

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"

11-Apr-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.

			INSPECTIO I	N DETAIL	SECTION		
H V BLACK No.001 Inspection Date Type Inspection			Inspector	Violation?	K-13-17S-38E *Significant Non-Compliance?	30-025-07302-00- Corrective Action Due By:	-00 Inspection No.
04/10/2008	Routine/Periodic Violations Absent Well Identification Signs (Ru		Mark Whitaker	Yes	No	5/30/2008	iMAW0810141621
Comments	on Inspection:		f wellhead. No well:		staining around wellh y. NEED TO INSTAI		
SUMMERS No.001					B-18-17S-39E	30-025-32254-00-00	
Inspection Date	Type Inspection	1	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
04/10/2008	Routine/Perio	dic atification Signs (Ro	Mark Whitaker	Yes	No	5/30/2008	iMAW0810138734
Comments	on Inspection:	No well sign. N	o road into well. 100		nd annulus valve. No of non-compliance. M		

ARCO A COM No.002 C-18-17S-39E 30-025-32458-00-00

Inspection *Significant Corrective Inspection No. Violation? Type Inspection Inspector Non-Compliance? Action Due By: Date iMAW0810137604 Plugged Well Surface Restor Mark Whitaker Yes No 5/30/2008 04/10/2008

Comments on Inspection: DO NOT RELEASE. Well sign, wellhead, and 2 - Sub cable spools located north of plugged well

need to be removed. Location in good shape. NEED TO REMOVE SIGN, WELLHEAD, AND

SPOOLS. 1st letter of non-compliance. MW

ARCO A No.003

Inspection
Date Type Inspection
Unspector Type Inspection
Type Inspection
Inspector Violation?

N-18-17S-39E
*Significant Non-Compliance?
Non-Compliance?
Action Due By: Inspection No.

Date Type Inspection Inspector Violation? Non-Compliance? Action Due By: Inspection No. 04/10/2008 Routine/Periodic Mark Whitaker Yes No 5/30/2008 iMAW0810140300

Violations

Absent Well Identification Signs (Rule 103)

Comments on Inspection: No sign at well. Sign needs to be within 50' of wellhead (Rule 103). NEED TO INSTALL WELL

SIGN AT WELLHEAD. 1st letter of non-compliance. 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 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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