

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
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"

30-Jun-14

HOBBS OCD

JUL 01 2014

THREE FORKS RESOURCES, LLC
1515 WAZEE SUITE 350
DENVER CO 80202

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

C S CAYLOR No.004		F-6-17S-37E		30-025-05425-00-00	
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By: Inspection No.
06/26/2014	Routine/Periodic	Mark Whitaker	Yes	No	8/25/2014 iMAW1417757687
Comments on Inspection:		DO NOT RELEASE. Two wire rope anchors south of dry hole marker. A pile of wire rope off NW corner of location. Dry hole marker not complete. Power disconnects and meter base have not been removed from pole on north side of location. NEED TO REMOVE ANCHORS, PILE OF WIRE ROPE, CORRECT DRY HOLE MARKER, AND REMOVE POWER DISCONNECTS AND METER BASE FROM POWER POLE. OPERATOR SHOULD ALSO BE CERTAIN THAT FLOW LINE HAS BEEN FLUSHED TO BATTERY AND DISCONNECTED FROM HEADER. 1st notice.			

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,

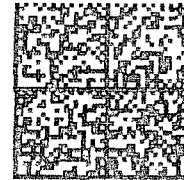

COMPLIANCE OFFICER

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.

EMNRD
OIL CONSERVATION DIVISION
1625 N FRENCH DRIVE
HOBBS NM 88240



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1515 WAZEE
SUITE 350
DENVER, CO. 80202