



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"

14-Jan-09

LATIGO PETROLEUM, INC.

PO BOX 10340

MIDLAND TX 79702

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

F B GIST No.001

A-31-11S-33E

30-025-23114-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
01/13/2009	Compliance Verification	Maxey Brown	Yes	No	4/18/2009	iMGB0901348184

Comments on Inspection: DO NOT RELEASE! CHECKED LOCATION AS PER DONNA MULL-OCD. MARKER INCORRECT. HAS BEEN SWAPPED WITH THE F B GIST#2 WELL. NEED TO CORRECT MARKER. THIS IS 1ST LETTER OF NON-COMPLIANCE. MGB.

F B GIST No.002

H-31-11S-33E

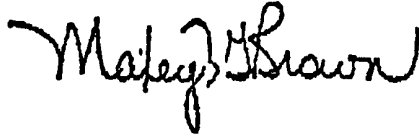
30-025-23242-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
01/13/2009	Compliance Verification	Maxey Brown	Yes	No	4/18/2009	iMGB0901347183

Comments on Inspection: DO NOT RELEASE! CHECKED AS PER DONNA MULL. MARKER INCORRECT. WRONG API, WRONG WELL#, WRONG FOOTAGE. MARKER SWAPPED WITH F B GIST #1 WELL. BATTERY SITE NORTH OF WELL STILL HAS STAIRS AND WALKWAY ON GROUND, ELEC CONDUIT STICKING UP, AREA HAS SITE FOR TANKS ELEVATED, NEEDS TO BE RETURNED TO NATURAL CONTOUR. ALSO NEED TO REMOVE ELECTRIC STUB POLE WEST OF WELL. THIS IS 1ST LETTER OF NON-COMPLIANCE. MGB.

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.

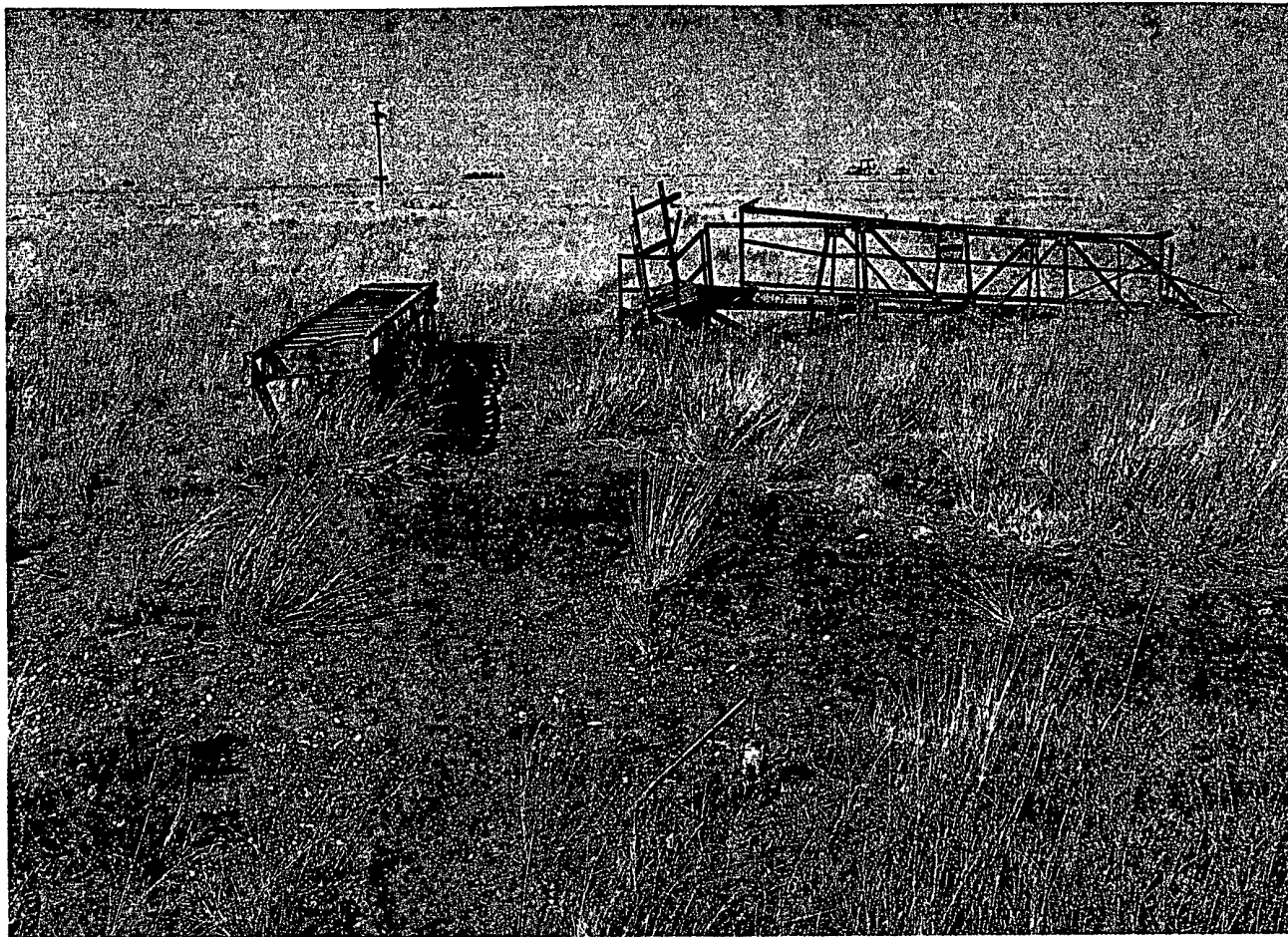
Sincerely,



COMPLIANCE OFFICER

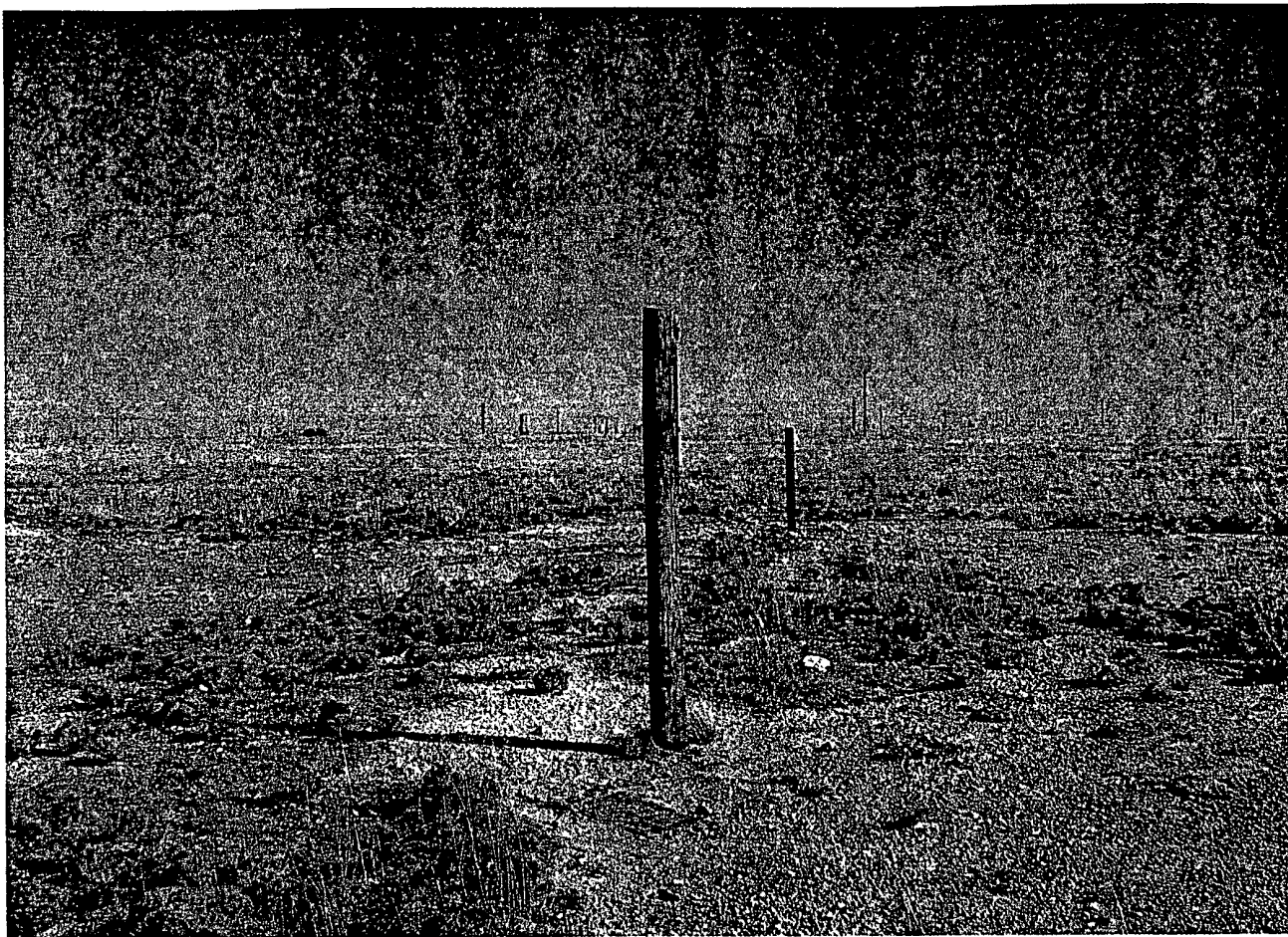
Hobbs OCD District Office

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.



LATIGO
FB GIST # 2 30-025-23242

01-13-2009



LATIGO
FB GIST #2
30-025-23242

01-13-2009

EMNRD
OIL CONSERVATION DIVISION
1625 N FRENCH DRIVE
HOBBS NM 88240



HASLER

017H15554612

\$0.420

01/14/2009

Mailed From 88240

US POSTAGE

LATIGO PETROLEUM, INC.
PO BOX 10340
MIDLAND TX 79702