

NEW MEXICO ENERGY, MINERALS 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"

26-Feb-09

CONOCO PHILLIPS COMPANY ATTN: SEAN ROBINSON 1410 N. WEST COUNTY ROAD HOBBS, NM 88240

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

HAW	KEYE	30	STATE	No.	.001

J-30-17S-34E

30-025-34781-00-00

Inspection Date

Type Inspection

Inspector Violation? *Significant

Corrective

Inspection No.

Sylvia Dickey

Non-Compliance?

Action Due By:

02/25/2009

Bradenhead

Yes

No

5/31/2009

iSAD0905646903

Comments on Inspection:

WELL SHOWS TO HAVE PRESSURE ON SURFACE CASING (750#) AND PRODUCTION

CASING (650#). DID NOT BLEED SURFACE DOWN DUE TO SHOW OF OILY FLUID.

ALSO PROD. CASING BLED TO 100# AND STARTED TO SHOW OILY

FLUID.***OPERATOR IN VIOLATION OF NMOCD RULE 703*** IN ADDITION PLEASE

NOTE ****NMOCD DISTRICT I OFFICE WILL NOT APPROVE ANY FURTHER PLUGBACK RECOMPLETION UNTIL CASING PROBLEMS HAVE BEEN

ADDRESSED****

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.

Sylve X

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



017H15554612 \$0.590 02/26/2009

Mailed From 88240

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OIL CONSERVATION DIVISION
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US POSTAGE

CONOCO PHILLIPS CO. ATTN: REG.DEPT.-CELESTE DALE 3300 N. 'A' STR., BLDG 6 #247 MIDLAND, TX 79705