ATTN: TERRY DUFFY  
10 DESTA DRIVE STE.300-E  
MIDLAND, TX 79705