



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"

06-Mar-08

PRIMERO OPERATING INC

PO BOX 1433

ROSWELL NM 88202

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 L O'BRIEN No.001				A-7-8S-30E	30-005-00475-00-00	
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/05/2008	Routine/Periodic	Maxey Brown	Yes	No	6/8/2008	iMGB0806543858
	Violations					
	Surface Leaks/Spills					
	General Housekeeping (Rule 114)					
Comments on Inspection:	Equipment and Location needs minor attention. STUFFING BOX THREADS LEAKING AT PUMPING TEE. RULE 116. NEED TO CORRECT TO PREVENT ADDITION SOIL CONTAMINATION AROUND WELLHEAD. ALSO NEED TO REMOVE UNUSED OR SURPLUS EQUIP FROM TANK BATTERY. RULE 13. THIS IS 1ST LETTER OF NON-COMPLIANCE.					

LIGHTCAP LAND COMPANY No.001

P-6-8S-30E

30-005-00476-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/05/2008	Routine/Periodic	Maxey Brown	Yes	No	6/8/2008	iMGB0806545053
Violations Absent Well Identification Signs (Rule 103) General Housekeeping (Rule 114)						

Comments on Inspection: NO Well Sign (Rule 103). NEED TO INSTALL WELL SIGN. ALSO T/B NEEDS SURPLUS UNUSED EQUIP (HEATER TREATER LAYING ON GROUND)TANKS, SEPERATOR(HOLE IN SIDE) REMOVED. RULE 13. THIS IS 1ST LETTER OF NON-COMPLIANCE.

JENNINGS COM No.001

M-5-8S-30E

30-005-00478-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/05/2008	Routine/Periodic	Maxey Brown	Yes	No	5/19/2008	iMGB0806546912
Violations Absent Well Identification Signs (Rule 103) Surface Leaks/Spills						

Comments on Inspection: NO Well Sign (Rule 103). NEED TO INSTALL WELL SIGN. ALSO TANK ON LOCATION IS FULL AND LEAKING PRODUCED WATER ON GROUND AND RUNNING EAST OF LOCATION TOWARDS PLAYA. EMPTY TANK IMMEDIATELY! REMOVE CONTAMINATED SOIL AND FILE CLEANUP PLAN WITH HOBBS OCD FOR APPROVAL. ANY QUESTIONS CAN BE DIRECTED TO CHRIS WILLIAMS 575-393-6161 EXT 102.

C L O'BRIEN No.002

H-7-8S-30E

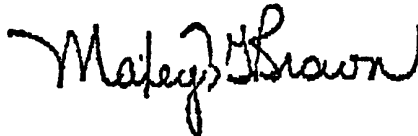
30-005-20897-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/05/2008	Plugged Well Surface Restor	Maxey Brown	Yes	No	6/8/2008	iMGB0806544150

Comments on Inspection: DO NOT RELEASE. P/A MARKER INCORRECT. RULE 202. MARKER HAS WRONG WELL NAME AND NUMBER. WRONG LEGAL DESCRIPTION. NO API #. THIS IS 1ST LETTER OF NON-COMPLIANCE.

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,



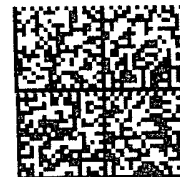
Hobbs OCD District Office

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



HASLER

014H15215335

\$0.41

03/06/2008

Mailed From 88240

US POSTAGE

PRIMERO OPERATING INC
PO BOX 1433
ROSWELL NM 88202

March 6, 2008

Mr. Phelps White
Fax 575-625-0227

Ref: C.L. O'Brien #2

Inspection dated 3-5-2008 found the P/A marker on location to be for a different well. Unable to release at this time.

Lightcap #1- no sign.

Jennings Com #1- no sign, also tank full and running produced fluids to the east of the location. *Needs immediate attention.*

Compliance letter to follow with details via US Mail.

Maxey Brown
Hobbs OCD
575-393-6161 ext. 107

FAXED 3/6/2008 7:30AM