



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"

17-Apr-08

GRAND BANKS ENERGY CO

10 DESTA DR STE 300E

MIDLAND TX 79705

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

ANDERSON RANCH UNIT No.014

Q-2-16S-32E

30-025-00365-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
04/15/2008	Routine/Periodic	Mark Whitaker	Yes	No	5/30/2008	iMAW0810646698
Violations						
Absent Well Identification Signs (Rule 103)						

Comments on Inspection: Well sign does not have sufficient information. NEED TO REPLACE WELL SIGN WITH INFORMATION AS REQUIRED BY RULE 103. 3RD LETTER OF NON-COMPLIANCE. A NOTICE OF VIOLATION WITH MONETARY PENALTIES COULD BE ISSUED IF COMPLIANCE IS NOT RESOLVED. MW

ANDERSON RANCH UNIT No.017

R-2-16S-32E

30-025-00367-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
04/15/2008	Routine/Periodic	Mark Whitaker	Yes	No	5/30/2008	iMAW0810647305
Violations Absent Well Identification Signs (Rule 103) Idle well (Rule 201)						

Comments on Inspection: No well sign. No production reported in 151 months. NEED TO INSTALL NEW WELL SIGN WITH INFORMATION AS REQUIRED BY RULE 103. ALSO NEED TO SUBMIT PROPOSAL TO T/A, P/A, OR RETURN WELL TO PRODUCTION. 3RD LETTER OF NON-COMPLIANCE ON WELL SIGN. A NOTICE OF VIOLATION WITH MONETARY PENALTIES COULD BE ISSUED IF COMPLIANCE IS NOT RESOLVED. MW

ANDERSON RANCH UNIT No.016

T-2-16S-32E

30-025-00368-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
04/15/2008	Routine/Periodic	Mark Whitaker	Yes	No	5/30/2008	iMAW0810647848
Violations Absent Well Identification Signs (Rule 103) Operating W/O MI (Rules 106,107,108)						

Comments on Inspection: Location and equipment in good shape. WELL SIGN NEEDS TO BE REPLACED TO REFLECT INFORMATION REQUIRED UNDER RULE 103. ALSO NEED TO SCHEDULE MIT TEST AND NOTIFY THE HOBBS DISTRICT OFFICE 48 HOURS PRIOR TO TEST. MW

ANDERSON RANCH UNIT No.022

U-2-16S-32E

30-025-30257-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
04/15/2008	Routine/Periodic	Mark Whitaker	Yes	No	5/30/2008	iMAW0810648484
Violations Absent Well Identification Signs (Rule 103)						

Comments on Inspection: No well sign. NEED TO INSTALL NEW WELL SIGN WITH INFORMATION AS REQUIRED BY RULE 103. 2nd 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 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



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04/17/2008

Mailed From 88240

US POSTAGE

GRAND BANKS ENERGY CO
10 DESTA DR STE 300E
MIDLAND, TX 79705