



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Response Required – Deadline Enclosed

Field Inspection Program

"Preserving the Integrity of Our Environment"

04-Mar-08

SABER RESOURCES LLC

400 W ILLINOIS AVE SUITE 950

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

SHELTON No.006				D-26-14S-37E	30-025-05133-00-00	
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/04/2008	Routine/Periodic	Mark Whitaker	Yes	No	4/30/2008	iMAW0806438526
Violations						
General Housekeeping (Rule 114)						
Comments on Inspection:		No change in well status. Well still shut-in. Sign OK. Location needs some attention. NEED TO REMOVE CHEMICAL DRUMS (SEE HOUSEKEEPING RULE 114). MW				

T D POPE 26 No.004				M-26-14S-37E	30-025-05141-00-00	
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/04/2008	Routine/Periodic	Mark Whitaker	Yes	No	4/4/2008	iMAW0806435995
Violations						
General Housekeeping (Rule 114)						
Comments on Inspection:		Well is in-active. Intermediate valve open. Sub-pump in hole. Connected to flow line. NOT RUNNING. Tbg piled up on east side of location. NEED TO REMOVE CHEMICAL DRUMS (GENERAL HOUSEKEEPING RULE 114). MW				

T D POPE 26 No.006

J-26-14S-37E

30-025-05142-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/04/2008	Routine/Periodic	Mark Whitaker	Yes	No	6/7/2008	iMAW0806441660

Violations

Absent Well Identification Signs (Rule 103)

Surface Leaks/Spills

Comments on Inspection: No well Sign (Rule 103). Oil pooled on ground around wellhead inside a diked area. NEED TO INSTALL WELL SIGN. IDENTIFY CAUSE OF FLUID AROUND WELLHEAD AND REPAIR. REMOVE CONTAMINATED SOIL AND DISPOSE OF PROPERLY. ALSO NEED TO T/A, PLUG, OR RETURN WELL TO PRODUCTION. 1st letter on non-compliance. MW

T D POPE 26 No.010

P-26-14S-37E

30-025-05145-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/04/2008	Routine/Periodic	Mark Whitaker	Yes	No	4/30/2008	iMAW0806443149

Violations

Absent Well Identification Signs (Rule 103)

Comments on Inspection: No well Sign (Rule 103). NEED TO INSTALL WELL SIGN. 1st letter of non-compliance. MW

T D POPE 26 No.017

I-26-14S-37E

30-025-05150-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/04/2008	Routine/Periodic	Mark Whitaker	Yes	No	6/7/2008	iMAW0806442181

Violations

Absent Well Identification Signs (Rule 103)

Surface Leaks/Spills

Comments on Inspection: No well Sign (Rule 103). Wellhead has been leaking. NEED TO INSTALL A WELL SIGN. ALSO REPAIR CAUSE OF WELLHEAD LEAK, REMOVE CONTAMINATED SOIL, AND DISPOSE OF PROPERLY. ALSO NEED TO FILE C-103 TO T/A, PLUG, OR RETURN TO PRODUCTION 1st letter of non-compliance.

T D POPE 26 No.002

N-26-14S-37E

30-025-37253-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/04/2008	Routine/Periodic	Mark Whitaker	Yes	No	4/4/2008	iMAW0806435357

Violations

Absent Well Identification Signs (Rule 103)

Comments on Inspection: No well Sign (Rule 103). NEED TO INSTALL WELL SIGN. 2nd letter of non-compliance for no sign. MW

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. Such a hearing may result in imposition of CIVIL PENALTIES for your violation of OCD rules.

Sincerely,


COMPLIANCE OFFICER

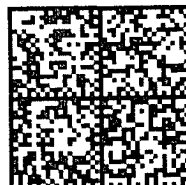
Hobbs OCD District Office

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

SABER RESOURCES LLC
400 W ILLINOIS AVE SUITE 950
MIDLAND, TX 79701



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03/05/2008

Mailed From 88240

US POSTAGE