

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

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

21122 Inspections Program "Presence - the hires, is or Our Version imment"

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 MEX Inspection Date	ICO DL STATE No.001 Type Inspection	Inspector	Violation?	I-18-23S-33E *Significant Non-Compliance?	30-025-28223-00 Corrective Action Due By:	-00 Inspection No.
06/24/2010	Routine/Periodic Violations Absent Well Identification Signs	Mark Whitaker	Yes	No	7/27/2010	iMAW1017534678
Comments	0	t legible and incorrect of	operator listed	d (rule 19,15,16,8). N	EED TO REPLACE	WELL
NEW MEXICO DL STATE No.003 Inspection Date Type Inspection		Inspector	Violation?	H-18-23S-33E *Significant Non-Compliance?	30-025-28608-00 Corrective Action Due By:	-00 Inspection No.
06/24/2010	Routine/Periodic Violations Absent Well Identification Signs	Mark Whitaker	Yes	No	7/27/2010	iMAW1017534824
Comments		bosition. Polish rod blac NEED TO REPLACE			ect operator listed (ru	ıle

Inspection	ICO DL STAT		Inspector	Violation?	N-18-23S-33E *Significant Non-Compliance?	30-025-28609-00 Corrective	-00 Inspection No.
06/24/2010	Routine/Peric		Mark Whitaker	Yes	Non-Comphance?	Action Due By: 7/27/2010	iMAW1017536609
	Violations Absent Well Ider	tufication Signs (I	Rule 103)				
Comments o	on Inspection:	Well sign not l SIGN. 1st notic	egible and incorrect one.	operator listed	d (rule 19.15.16.8). N	EED TO REPLACE	WELL
NEW MEX Inspection	ICO DL STAT				J-18-23S-33E *Significant	30-025-28610-00- Corrective	-00
Date	Type Inspection		Inspector	Violation?	Non-Compliance?	Action Due By:	Inspection No.
06/24/2010	Routine/Peric Violations	dic	Mark Whitaker	Yes	No	7/27/2010	iMAW1017534259
	Absent Well Ider	tification Signs (F	Rule 103)				
				merator lister	1 (mie 19 15 16 8) Ni	EED TO REPLACE V	WELL
Comments o		SIGN. Cap on CAP. 1st notice	egible and incorrect of wellhead leaking, NE 2	ED TO REM	IOVE CONTAMINA	TED SOIL AND TIG	HTEN
	CO DL STAT	SIGN. Cap on CAP. 1st notice	wellhead leaking. NE	ED TO REM	10VE CONTAMINA 	TED SOIL AND TIG 30-025-28681-00-	HTEN
NEW MEXI		SIGN. Cap on CAP. 1st notice E No.007	wellhead leaking. NE	ED TO REM	IOVE CONTAMINA	TED SOIL AND TIG	HTEN
NEW MEXI Inspection	CO DL STAT Type Inspection Routine/Perio	SIGN. Cap on CAP. 1st notice E No.007	wellhead leaking. NE	ED TO REM	IOVE CONTAMINA A-18-23S-33E *Significant	TED SOIL AND TIG 30-025-28681-00- Corrective	00
NEW MEXI Inspection Date	CO DL STAT Type Inspection Routine/Perio Violations	SIGN. Cap on CAP. 1st notice E No.007	wellhead leaking, NE 2 Inspector Mark Whitaker	ED TO REN	IOVE CONTAMINA A-18-23S-33E *Significant Non-Compliance?	TED SOIL AND TIG 30-025-28681-00- Corrective Action Due By:	HTEN
NEW MEXI Inspection Date 06/24/2010	CO DL STAT Type Inspection Routine/Perio Violations	SIGN. Cap on CAP. 1st notice E No.007 dic tilication Signs (R	wellhead leaking, NE 2 Inspector Mark Whitaker 3416 103)	ED TO REM Violation? Yes	IOVE CONTAMINA A-18-23S-33E *Significant Non-Compliance?	TED SOIL AND TIG 30-025-28681-00- Corrective Action Due By: 7/27/2010	HTEN
NEW MEXI Inspection Date 06/24/2010 Comments o	CO DL STAT Type Inspection Routine/Perio Violations Absent Well Iden	SIGN. Cap on CAP. 1st notice E No.007 dic tulication Signs (R NO well sign (r	wellhead leaking, NE 2 Inspector Mark Whitaker 2416 103)	ED TO REM Violation? Yes	IOVE CONTAMINA A-18-23S-33E *Significant Non-Compliance? No	TED SOIL AND TIG 30-025-28681-00- Corrective Action Due By: 7/27/2010 t notice.	HTEN 00 Inspection No. iMAW1017535101
NEW MEXI Inspection Date 06/24/2010 Comments o NEW MEXI Inspection Date	CO DL STAT Type Inspection Routine/Perio Violations Absent Well Iden n Inspection: CO EF STAT Type Inspection	SIGN. Cap on CAP. 1st notice E No.007 dic tulication Signs (R NO well sign (1 E No.003	wellhead leaking, NE 2 Inspector Mark Whitaker 2416 103)	ED TO REM Violation? Yes	IOVE CONTAMINA A-18-23S-33E *Significant Non-Compliance? No ALL WELL SIGN. 1s	TED SOIL AND TIG 30-025-28681-00- Corrective Action Due By: 7/27/2010	HTEN 00 Inspection No. iMAW1017535101
NEW MEXI Inspection Date 06/24/2010 Comments o NEW MEXI Inspection	CO DL STAT Type Inspection Routine/Perio Violations Absent Well Iden n Inspection: CO EF STAT	SIGN. Cap on CAP. 1st notice E No.007 dic tulication Signs (R NO well sign (1 E No.003	wellhead leaking, NE Inspector Mark Whitaker (ule 103) (ule 19.15.16.8), NEE	ED TO REM Violation? Yes ED TO INST.	IOVE CONTAMINA A-18-23S-33E *Significant Non-Compliance? No ALL WELL SIGN. 1s M-17-23S-33E *Significant	TED SOIL AND TIG 30-025-28681-00 - Corrective Action Due By: 7/27/2010 t notice. 30-025-28697-00 - Corrective	HTEN -00 Inspection No. iMAW1017535101 -00
NEW MEXI Inspection Date 06/24/2010 Comments o NEW MEXI Inspection Date	CO DL STAT Type Inspection Routine/Perio Violations Absent Well Iden n Inspection: CO EF STAT Type Inspection Routine/Perio	SIGN. Cap on CAP. 1st notice E No.007 dic tulication Signs (R NO well sign (1 E No.003 dic	wellhead leaking, NE Inspector Mark Whitaker (ule 103) rule 19.15.16.8), NEE Inspector Mark Whitaker	ED TO REM Violation? Yes ED TO INST. Violation?	IOVE CONTAMINA A-18-23S-33E *Significant Non-Compliance? No ALL WELL SIGN. 1s M-17-23S-33E *Significant Non-Compliance?	TED SOIL AND TIG 30-025-28681-00- Corrective Action Due By: 7/27/2010 t notice. 30-025-28697-00- Corrective Action Due By:	HTEN 00 Inspection No. iMAW1017535101 00 Inspection No.

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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