



# 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"*

02-Apr-09

**PRIME OPERATING CO**

3300 NORTH A ST BLDG ONE STE 238

MIDLAND TX 79705

**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.

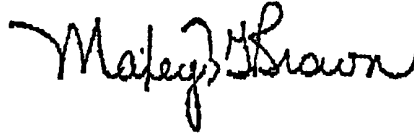
**INSPECTION DETAIL SECTION**

STATE DH No.001				I-21-11S-33E	30-025-21949-00-00		
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.	
04/01/2009	Routine/Periodic	Maxey Brown	Yes	No	7/5/2009	iMGB0909147256	
Violations							
Absent Well Identification Signs (Rule 103)							
Comments on Inspection:		NO Well Sign (Rule 103). NEED TO INSTALL WELL SIGN. ALSO REMOVE CHEMICAL DRUM FROM PASTURE EAST OF LOCATION. THIS IS 1ST LETTER OF NON-COMPLIANCE. MGB.					

STATE DH No.002				P-21-11S-33E	30-025-22037-00-00		
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.	
04/01/2009	Routine/Periodic	Maxey Brown	Yes	No	7/5/2009	iMGB0909147584	
Violations							
Absent Well Identification Signs (Rule 103)							
Comments on Inspection:		NO Well Sign (Rule 103). NEED TO INSTALL WELL SIGN. 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,



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



HA:LER 017H15554612  
\$0.420  
04/07/2009  
Mailed From 88240

US POSTAGE

PRIME OPERATING CO  
3300 NORTH A ST BLDG ONE STE 238  
MIDLAND TX 79705