

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"

07-Aug-08

PHOENIX HYDROCARBONS OPERATING CORP

PO BOX 3638 MIDLAND TX 79702

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.

			INSPECTIO!	N DETAIL	SECTION		
LANGLIE JAL UNIT No.008 Inspection Date Type Inspection			Inspector	Violation?	G-32-24S-37E *Significant Non-Compliance?	30-025-24839-00- Corrective Action Due By:	00 Inspection No.
08/07/2008	Routine/Perio	dic 11 (Rules 106,107,1	Mark Whitaker	Yes	· No	9/12/2008	iMAW0822041106
Comments	on Inspection:	Last MIT 04/200	*			OCD OFFICE 24 H	OURS
LANGLIE JAL UNIT No.106					A-32-24S-37E	30-025-28963-00-	00
Inspection Date	Type Inspection		Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
08/07/2008	Routine/Perio Violations		Mark Whitaker	Yes	No	10/10/2008	iMAW0822040078
_		tification Signs (Ru	ŕ				
Comments	on Inspection:	other debris on I	ocation. No well sig MICAL DRUM AN	n. NEED TO	INSTALL WELL SI	olus rods, chemical dr IGN (RULE 103) ANI KEEPING RULE 114	D

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,

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



\$0.429 08/07/2008

Mailed From 88240

PHOENIX HYDROCARBONS OPER PO BOX 3638 MIDLAND, TX 79702