



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

24-Jun-08

HERMAN L LOEB

RR #2 COUNTY CLUB RD

LAWRENCEVILLE IL 62439-

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

EXXON 001		J-21-25S-37E	30-025-09779-00-00	Inspection No. iLWH0817152609	
Inspection Date:		6/19/2008 2:36:35 PM		Corrective Action Due by: 7/16/2008	
Type Inspection	Inspector		Violation?	*Significant Non-Compliance?	
Routine/Periodic	Buddy Hill		Yes	No	
Comments on Inspection:	Idle Well (Rule 201),,ACO HAS EXPIRED..WELL NEEDS TO BE T/A, P/A OR PUT BACK IN USE,,FIRST NOTICE				

HADFIELD 002		P-21-25S-37E	30-025-11675-00-00	Inspection No. iLWH0817155367	
Inspection Date:		6/19/2008 3:22:41 PM		Corrective Action Due by: 9/22/2008	
Type Inspection	Inspector		Violation?	*Significant Non-Compliance?	
Routine/Periodic	Buddy Hill		Yes	No	
Comments on Inspection:	Idle Well (Rule 201),,NO WELL SIGN..WELL NEEDS SIGN AND T/A, P/A OR PUT BACK IN USE. FIRST NOTICE				

ARCO 001

A-21-25S-37E

30-025-25071-00-00

Inspection No. iLWH0817151930

Inspection Date: 6/19/2008 2:25:25 PM

Corrective Action Due by: 9/22/2008

Type Inspection

Inspector

Violation?

*Significant Non-Compliance?

Routine/Periodic

Buddy Hill

Yes

No

Comments on Inspection:

Idle Well (Rule 201)..WELL NEEDS TO BE T/A, P/A OR PUT BACK IN USE,,FIRST NOTICE

ARCO 002Y

H-21-25S-37E

30-025-25174-00-00

Inspection No. iLWH0817152202

Inspection Date: 6/19/2008 2:29:59 PM

Corrective Action Due by: 9/22/2008

Type Inspection

Inspector

Violation?

*Significant Non-Compliance?

Routine/Periodic

Buddy Hill

Yes

No

Comments on Inspection:

Idle Well (Rule 201)..WELL NEEDS TO BE T/A, P/A OR PUT BACK IN USE,,FIRST NOTICE

Thank you for your prompt attention to this matter and your efforts in helping to protect our environment and the infrastructure of the oil and gas industry.

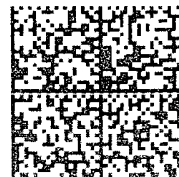
Sincerely,

**COMPLIANCE OFFICER**

Hobbs OCD District Office

* Significant Non-Compliance events are reported directly to the U.S. Environmental Protection Agency, Region VI, Dallas, Texas.

EMNRD
OIL CONSERVATION DIVISION
1625 N FRENCH DRIVE
HOBBS NM 88240



HASLER

014H15215335

\$0.420

06/24/2008

Mailed From 88240

US POSTAGE

HERMAN L. LOEB
RR #2 COUNTRY CLUB ROAD
LAWRENCEVILLE IL 62439