



# 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"*

30-Apr-08

**FINLEY RESOURCES INC**

1308 LAKE STREET #200

FT WORTH TX 76102

**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***

STATE W E D No.001				I-27-20S-36E	30-025-04353-00-00	
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
04/29/2008	Routine/Periodic	Buddy Hill	Yes	No	5/23/2008	iLWH0812041757
<b>Violations</b>						
Absent Well Identification Signs (Rule 103)						
<b>Comments on Inspection:</b> No Well Sign (Rule 103). WELL NEEDS SIGN..SECOND NOTICE						

LEA 407 STATE No.006				D-2-21S-35E	30-025-24826-00-00	
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
04/29/2008	Routine/Periodic	Buddy Hill	Yes	No	8/2/2008	iLWH0812043077
<b>Violations</b>						
Absent Well Identification Signs (Rule 103)						
<b>Comments on Inspection:</b> P/A -NOT READY to release. MARKER HAS "LEA STATE 402 #2..NEEDS CORRECTED TO "LEA 407 STATE #6"..FIRST NOTICE						

**L W WHITE A No.001**

B-2-21S-35E

30-025-25380-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
04/29/2008	Routine/Periodic	Buddy Hill	Yes	No	8/2/2008	iLWH0812042347

**Violations**

Surface Damage/Restoration

**Comments on Inspection:** P/A NOT READY to release. TANK BATTERY, TBG., TRASH NEED TO BE REMOVED AND CELLAR NEEDS LEVELED.

**STATE W E D No.002**

J-27-20S-36E

30-025-26878-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
04/29/2008	Routine/Periodic	Buddy Hill	Yes	No	8/2/2008	iLWH0812041141

**Violations**

Surface Damage/Restoration

**Comments on Inspection:** P/A -NOT READY to release. MARKER HAS WRONG UNIT LETTER, JUNK PIPE ON EAST AND WEST SIDES OF LOCATION. OLD SIGN AND N/W ANCHOR AND PIT PLASTIC FLAGS NEED TO BE REMOVED AND CELLAR AREA NEEDS LEVELED., 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 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,

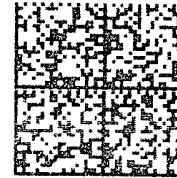
**COMPLIANCE OFFICER**

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



HASLER  
014H15215335  
\$0.410  
04/30/2008  
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US POSTAGE

FINLEY RESOURCES INC.  
1308 LAKE STREET #200  
FT. WORTH, TX 76102-0000