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"

19-Mar-10

SEELY OIL CO
815 W 10TH ST
FORT WORTH TX 76102

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

FLUOR No.001 M-35-22S-37E **30-025-24451-00-00**

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/18/2010	File and Compliance Review	Sylvia Dickey	Yes	No	6/21/2010	iSAD1007762560

Comments on Inspection: No Action Taken To bring Well into Compliance. WELL FAILED IN 2006***OPERATOR IN VIOLATION OF NMOCD RULE 19.15.26.11 ****OPERATOR MAY BE SUBJECT TO OTHER RESTRICTIONS/ENFORCE- MENTS*****

FLUOR No.002 L-35-22S-37E **30-025-24501-00-00**

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/18/2010	File and Compliance Review	Sylvia Dickey	Yes	No	6/21/2010	iSAD1007761782

Comments on Inspection: No Action Taken To bring Well into Compliance. WELL FAILED IN 2006***OPERATOR IN VIOLATION OF NMOCD RULE 19.15.26.11 ****OPERATOR MAY BE SUBJECT TO OTHER RESTRICTIONS/ENFORCE- MENTS*****

FLUOR No.003 K-35-22S-37E **30-025-24615-00-00**

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/18/2010	File and Compliance Review	Sylvia Dickey	Yes	No	6/21/2010	iSAD1007762342

Comments on Inspection: No Action Taken To bring Well into Compliance. WELL FAILED IN 2006***OPERATOR IN VIOLATION OF NMOCD RULE 19.15.26.11 ****OPERATOR MAY BE SUBJECT TO OTHER RESTRICTIONS/ENFORCE- MENTS*****

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,

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

7005 3110 0000 2015 5903

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT OF THE RETURN ADDRESS, FOLD AT DOTTED LINE

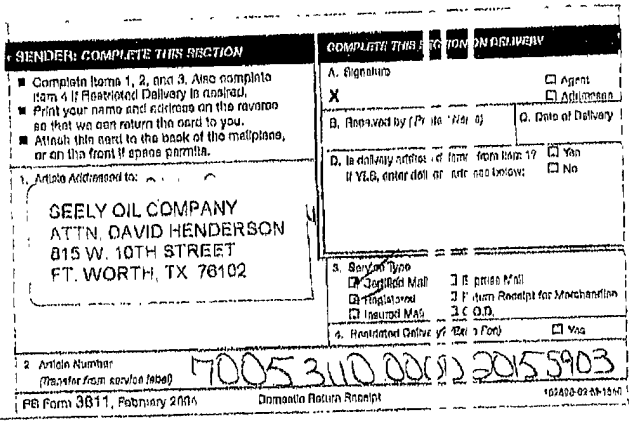
CERTIFIED MAIL™

7005 3110 0000 2015 5903

017H16554312
$6.009
03/19/2013
Mailed From 88240

US POSTAGE
HASLER

SEELY OIL COMPANY
ATTN DAVID HENDERSON
815 W. 10TH STREET
FT. WORTH, TX 76102



SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

SEELY OIL COMPANY
ATTN. DAVID HENDERSON
815 W. 10TH STREET
FT. WORTH, TX 76102

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X
☐ Agent
☐ Addressee

B. Received by (Printed Name)
C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☑ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number (Transfer from service label) 7005 3110 0001 2015 5903

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540