

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

Comments on Inspection:

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	(B. 4 400)					
Comments		ign (Rule 103). New well	-		to comply could r	esult in	
Comments STATE E 2	on Inspection: No well Si monetary p	, ,	-	non-compliance.	e to comply could r		
	on Inspection: No well Si monetary p	ign (Rule 103). New well	-	non-compliance.			

No well Sign (Rule 103). New well signs have not been installed. Failure to comply could result in

INCRECTION DETAIL CECTION

monetary penatilies being assessed. 2nd letter of non-compliance.

MANGRODE	ER STATE No.	002				80-025-04364-00	-00		
Inspection Date	Type Inspection	ı	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.		
11/10/2008	Routine/Perio	dic	Mark Whitaker	Yes	No	12/15/2008	iMAW0831555683		
	Violations								
	Absent Well Ider	tification Signs (R	ule 103)						
Comments	on Inspection:	Ų (tule 103). New well lies being assessed.	-	ot been installed. Failure non-compliance.	e to comply could r	esult in		
STATE E 3.	3 No.001	C-33-20S-36E							
Inspection			_		*Significant	Corrective	T NI		
Date	Type Inspection		Inspector	Violation?	Non-Compliance?	Action Due By:	Inspection No.		
11/10/2008	Routine/Perio	dic	Mark Whitaker	Yes	No	12/15/2008	iMAW0831555816		
	Violations Absent Well Iden	itification Signs (R	ule 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.							
STATE E 3.	3 No.002				D-33-20S-36E 🗸 3	80-025-04380-00	-00		
Inspection Date	Type Inspection	1	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.		
11/10/2008	Routine/Perio	dic	Mark Whitaker	Yes	No	12/15/2008	iMAW0831555975		
	Violations				•				
	Absent Well Ider	tification Stans (P	ule 103)						
	Auscin wen idei	itilication signs (K							
Comments	on Inspection:	No well Sign (F	Rule 103). New well ilies being assessed.		ot been installed. Failure non-compliance.	e to comply could r	esult in		
	on Inspection:	No well Sign (F			non-compliance.				
STATE E 3. Inspection Date	on Inspection:	No well Sign (Figure 1) monetary penat			non-compliance.	80-025-04381-00 Corrective Action Due By:			
STATE E 3: Inspection	on Inspection: 3 No.003	No well Sign (F monetary penati	ilies being assessed.	2nd letter of	non-compliance. F-33-20S-36E ✓ 3 *Significant	30-025-04381-00 Corrective	-00		
STATE E 3. Inspection Date	on Inspection: 3 No.003 Type Inspection	No well Sign (F monetary penati	Inspector	2nd letter of Violation?	F-33-20S-36E *Significant Non-Compliance?	30-025-04381-00 Corrective Action Due By:	-00 Inspection No.		
STATE E 3. Inspection Date	3 No.003 Type Inspection Routine/Peric	No well Sign (F monetary penati	Inspector Mark Whitaker	2nd letter of Violation?	F-33-20S-36E *Significant Non-Compliance?	30-025-04381-00 Corrective Action Due By:	-00 Inspection No.		
STATE E 3. Inspection Date 11/10/2008	3 No.003 Type Inspection Routine/Peric	No well Sign (F monetary penation dic ntification Signs (R No well Sign (F	Inspector Mark Whitaker ule 103)	2nd letter of Violation? Yes signs have no	ron-compliance. F-33-20S-36E *Significant Non-Compliance? No	30-025-04381-00 Corrective Action Due By: 12/15/2008	-00 Inspection No. iMAW0831556071		
STATE E 3. Inspection Date 11/10/2008	Type Inspection: Type Inspection Routine/Peric Violations Absent Well Ider on Inspection:	No well Sign (F monetary penation dic ntification Signs (R No well Sign (F	Inspector Mark Whitaker ule 103) Rule 103). New well	2nd letter of Violation? Yes signs have no	ron-compliance. F-33-20S-36E *Significant Non-Compliance? No ot been installed. Failure non-compliance.	30-025-04381-00 Corrective Action Due By: 12/15/2008	-00 Inspection No. iMAW0831556071 esult in		
STATE E 3. Inspection Date 11/10/2008 Comments	Type Inspection: Type Inspection Routine/Peric Violations Absent Well Ider on Inspection: (No.004	No well Sign (F monetary penation dic dic attification Signs (R No well Sign (F monetary penation	Inspector Mark Whitaker ule 103) Rule 103). New well ilies being assessed.	Violation? Yes signs have no	ron-compliance. F-33-20S-36E *Significant Non-Compliance? No ot been installed. Failure non-compliance.	Corrective Action Due By: 12/15/2008	Inspection No. iMAW0831556071 esult in		
STATE E 3. Inspection Date 11/10/2008 Comments of	Type Inspection: Type Inspection Routine/Peric Violations Absent Well Ider on Inspection:	No well Sign (F monetary penation dic dic attification Signs (R No well Sign (F monetary penation	Inspector Mark Whitaker ule 103) Rule 103). New well	2nd letter of Violation? Yes signs have no	F-33-20S-36E *Significant Non-Compliance? No ot been installed. Failure non-compliance. G-33-20S-36E 3	80-025-04381-00 Corrective Action Due By: 12/15/2008 e to comply could r	-00 Inspection No. iMAW0831556071 esult in		

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.

monetary penatilies being assessed. 2nd letter of non-compliance.

No well Sign (Rule 103). New well signs have not been installed. Failure to comply could result in

Sincerely,

COMPLIANCE OFFICER

Hobbs OCD District Office

Violations

Comments on Inspection:

Absent Well Identification Signs (Rule 103)

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



017H15554612 \$0.429 11/10/2008

Mailed From 88240

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