

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"

05-Aug-08

JOHN H HENDRIX CORP

PO BOX 3040 MIDLAND TX 79702-3040

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

COSSATOT C No.002

I-24-22S-37E 3

30-025-24115-00-00

Inspection

ispection Date

Type Inspection

Inspector

Mark Whitaker

*Significant Violation? Non-Compliance

Corrective

Inspection No.

07/31/2008

Routine/Periodic

Yes

Non-Compliance?

Action Due By: 8/29/2008

iMAW0821337681

Violations

Emergency/Temporary Pits

Comments on Inspection:

Fenced pit area north of well. Junk and trash in and around pit. NEED TO REMOVE JUNK AND

TRASH. 1st letter on non-compliance. MW

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, Wall Witches 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

FIRST CLASS



Mailed From 88240

JOHN H HENDRIX CORP PO BOX 3040 MIDLAND, TX 79702-3040