



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 report
for the Agency of New Mexico*

30-Mar-12

CAZA OPERATING, LLC
200 N LORAIN STE 1550
MIDLAND TX 79701

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

MOORE BAILOUT 11 STATE No.001

A-11-11S-32E

30-025-39448-00-00

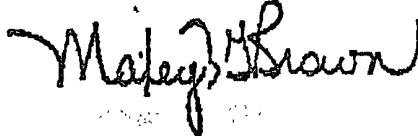
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/30/2012	Routine/Periodic	Maxey Brown	Yes	No	5/3/2012	IMGB1209057380
	Violations					
	Surface Leaks/Spills					

Comments on Inspection: RULE 19.15.29.8 LOADLINE CONTAINMENT OFF OF PROD OIL TANKS HAS LEAKED. NEED TO REPAIR AND REMOVE CONTAMINATED SOIL. THIS IS 1ST LETTER OF NON-COMPLIANCE

APR 03 2012

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,

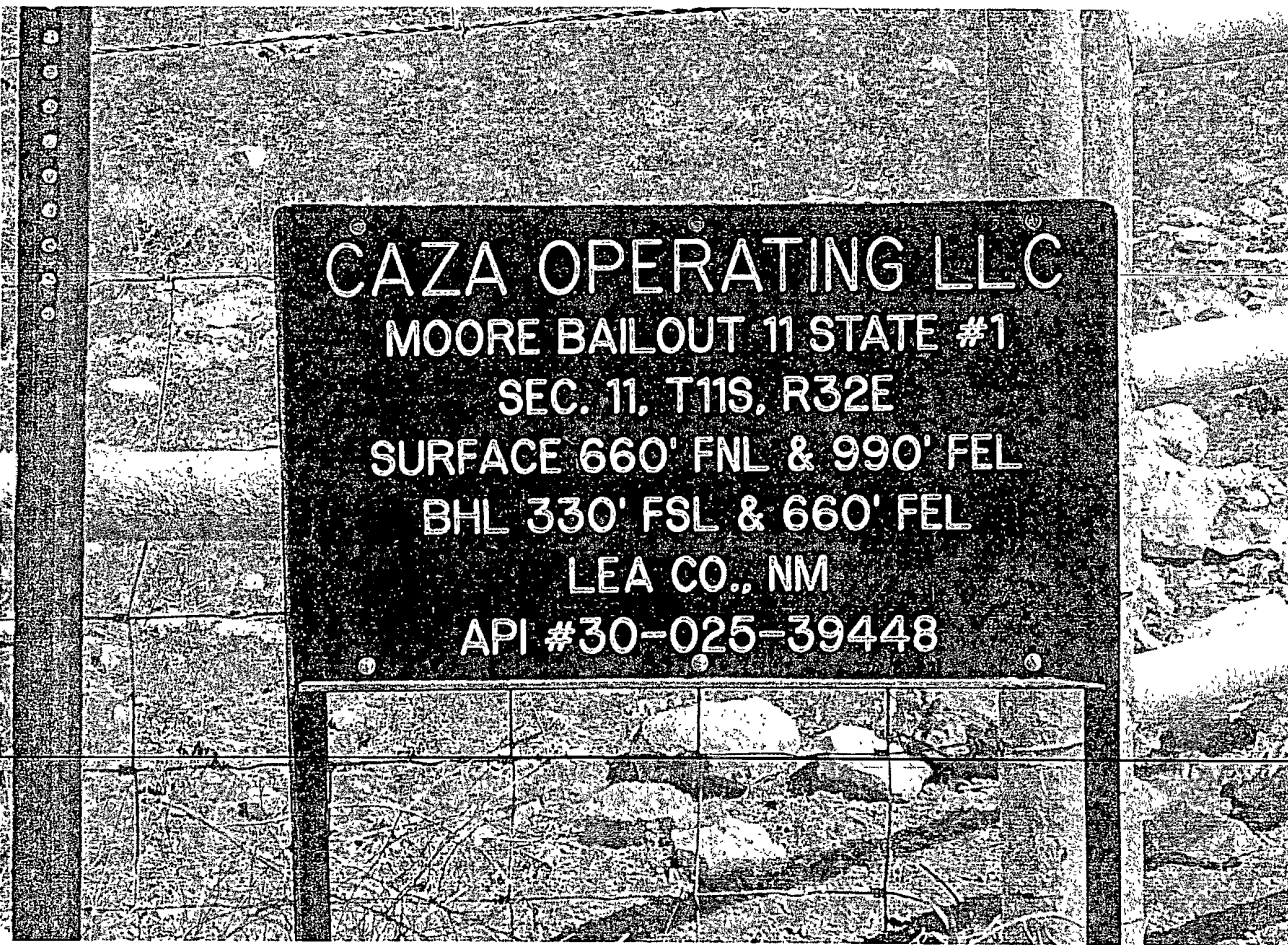
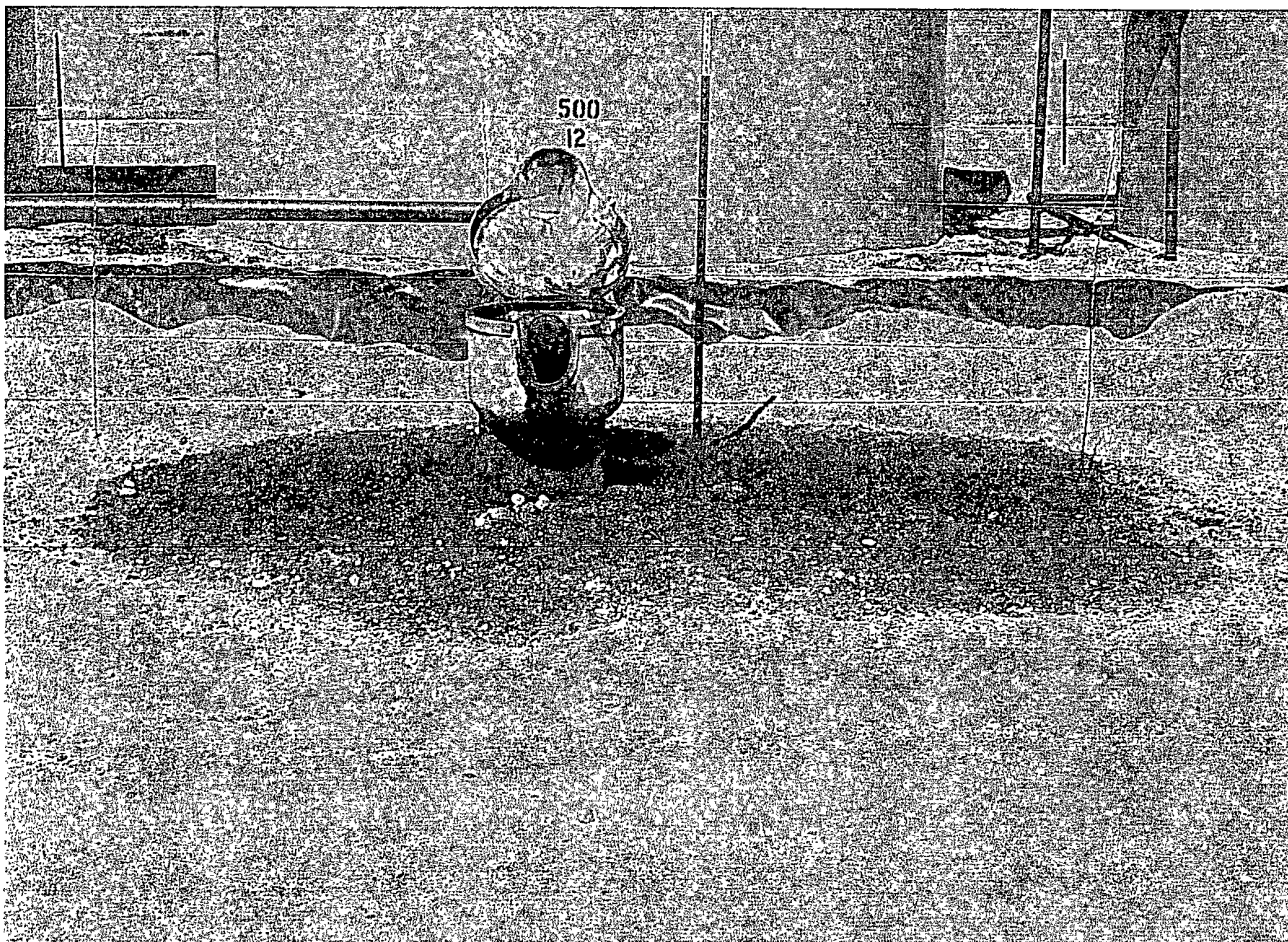


Hobbs OCD District Office

COMPLIANCE OFFICER

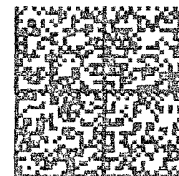
Note: Information in Detail Section comes directly from field inspector data entries - not all blanks will contain data
Significant Non-Compliance events are reported directly to the EPA, Region VI, Dallas, Texas

3/30/2012



CAZA OPERATING LLC
MOORE BAILOUT 11 STATE #1
SEC. 11, T11S, R32E
SURFACE 660' FNL & 990' FEL
BHL 330' FSL & 660' FEL
LEA CO., NM
API #30-025-39448

**EMNRD
OIL CONSERVATION DIVISION
1625 N FRENCH DRIVE
HOBBS NM 88240**



HASLER	015H14150977	US POSTAGE
	\$0.45	
	04/03/12	
	Mailed From 88240	

**CAZA OPERATING, LLC
200 N. LORAIN STE 1550
MIDLAND TX 79701**