

NEW MEXICO ENERGY, MINERALS 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"

13-Mar-08

ASHER ENTERPRISES LTD. CO.

12808 LORIEN WAY OKLAHOMA CITY OK 73170

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

E-2-24S-34E **STATE 1 No.001** 30-025-24319-00-00 Inspection *Significant Corrective **Type Inspection** Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 03/12/2008 Routine/Periodic Buddy Hill Yes 6/15/2008 iLWH0807248900 No Violations

Absent Well Identification Signs (Rule 103)

Surface Damage/Restoration

Comments on Inspection: WELL SIGN HAS"NE/SW" NEEDS CHANGED TO "SW/NW",, ALL LEGALS ON WELL SIGN

AND @ BATTERY ARE WRONG..NEW SIGN MUST ALSO HAVE API#..ALSO, OILLY SOIL ON EAST SIDE OF IDLE HEATER TREATER AND UN-USED TANKS SHOULD BE

REMOVED,, FIRST NOTICE

STATE 2 No.002 K-2-24S-34E 30-025-24414-00-00

Inspection *Significant Corrective

Type Inspection Inspector Violation? Date Inspection No. Non-Compliance? Action Due By: 03/12/2008 Routine/Periodic **Buddy Hill** Yes No 6/15/2008 iLWH0807248605

Violations

Absent Well Identification Signs (Rule 103)

Comments on Inspection: WELL SIGN HAS WRONG 1/4-1/4...HAS"SW/NW", NEEDS CHANGED TO "NE/ SW"...ALSO

BATTERY SIGN IS ALL WRONG, FIRST NOTICE

STATE 35 No.001 K-35-23S-34E 30-025-24517-00-00

Inspection

03/12/2008

Date Type Inspection

Routine/Periodic

Inspector Buddy Hill Violation? Yes *Significant Non-Compliance? No Corrective Action Due By:

6/15/2008

Inspection No. iLWH0807249468

Violations

Absent Well Identification Signs (Rule 103)

Comments on Inspection:

WELL SIGN NEEDS CORRECT "R-34-E" NOT "33"...FIRST 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 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,

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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