

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E. Director Oil Conservation Division

Field Inspection Program "Preserving the Integrity of Our Environment"

19-Feb-08

MOSS PETROLEUM CO 2100 ROSS AVENUE, SUITE 970 DALLAS TX 75201

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	II	CECTION
INSPECTION DETAIL		3 <i>P.</i> C. <i>I ICH</i> V

D P PECK No.003

Inspection

Date

02/14/2008

Type Inspection

Inspector

Violation?

*Significant Non-Compliance?

L-26-12S-37E

30-025-05053-00-00 Corrective Action Due By:

Inspection No.

Routine/Periodic Maxey Brown

Yes

5/19/2008

3/19/2008

iMGB0804537513

Violations

Surface Leaks/Spills

General Housekeeping (Rule 114)

Comments on Inspection:

Location needs attention. Equipment OK. NEED TO CLEAN UP AND REMOVE OIL STAINED DIRT. RULE 116. PLEASE SUBMIT C-141. ALSO REMOVE SURPLUS RODS, TBG, THREAD PROTECTORS, TBG ANCHOR, THREAD COMPOUND CONTAINERS (DOPE BUCKETS) FROM LOCATION. RULE 114. THIS IS 1ST LETTER OF NON-COMPLIANCE.

D P PECK No.004

Inspection

Date

02/14/2008

Type Inspection

Inspector

Maxey Brown

Violation?

N-26-12S-37E *Significant Non-Compliance?

No

30-025-05054-00-00 Corrective

Inspection No. Action Due By:

iMGB0804537326

Routine/Periodic Violations

Absent Well Identification Signs (Rule 103)

Surface Leaks/Spills

Comments on Inspection:

NO Well Sign (Rule 103). TANK BATTERY NEEDS SIGN. THIS IS 2ND LETTER OF NON-COMPLIANCE. ALSO NEED TO SUBMIT C-141 ON FLOWLINE LEAK. REMOVE OIL

Yes

AND SALTWATER CONTAMINATED SOIL IMMEDIATELY!

Oil Conservation Division * 1625 N. French Drive * Hobbs, New Mexico 88240 Phone: 505-393-6161 * Fax: 505-393-0720 * http://www.emnrd.state.nm.us

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.

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.

EMNRD
OIL CONSERVATION DIVISION
1625 N FRENCH DRIVE
HOBBS NM 88240



90.419 90.419 02/19/2008

Mailed From 88240

US POSTAGE

MOSS PETROLEUM CO 2100 ROSS AVENUE, SUITE 970 DALLAS TX 75201