

Seely Oil Company

815 West Tenth Street
Fort Worth, Texas 76102
(817) 332-1377
(817) 332-1426 Fax

FACSIMILE TRANSMITTAL SHEETDATE: 7/31/08 TIME: _____TO: Mark WhitakerCOMPANY: OCDFAX NUMBER: 505-393-0720FROM: David HendersonRE: CEKQU 002TOTAL NUMBER OF PAGES INCLUDING THIS COVER: 4☐ URGENT☐ FOR REVIEW☐ PLEASE COMMENT☐ PLEASE REPLY☐ NO REPLY NEEDED

NOTES/COMMENTS: _____

hard copy to follow in mailMalay Brown

COMPLIANCE OFFICER

8/6/2008P/A'd. OK TO RELEASE.
MJR

SEELY OIL COMPANY

815 WEST TENTH STREET
FORT WORTH, TEXAS 76102

July 31, 2008

Sent via fax & USPS

New Mexico Oil Conservation Division

Attn: Mark Whitaker

1625 N. French Dr.

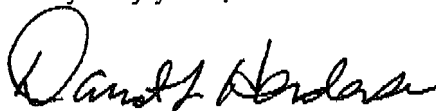
Hobbs, NM 88240

Re: Central EK Queen Unit # 002
API # 30-025-32597
LOC A-17-18S-34E
Lea County, New Mexico

Dear Mr. Whitaker:

Enclosed is a copy of a Notification of Violation for the referenced well. Please be advised that the violation has been corrected and the well is ready for final inspection.

Very truly yours,



David L. Henderson
Executive Vice President

DLH/ma
Encl.



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"*

01-May-08

SEELY OIL CO
815 W 10TH ST
FORT WORTH TX 76102

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**CENTRAL EK QUEEN UNIT No.002**

A-17-18S-34E

30-025-32597-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
04/30/2008	Plugged Well Surface Restor	Mark Whitaker	Yes	No	8/3/2008	IMAW0812152875
Comments on Inspection: DO NOT RELEASE. Dry hole marker incorrect. No lease name. NEED TO ADD LEASE NAME TO DRY HOLE MARKER. 1st letter of non-compliance, MW						

RECEIVED
MAY 08 2008

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.

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.