

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"

10-Nov-08

FINLEY RESOURCES INC

1308 LAKE STREET #200 FT 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.

STATE E 28 No.002			K-28-20S-36E ✓ 30-025-04360-00-00					
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.		
11/10/2008	Routine/Periodic	Mark Whitaker	Yes	No	12/15/2008	iMAW0831555124		
	Violations Absent Well Identification St	igns (Rule 103)						
Comments	on Inspection: No well S	Sign (Rule 103). New well	signs have no	t been installed. Failure	to comply could r	esult in		
		penatilies being assessed.						
	monetary			L-28-20S-36E / 3	0-025-04362-00			
STATE E 23 Inspection Date	monetary			non-compliance.				
Inspection	monetary 8 No.004	penatilies being assessed.	2nd letter of r	L-28-20S-36E / 3 *Significant	0-025-04362-00 Corrective	-00 Inspection No.		
Date	monetary 8 No.004 Type Inspection	Inspector Mark Whitaker	2nd letter of r	non-compliance. L-28-20S-36E / 3 *Significant Non-Compliance?	0-025-04362-00 Corrective Action Due By:	-00		

MAGRUDE Inspection	R STATE No.	002			J-28-20S-36E *Significant	√ 30-025-04364-00- Corrective	-00		
Date	Type Inspection	ı 1	nspector	Violation?	Non-Compliance		Inspection No.		
11/10/2008	Routine/Perio	dic M tufication Signs (Rule	Mark Whitaker	Yes	No	12/15/2008	iMAW0831555683		
Comments of	n Inspection:	No well Sign (Rule 103). New well signs have not been installed. Failure to comply could result in monetary penatilies being assessed. 2nd letter of non-compliance.							
STATE E 33	No.001				C-33-20S-36E	30-025-04379-00-	-00		
Inspection Date	Type Inspection	ı I	nspector	Violation?	*Significant Non-Compliance:	Corrective Action Due By:	Inspection No.		
11/10/2008	Routine/Perio Violations Absent Well Iden	dic M tification Signs (Rule	Mark Whitaker	Yes	No	12/15/2008	iMAW0831555816		
Comments of	on Inspection:	No well Sign (Rule monetary penatilies				lure to comply could re	esult in		
STATE E 33 Inspection Date	No.002 Type Inspection	ı I	nspector	Violation?	D-33-20S-36E *Significant Non-Compliance	✓ 30-025-04380-00- Corrective Action Due By:	-00 Inspection No.		
11/10/2008	Routine/Perio	dic M	Mark Whitaker	Yes	No	12/15/2008	iMAW0831555975		
Comments of	n Inspection:	• ,	e 103). New well:			lure to comply could re	esult in		
STATE E 33 Inspection Date	No.003 Type Inspection		nspector	Violation?	F-33-20S-36E *Significant Non-Compliance	✓ 30-025-04381-00- Corrective Action Due By:	-00 Inspection No.		
11/10/2008	Routine/Perio		Mark Whitaker	Yes	No No	12/15/2008	iMAW0831556071		
Comments of	on Inspection:	=	e 103). New well	-		lure to comply could re	esult in		

STATE SPX No.004

G-33-20S-36E **√** 30-025-04389-00-00

*Significant

Corrective

Inspection No.

Date 11/10/2008

Inspection

Type Inspection
Routine/Periodic

Inspector Mark Whitaker Violation? Yes Non-Compliance?

Action Due By: 12/15/2008

iMAW0831556181

Violations

Absent Well Identification Signs (Rule 103)

Comments on Inspection:

No well Sign (Rule 103). New well signs have not been installed. Failure to comply could result in monetary penatilies being assessed. 2nd letter of non-compliance.

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

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.

plug and abandon this well. Such a hearing may result in imposition of CIVIL PENALTIES for your violation of OCD rules.

EMNRD
OIL CONSERVATION DIVISION
1625 N FRENCH DRIVE
HOBBS NM 88240



017H15554612 \$0.429 11/10/2008 Mailed From 88240

FINLEY RESOURCES INC 1308 LAKE STREET #200 FT WORTH, TX 76102