

NEW MEXICO ENERGY, MINERALS 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"

05-May-08

J CLEO THOMPSON

P.O.Box 12577 Odessa TX 79768

Dear Operator:

LETTER OF VIOLATION - Inspection

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

GAINER 27 No.001

F-27-10S-36E

30-025-38463-00-00

Inspection Date

Type Inspection

Inspector

Violation?

*Significant

Corrective

05/05/2008

Routine/Periodic

Non-Compliance?

Action Due By:

Inspection No.

Maxey Brown

Yes No 8/8/2008

iMGB0812636326

Violations

Absent Well Identification Signs (Rule 103)

Comments on Inspection:

No well Sign (Rule 103). Need to install well sign. This is 1st letter of non-compliance. (*NOTE

EAST RISER FOR INT., WEST RISER FOR SURFACE.) MGB.

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,

Hobbs OCD District Office

COMPLIANCE OFFICER

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



014H15215335 \$0.410

05/06/2008 Mailed From 88240

J CLEO THOMPSON P.O. BOX 12577 ODESSA TX 79768