



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

CHESAPEAKE OPERATING, INC.

PO Box 190

HOBBS NM 88241

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

KEMNITZ LOWER WOLFCAMP EAST UNIT No.006				M-22-16S-34E	30-025-20603-00-00	
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
04/29/2008	Plugged Well Surface Restor	Mark Whitaker	Yes	No	5/30/2008	iMAW0812059072
Comments on Inspection:		DO NOT RELEASE. Marker correct. Operator digging up pad. Portable base NW of marker. Junk piping. NEED TO REMOVE PORTABLE BASE, JUNK PIPING, AND CONTOUR LOCATION. 1st letter of non-compliance. MW				

KEMNITZ LOWER WOLFCAMP EAST UNIT No.004				A-28-16S-34E	30-025-20605-00-00	
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
04/29/2008	Plugged Well Surface Restor	Mark Whitaker	Yes	No	5/30/2008	iMAW0812058760
Comments on Inspection:		DO NOT RELEASE. Dry hole marker correct. Piping sticking out of location in three places west and south of dry hole marker. Conduit near meter pole needs to be removed. NEED TO CLEAN LOCATION. 1st letter of non-compliance. MW				

CAIN No.002

N-14-19S-38E

30-025-26305-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
04/29/2008	Routine/Periodic	Mark Whitaker	Yes	No	5/30/2008	iMAW0812057899

Comments on Inspection: DO NOT RELEASE. Marker incorrect. No lease name or number, API # incomplete, and footage should read from N line not S line. Location not cleaned. Conduit, pumping unit base, and control panel north of wellhead. Flowline also needs to be stripped further away from pad. Piece on casing partially exposed on SW corner of pad. Partial power pole in ground on SE corner. Pieces of power pole and power line on ground in SE corner of pad and east of lease road. DRY HOLE MARKER NEEDS TO BE CORRECTED AND LOCATION CLEANED. 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,

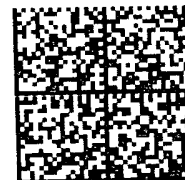

COMPLIANCE OFFICER

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
Mailed From 88240
US POSTAGE

CHESAPEAKE OPERATING, INC.
PO BOX 190
HOBBS, NM 88241