



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"

09-Oct-08

MAR OIL & GAS
ATTN: BILLY PRICHARD
P.O. BOX 444
SEMINOLE, TX 79360

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

MALMAR UNIT No.416

P-7-17S-33E / 30-025-01298-00-00

| Inspection Date | Type Inspection | Inspector | Violation? | *Significant Non-Compliance? | Corrective Action Due By: | Inspection No. |
|---|-----------------|---------------|------------|------------------------------|---------------------------|----------------|
| 09/10/2008 | Pressure Test | Sylvia Dickey | Yes | No | 12/14/2008 | iSAD0825444238 |
| Comments on Inspection: WHILE PRESSURING UP ON WELL FOR PRESSURE TEST FLANGE ON WELLHEAD STARTED TO LEAK; PROCEEDED WITH TEST PER BH; INSPECTION VIOLATION DUE TO LEAK ON FLANGE; OPERATION/ MAINTENANCE VIOLATION; | | | | | | |

EUMONT HARDY UNIT No.001

M-25-20S-37E ✓ 30-025-06266-00-00

| Inspection Date | Type Inspection | Inspector | Violation? | *Significant Non-Compliance? | Corrective Action Due By: | Inspection No. |
|--|-----------------|---------------|------------|------------------------------|---------------------------|----------------|
| 10/07/2008 | Bradenhead | Sylvia Dickey | Yes | No | 1/10/2009 | iSAD0828143897 |
| Comments on Inspection: PER BILLY WILL CHANGE OUT SURFACE VALVE (FROZEN) | | | | | | |

EUMONT HARDY UNIT No.026

C-5-21S-37E ✓ 30-025-09899-00-00

| Inspection Date | Type Inspection | Inspector | Violation? | *Significant Non-Compliance? | Corrective Action Due By: | Inspection No. |
|---|-----------------|---------------|------------|------------------------------|---------------------------|----------------|
| 10/07/2008 | Bradenhead | Sylvia Dickey | Yes | No | 1/10/2009 | iSAD0828137292 |
| Comments on Inspection: NEED TO VERIFY AND FIX VALVE AT SURFACE; INT?/SURF? | | | | | | |

PEARL MARR No.001

P-33-9S-37E ✓ 30-025-23247-00-00

| Inspection Date | Type Inspection | Inspector | Violation? | *Significant Non-Compliance? | Corrective Action Due By: | Inspection No. |
|---|----------------------------|---------------|------------|------------------------------|---------------------------|----------------|
| 10/09/2008 | File and Compliance Review | Sylvia Dickey | Yes | No | 1/12/2009 | iSAD0828342600 |
| Comments on Inspection: PER BILLY PRICHARD WELL STILL WILL NOT TEST; NO CHANGE; | | | | | | |

SAWYER 4 STATE No.002

A-4-10S-37E ✓ 30-025-26893-00-00

| Inspection Date | Type Inspection | Inspector | Violation? | *Significant Non-Compliance? | Corrective Action Due By: | Inspection No. |
|---|----------------------------|---------------|------------|------------------------------|---------------------------|----------------|
| 10/09/2008 | File and Compliance Review | Sylvia Dickey | Yes | No | 1/12/2009 | iSAD0828342784 |
| Comments on Inspection: PER BILLY PRICHARD WILL NOT TEST; | | | | | | |

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,



Hobbs OCD District Office

COMPLIANCE OFFICER

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.

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mld

EMNRD
OIL CONSERVATION DIVISION
1625 N FRENCH DRIVE
HOBBS NM 88240

FIRST
CLASS

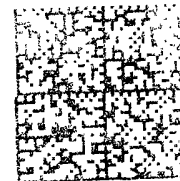


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| HASLER | 15554612 | US POSTAGE |
| | \$0.830 | |
| | 10/09/2008 | |
| | Mailed From 88240 | |

MAR OIL & GAS
ATTN: BILLY PRICHARD
P.O. BOX 444
SEMINOLE, TX 79360

EMNRD
OIL CONSERVATION DIVISION
1625 N FRENCH DRIVE
HOBBS NM 88240

**FIRST
CLASS**



44510

80.830

From 13540

US POST

MAR OIL & GAS CORP.
P.O. BOX 5155
SANTA FE, NM 87502

Handwritten:
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✓