



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	
Violations							
Absent Well Identification Signs (Rule 103)							
Comments on Inspection:		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	
Violations							
Absent Well Identification Signs (Rule 103)							
Comments on Inspection:		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 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.

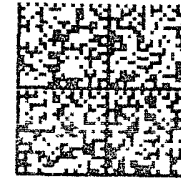
Sincerely,

**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



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