



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

**Joanna Prukop**

Cabinet Secretary

**Mark E. Fesmire, P.E.**

Director

**Oil Conservation Division**

## *Field Inspection Program*

*"Preserving the Integrity of Our Environment"*

04-Dec-08

**CRAZY HORSE, LLC**

3540 S POPLAR ST, SUITE 100

DENVER CO 80237

## **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.

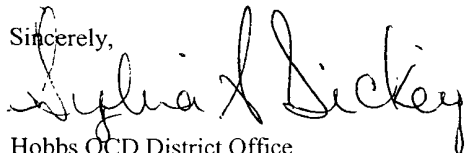
Please notify the proper district office of the Division, in writing, of the date corrective actions are scheduled to be made so that arrangements can be made to reinspect the well and/or facility.

### ***INSPECTION DETAIL SECTION***

<b>HOBBS SWD No.016</b>		<b>P-16-19S-38E</b>		<b>30-025-07701-00-00</b>		
<b>Inspection Date</b>	<b>Type Inspection</b>	<b>Inspector</b>	<b>Violation?</b>	<b>*Significant Non-Compliance?</b>	<b>Corrective Action Due By:</b>	<b>Inspection No.</b>
12/04/2008	Bradenhead	Sylvia Dickey	Yes	No	3/9/2009	iSAD0833927710
<b>Comments on Inspection:</b>		WELL SIGN INCORRECT-NMOCDD RULE 103 (SIGN ON WELLS); STATES LEE FOR COUNTY, 026 FOR API DISTRICT AREA, NO UNIT LETTER. **BLED CASING TO A TRUCK; OIL ON CASING; CLOSED CASING VALVE 5 MINS TO CHECK FOR PRESSURE; CASING BUILT PRESSURE BACK UP IMMEDIATELY; OPERATOR WILL SCHEDULE A PRESSURE TEST FOR 12/10/08 @ 8:00 AM; 441-0235 JEFF MANRY				

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,



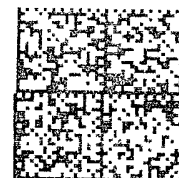
Hobbs OCD District Office

**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

EMNRD  
OIL CONSERVATION DIVISION  
1625 N FRENCH DRIVE  
HOBBS NM 88240



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