

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON Governor Joanna Prukop Cabinet Secretary Mark E. Fesmire, P.E. Director Oil Conservation Division

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25-Jun-10

ENDURANCE RESOURCES LLC

15455 DALLAS PARKWAY SUITE 600 ADDISON TX 75234

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.

		INSPECTIO	N DETAII	L SECTION			
NEW MEXICO DL STATE No.001				I-18-23S-33E	30-025-28223-00-00		
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.	
06/24/2010	Routine/Periodic	Mark Whitaker	Yes	No	7/27/2010	iMAW1017534678	
	Violations						
	Absent Well Identification Signs (I	Rule 103)					
	on Inspection: Well sign not 1 SIGN. 1st not ICO DL STATE No.003		perator liste	l (rule 19.15.16.8). NI H-18-23S-33E	30-025-28608-00		
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.	
06/24/2010	Routine/Periodic	Mark Whitaker	Yes	No	7/27/2010	iMAW1017534824	
	Violations Absent Well Identification Signs (I	Rule 103)					
Comments		sition. Polish rod blac EED TO REPLACE		not legible and incorr	ect operator listed (ru	ile	

NEW MEX Inspection Date	ICO DL STA' Type Inspectio		Inspector	Violation?	N-18-23S-33E *Significant Non-Compliancc?	30-025-28609-00 Corrective Action Due By:	-00 Inspection No.
06/24/2010 Routine/Periodic Violations Absent Well Identification Signs		Mark Whitaker	Yes	No	7/27/2010	iMAW1017536609	
Comments	on Inspection:	Well sign not SIGN. 1st not	legible and incorrect c ice.	perator liste	d (rule 19.15.16.8). N	EED TO REPLACE	WELL
Inspection	ICO DL STAT				J-18-23S-33E *Significant	30-025-28610-00- Corrective	
Date 06/24/2010	Routine/Peric Violations Absent Well Iden	odie	Inspector Mark Whitaker (Rule 103)	Violation? Yes	Non-Compliance? No	Action Due By: 7/27/2010	Inspection No. iMAW1017534259
Comments o	on Inspection:	Well sign not	legible and incorrect o wellhead leaking. NE	operator lister ED TO REM	d (rule 19.15.16.8). NI 10VE CONTAMINA	EED TO REPLACE Y TED SOIL AND TIG	WELL HTEN
NEW MEX Inspection Date	[CO DL STA] Type Inspection		Inspector	Violation?	A-18-23S-33E *Significant Non-Compliance?	30-025-28681-00- Corrective Action Due By:	.00 Inspection No.
06/24/2010	Routine/Peric Violations Absent Well Ider		Mark Whitaker	Yes	No	7/27/2010	iMAW1017535101
Comments o	n Inspection:		(rule 19.15.16 8). NEE	ED TO INST	ALL WELL SIGN, 1s	t notice.	
NEW MEXI Inspection Date	CO EF STAT Type Inspection		Inspector	Violation?	M-17-23S-33E *Significant Non-Compliance?	30-025-28697-00- Corrective Action Due By:	00 Inspection No.
06/24/2010	Routine/Peric Violations Absent Well Ider		Mark Whitaker Rule 103)	Yes	No	7/27/2010	iMAW1017535727
Comments o	n Inspection:	NO well sign	(rule 19.15.16.8), NEI	ED TO INST	ALL WELL SIGN. 1:	st notice.	

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, 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



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