State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

John H. Bemis Cabinet Secretary

Brett F. Woods, Ph.D. **Deputy Cabinet Secretary**

Jami Bailey Division Director Oil Conservation Division



Response Required - Deadline Enclosed

Field Inspection Program "Preserving the Integrity of Our Environment"

03-Apr-12

CONOCOPHILLIPS COMPANY 3300 N A STREET BLDG 6 #247 MIDLAND TX 79710

Dear Operator:

LETTER OF VIOLATION - Inspection

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.

Inspector

Sylvia Dickey

INSPECTION DETAIL SECTION

SEMU PERMIAN No.076

Inspection Date Type Inspection 03/23/2012

Pressure Test

M-18-20S-38E

30-025-07799-00-00

*Significant Corrective

Non-Compliance? Action Due By: No 6/26/2012

Inspection No. iSAD1208357340

Comments on Inspection:

NO TEST WELL HAS BEEN TAGGED OUT FOR INJECTION LINE REPAIR. ****OPERATOR

MUST RUN PRESSURE TEST AND SUBMIT TO OCD DISTRICT I OFFICE.****

Violation?

Yes

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 Divison 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.

Hobbs OCD District Office

ncerely

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



CONOCOPHILLIPS COMPANY ATTN: REGULATORY COMPLIANCE 3300 N. 'A' STR. BLDG. 6 #247 MIDLAND, TX 79710