

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"*

20-Mar-09

TIPTON OIL & GAS ACQUISITIONS, INC.
P.O. BOX 280
GUTHRIE OK 73044

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

DESOTO STATE No.001

D-35-14S-32E

30-025-23248-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/11/2009	Compliance Verification	Maxey Brown	Yes	No	6/14/2009	iMGB0907056984
Violations 1i Absent Well Identification Signs (Rule 114) 1i General Housekeeping (Rule 114)						
Comments on Inspection: Well Sign (Rule 103). NEED TO INSTALL WELL SIGN WITH ALL REQUIRED INFORMATION. ALSO THERE IS STILL SOIL CONTAMINATION ON SOUTHSIDE OF TANKS AND NEED TO REPAIR PRODUCED WATER DRIPPING FROM CONNECTION ON WESTSIDE OF GUNBARREL TANK. THIS IS 2ND LETTER OF NON-COMPLIANCE						

DESOTO STATE No.002

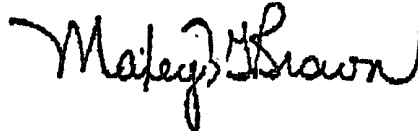
I-34-14S-32E

30-025-26079-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/11/2009	Compliance Verification	Maxey Brown	Yes	No	3/14/2009	iMGB0907057851
Violations 1i Absent Well Identification Signs (Rule 114)						
Comments on Inspection: Well Sign (Rule 103). WELL SIGN INCORRECT. NEED TO INSTALL SIGN WITH ALL REQUIRED INFORMATION. THIS IS 3RD 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 plug and abandon this well. Such a hearing may result in imposition of CIVIL PENALTIES for your violation of OCD rules.

Sincerely,

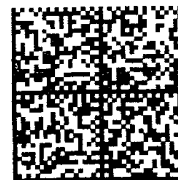
A handwritten signature in black ink, appearing to read "Maileigh Brown". The signature is fluid and cursive, with the first name "Maileigh" written in a larger, more prominent script than the last name "Brown".

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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017H15554612

\$0.42

03/20/2009

Mailed From 88240

US POSTAGE

TIPTON OIL & GAS ACQUISITIONS, INC.
P.O. BOX 280
GUTHRIE OK 73044