



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

30-Jul-08

HAL J RASMUSSEN OPER INC

550 WEST TEXAS AVENUE SUITE 200

MIDLAND TX 79701-

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

REED ESTATE 001	J-22-15S-38E	30-025-07258-00-00	Inspection No. iLWH0821239644
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Inspection Date: 7/30/2008 11:00:27 AM

Corrective Action Due by: 11/2/2008

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

STATE A 002	P-16-21S-34E	30-025-08467-00-00	Inspection No. iLWH0821239827
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Inspection Date: 7/30/2008 11:03:42 AM

Corrective Action Due by: 8/13/2008

Type Inspection

Inspector

Violation?

*Significant Non-Compliance?

Routine/Periodic

Buddy Hill

Yes

No

Comments on Inspection:

Idle Well (Rule 201), No well sign..Notice has been given five times ! If no response to this letter, will send to legal dept. to set for hearing..Sixth Notice

AMOCO STONE 001	G-22-15S-38E	30-025-27936-00-00	Inspection No. iLWH0821240168
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Oil Conservation Division * 1625 N French Drive * Hobbs, New Mexico 88240

Phone: 505-393-6161 * Fax: 505-393-0720 * <http://www.cmnrd.state.nm.us>

Inspection Date: 7/30/2008 11:09:20 AM

Corrective Action Due by: 11/2/2008

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

GECKO 27 STATE 001

A-27-15S-38E

30-025-33021-00-00

Inspection No. iLWH0821240364

Inspection Date: 7/30/2008 11:12:41 AM

Corrective Action Due by: 11/2/2008

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,

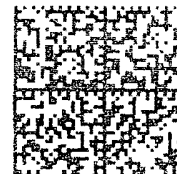


Hobbs OCP District Office
COMPLIANCE OFFICER

* 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

FIRST
CLASS



017H15554612
HASLER
\$0.420
07/30/2008
Mailed From 88240

US POSTAGE

HAL J RASMUSSEN OPER INC
550 WEST TEXAS AVENUE SUITE 200
MIDLAND , TX 79701