

State of New Mexico  
Energy, Minerals and Natural Resources Department

Susana Martinez  
Governor

David Martin  
Cabinet Secretary

Tony Delfin  
Deputy Cabinet Secretary

David Catanach, Director  
Oil Conservation Division



**\*Response Required - Deadline Enclosed\***

*Field Inspection Program*  
"Preserving the Integrity of Our Environment"

**HOBBS OCD**

**MAY 20 2016**

**RECEIVED**

19-May-16

BURGUNDY OIL & GAS OF N M INC  
401 W TEXAS STE 1003  
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**

EUNICE MONUMENT UNIT		No.021	L-19-20S-37E	30-025-06172-00-00		
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
05/19/2016	Routine/Periodic	Mark Whitaker	Yes	No	8/22/2016	iMAW1614033935
<b>Violations</b>		Surface Damage/Restoration				
<b>Comments on Inspection:</b>		DO NOT RELEASE BONDS. P&A marker good. Conduit and other debris around P&A marker. NEED TO REMOVE CONDUIT AND OTHER DEBRIS FROM LOCATION.				

EUNICE MONUMENT UNIT		No.012	F-19-20S-37E	30-025-06184-00-00		
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
05/19/2016	Routine/Periodic	Mark Whitaker	Yes	No	8/22/2016	iMAW1614034637
<b>Violations</b>		Surface Damage/Restoration				
<b>Comments on Inspection:</b>		DO NOT RELEASE BONDS. P&A marker good. Screw cap off casing head and joint of tbg next to P&A marker. Well sign frame. Bolts protruding from poured concrete base to south of marker. NEED TO REMOVE JOINT OF TUBING AND OTHER DEBRIS AT WELLHEAD. NEED TO REMOVE WELL SIGN FRAME. NEED TO CUT BOLTS OFF FLUSH WITH CONCRETE BASE.				

<b>EUNICE MONUMENT UNIT</b>		<b>No.032</b>		<b>M-20-20S-37E</b>	<b>30-025-06186-00-00</b>	
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
05/19/2016	Routine/Periodic	Mark Whitaker	Yes	No	8/22/2016	iMAW1614036512
Violations Surface Damage/Restoration <b>Comments on Inspection:</b> DO NOT RELEASE BONDS. P&A marker good. Piping and other debris on southeast corner of location. Injection line east of marker. 2 anchors west and south of marker (flagged). NEED TO REMOVE PIPING AND DEBRIS FROM LOCATION. NEED TO FLUSH AND REMOVE INJECTION LINE AND ANCHORS FROM LOCATION.						

<b>SKAGGS GRAYBURG UNIT</b>		<b>No.009</b>		<b>M-7-20S-38E</b>	<b>30-025-07752-00-00</b>	
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
05/19/2016	Routine/Periodic	Mark Whitaker	Yes	No	8/22/2016	iMAW1614030468
Violations Surface Damage/Restoration <b>Comments on Inspection:</b> DO NOT RELEASE BONDS. P&A marker good. Piping and wooden pallet west of marker. NEED TO FLUSH INJECTION LINE, DISCONNECT AT INJECTION HEADER, AND REMOVE PIPING AND PALLET FROM LOCATION.						

<b>SKAGGS GRAYBURG UNIT</b>		<b>No.021</b>		<b>E-18-20S-38E</b>	<b>30-025-07805-00-00</b>	
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
05/19/2016	Routine/Periodic	Mark Whitaker	Yes	No	8/22/2016	iMAW1614029867
Violations Surface Damage/Restoration <b>Comments on Inspection:</b> DO NOT RELEASE BONDS. P&A marker good. Piping northwest and north of marker. NEED TO REMOVE STEEL PIPING FROM LOCATION.						

<b>STATE J GAS COM</b>		<b>No.008</b>		<b>O-2-20S-36E</b>	<b>30-025-32960-00-00</b>	
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
05/19/2016	Routine/Periodic	Mark Whitaker	Yes	No	8/22/2016	iMAW1614044361
Violations Surface Damage/Restoration <b>Comments on Inspection:</b> DO NOT RELEASE BONDS. P&A marker good. Well sign and other debris around marker. Gas meter stand on southeast corner of location. NEED TO REMOVE WELL SIGN AND DEBRIS FROM LOCATION. NEED TO CONTACT GAS PURCHASER AND REQUEST REMOVAL OF EQUIPMENT IN ORDER TO GET LOCATION RELEASED. PLEASE SUBMIT A COPY CORRESPONDENCE TO OCD OFFICE.						

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,   
 Petroleum Engr. Specialist

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

BURGUNDY OIL & GAS OF NM INC  
401 WEST TEXAS  
SUITE 1003  
MIDLAND, TX 79701

HASLER

FIRST-CLASS MAIL

\$000.46<sup>5</sup>

05/19/2016 ZIP 88240  
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