

NEW MEXICO ENERGY, MINERALS 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"

19-Jun-09

COG OPERATING LLC 550 W TEXAS SUITE 1300 MIDLAND TX 79701

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

OSUDO STATE COM No.001

J-18-20S-36E

30-025-25143-00-00

Inspection

Type Inspection

Inspector

*Significant

Corrective

Date 06/18/2009

Routine/Periodic

Violation? Mark Whitaker Yes

Non-Compliance? No

Action Due By: 7/17/2009

Inspection No. iMAW0916934122

Violations

Absent Well Identification Signs (Rule 103)

Comments on Inspection:

No operator on well sign. NEED TO REPLACE WELL SIGN. NEED TO SHOW OPERATOR AND API# IN ADDITION TO INFORMATION CURRENTLY ON SIGN. 2ND LETTER OF

NON-COMPLIANCE. MW

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.

Sincerely, Wall Witzler 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

EMNRD OIL CONSERVATION DIVISION 1625 N FRENCH DRIVE HOBBS NM 88240



017H15554612 \$0.440 06/19/2009 Mailed From 88240

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