



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"*

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.

INSPECTION DETAIL 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 (Rule 103)							
Comments on Inspection: Well sign not legible and incorrect operator listed (rule 19.15.16 8). NEED TO REPLACE WELL SIGN 1st notice							

NEW MEXICO DL STATE No.003				H-18-23S-33E	30-025-28608-00-00	
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	iMAW1017534824
Violations						
Absent Well Identification Signs (Rule 103)						
Comments on Inspection: HOA in off position. Polish rod black. Well sign not legible and incorrect operator listed (rule 19.15.16.8). NEED TO REPLACE WELL SIGN 1st notice.						

NEW MEXICO DL STATE No.004

N-18-23S-33E

30-025-28609-00-00

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	iMAW1017536609

Violations

Absent Well Identification Signs (Rule 103)

Comments on Inspection: Well sign not legible and incorrect operator listed (rule 19.15.16.8). NEED TO REPLACE WELL SIGN. 1st notice.

NEW MEXICO DL STATE No.005

J-18-23S-33E

30-025-28610-00-00

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	iMAW1017534259

Violations

Absent Well Identification Signs (Rule 103)

Comments on Inspection: Well sign not legible and incorrect operator listed (rule 19.15.16.8). NEED TO REPLACE WELL SIGN. Cap on wellhead leaking. NEED TO REMOVE CONTAMINATED SOIL AND TIGHTEN CAP. 1st notice.

NEW MEXICO DL STATE No.007

A-18-23S-33E

30-025-28681-00-00

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	iMAW1017535101

Violations

Absent Well Identification Signs (Rule 103)

Comments on Inspection: NO well sign (rule 19.15.16.8). NEED TO INSTALL WELL SIGN. 1st notice.

NEW MEXICO EF STATE No.003

M-17-23S-33E

30-025-28697-00-00

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	iMAW1017535727

Violations

Absent Well Identification Signs (Rule 103)

Comments on Inspection: NO well sign (rule 19.15.16.8). NEED TO INSTALL WELL SIGN. 1st 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 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,

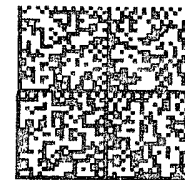


COMPLIANCE OFFICER

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



HASLER	017H15554612	US POSTAGE
	\$0.440	
	06/25/2010	
	Mailed From 88240	

ENDURANCE RESOURCES LLC
15455 DALLAS PARKWAY SUITE 600
ADDISON, TX 75234