

State of New Mexico  
Energy, Minerals and Natural Resources Department

Susana Martinez  
Governor

David Martin  
Cabinet Secretary-Designate

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"*

31-Jul-13

**HOBBS OCD**

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

**JUL 31 2013**

**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**

WEST RANGER UNIT No.012				N-26-12S-34E	30-025-08448-00-00
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By: Inspection No.
07/29/2013	Routine/Periodic	Maxey Brown	Yes	No	8/31/2013 iMGB1321122844
Violations Absent Well Identification Signs (Rule 103)					
Comments on Inspection: RULE 19.15.16.8. NEED TO INSTALL WELL SIGN. THIS IS 2ND LETTER OF NON-COMPLIANCE. MGB.					
STATE 7 No.002				D-7-14S-33E	30-025-27234-00-00
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By: Inspection No.
07/30/2013	Routine/Periodic	Maxey Brown	Yes	No	8/31/2013 iMGB1321146468
Violations Surface Leaks/Spills					
Comments on Inspection: NEW SIGN IN PLACE @ T/B. PUMPING UNIT IS RUNNING. RULE 19.15.26.10. OIL AND WATER PUDDLES AROUND WELLHEAD. REMOVE FLUIDS AND CONTAMINATED SOIL. THIS IS 1ST LETTER OF NON-COMPLIANCE. MGB.					

**JUL 31 2013**

## LEA CS STATE NCT-A No.001

B-10-16S-32E

30-025-29174-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
07/29/2013	Routine/Periodic	Maxey Brown	Yes	No	8/31/2013	iMGB1321038260
Violations Absent Well Identification Signs (Rule 103) Idle well (Rule 201)						

Comments on Inspection: RULE 19.15.16.8. NEED TO INSTALL WELL SIGN. RULE 19.15.25.8. NEED TO PROD, T/A OR P/A WELL. THIS IS 1ST LETTER NON-COMPLIANCE. MGB.

## RANCHO VERDE 10 STATE No.001

L-10-16S-32E

30-025-34587-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
07/29/2013	Routine/Periodic	Maxey Brown	Yes	No	8/31/2013	iMGB1321038930
Violations Absent Well Identification Signs (Rule 103) Idle well (Rule 201)						

Comments on Inspection: RULE 19.15.16.8. NEED CURRENT OPERATOR ON SIGN, WELL IS INACTIVE. RULE 19.15.25.8 NEED TO PROD, TA OR PA WELL. MGB.

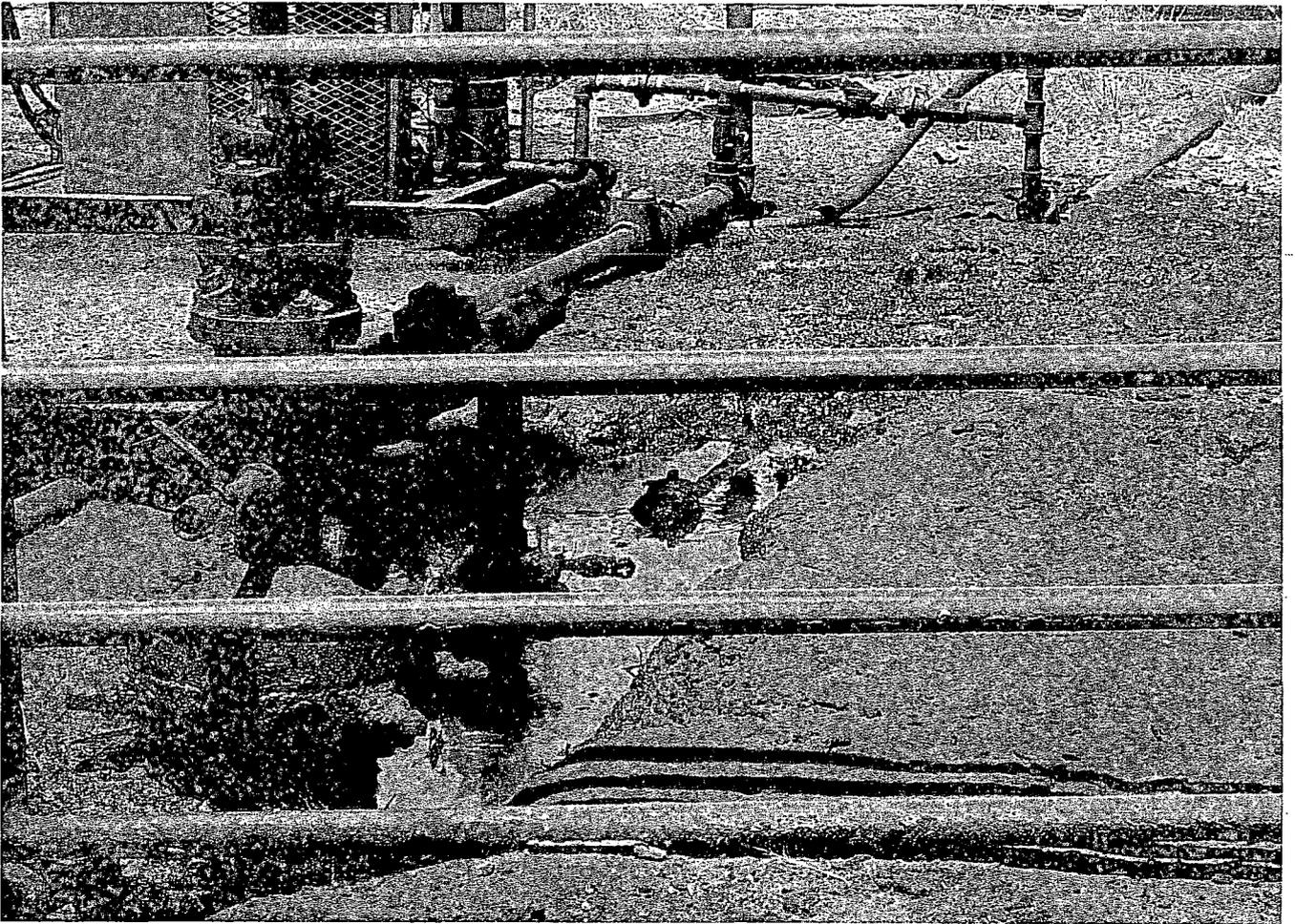
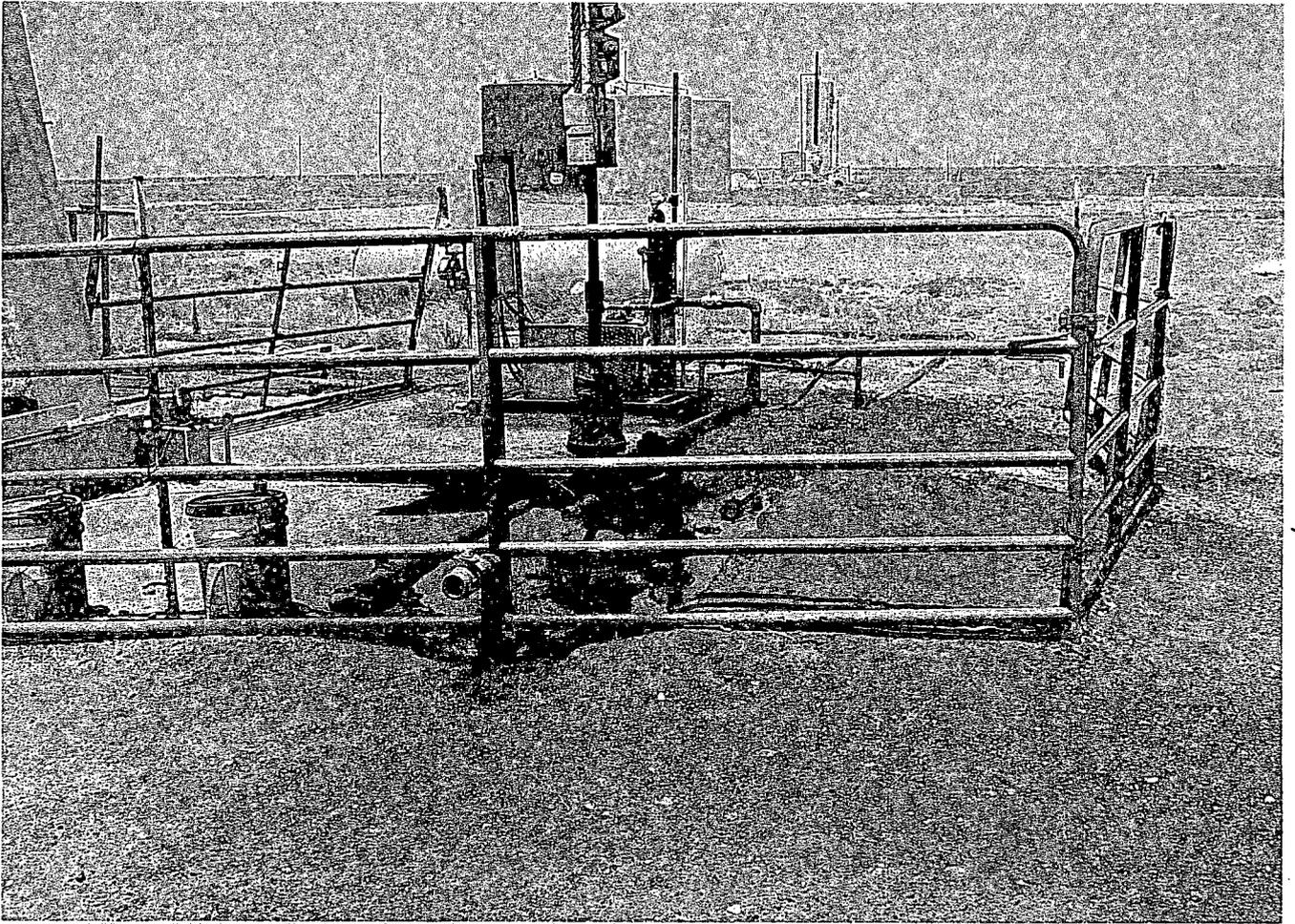
In the event that a satisfactory response is not received to this letter of direction by the "Corrective Action Due By:" date shown above, further enforcement will occur. Such enforcement may include this office applying to the Division for an order summoning you to a hearing before a Division Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon this well.

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.



7/30/2013

30-025-27234  
D 7-148-33E

EVERQUEST  
STATE 7 #2

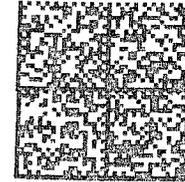


7/29/2013

EVERQUEST  
LEA CS STATE NCT-A #1  
B 10-165-32E  
30-025-29174

NEARBURG PRODUCING COMPANY  
RANCHO VERDE 10 STATE COM #1  
2310' FSL & 930' FWL  
UNIT L, SEC. 10-T16S-R32E  
LEA COUNTY, NEW MEXICO

EMNRD  
OIL CONSERVATION DIVISION  
1625 N FRENCH DRIVE  
HOBBS NM 88240



HASLER 015H14150977  
\$0.46  
07/31/13  
Mailed From 88240  
US POSTAGE

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