



# 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\***

29-May-08

**SHERIDAN PRODUCTION COMPANY, LLC**

9 GREENWAY PLAZA SUITE 1300

HOUSTON TX 77046-

**LETTER OF VIOLATION - Inactive Well(s)**

Dear Operator:

A review of our records and recent inspection(s) indicate that the subject well(s) has been shut-in for an extended period of time. Rule 201 of the Rules and Regulation of the Oil Conservation Division provides that a well may be shut-in no longer than sixty days after suspension of drilling operations, upon determining that the well is no longer usable (e.g., a dry hole), or one year after last production. To comply with guidelines as established in the Rules and Regulations, corrective actions must be taken immediately and the well(s) brought into compliance.

The detail section below indicates preliminary findings and/or probable nature of the violation.

The following options are available:

1. Immediately restore the well(s) to production, injection or disposal as applicable.
2. Request 'Temporary Abandoned' status pursuant to Rule 203, which requires that you set a plug and conduct a mechanical integrity test.
3. Submit a proposal to 'Plug and Abandon' the well(s) pursuant to Rule 202, proceed with plugging procedures on a timely basis after the proposal has been evaluated, amended and/or approved.

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.

***IDLE WELL INSPECTION DETAIL SECTION***

**NORTH VACUUM ABO NORTH P-36-16S-34E 30-025-25146-00-00** Inspection No. iMGB0815055994  
**UNIT 001**

Inspection Date: 5/29/2008 3:33:08 PM

Corrective Action Due by: 7/1/2008

Type Inspection

Inspector

Violation?

\*Significant Non-Compliance?

Inactive Well Verification

Maxey Brown

Yes

No

Comments on Inspection:

Idle Well (Rule 201). NEED TO RETURN WELL TO PROD, T/A, OR P/A. DEADLINE OF APRIL 1, 2008 HAS NOT BEEN MET FOR T/A OR REPAIR. ALSO RECORDS SHOW WELL WAS CONVERTED TO INJ 2/2005. NEED TO SUBMIT C-103, C-105, AND/OR MIT PRESSURE CHART. PLEASE CONTACT MR. CHRIS WILLIAMS 575-393-6161 EXT 102, FOR ANY QUESTIONS YOU MAY HAVE. THIS IS 1ST LETTER OF NON-COMPLIANCE.

Oil Conservation Division \* 1625 N French Drive \* Hobbs, New Mexico 88240  
Phone: 505-393-6161 \* Fax: 505-393-0720 \* <http://www.emnrd.state.nm.us>

**COMPLIANCE OFFICER**

EMNRD  
OIL CONSERVATION DIVISION  
1625 N FRENCH DRIVE  
HOBBS NM 88240



HASLER  
014H15215335  
\$0.420  
05/29/2008  
Mailed From 88240  
US POSTAGE

SHERIDAN PRODUCTION COMPANY, LLC  
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SUITE 530  
MIDLAND TX 79701