



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"*

08-Jul-10

**EDMAR COMPANY LLC (THE)**  
400 W ILLINOIS STE 1610  
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.

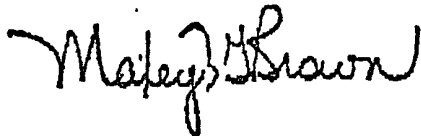
Please notify the proper district office of the Division, in writing, of the date corrective actions are scheduled to be made so that arrangements can be made to reinspect the well and/or facility.

***INSPECTION DETAIL SECTION***

SAUNDERS 28 No.001		F-28-14S-33E	30-025-26894-00-00			
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
07/07/2010	Plugged Well Surface Restor	Maxey Brown	Yes	No	8/10/2010	iMGB1018859625
<b>Comments on Inspection:</b>		DO NOT RELEASE. RULE 19.15 25.10. NEED TO REMOVE WOODEN BOARDS, ELECTRICAL STUB POLE, CONDUIT, 2 FIBERGLASS RODS, V-BELTS, 1" POLYPIPE, PORTABLE CONCRETE BLOCKS, MISC JUNK AND SEVERAL HUNDRED FEET OF JUNK WIRELINE LEFT BESIDE ROAD. ALSO PLEASE CONTACT LEA COUNTY ELEC COOP WITH A LETTER STATING THAT METER AND POLES CAN BE REMOVED. METER # 39891, POLES -LCEC 067230, 067231, 067232, 067233, 067234, 067235. THIS IS 1ST LETTER OF NON-COMPLIANCE.				

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,

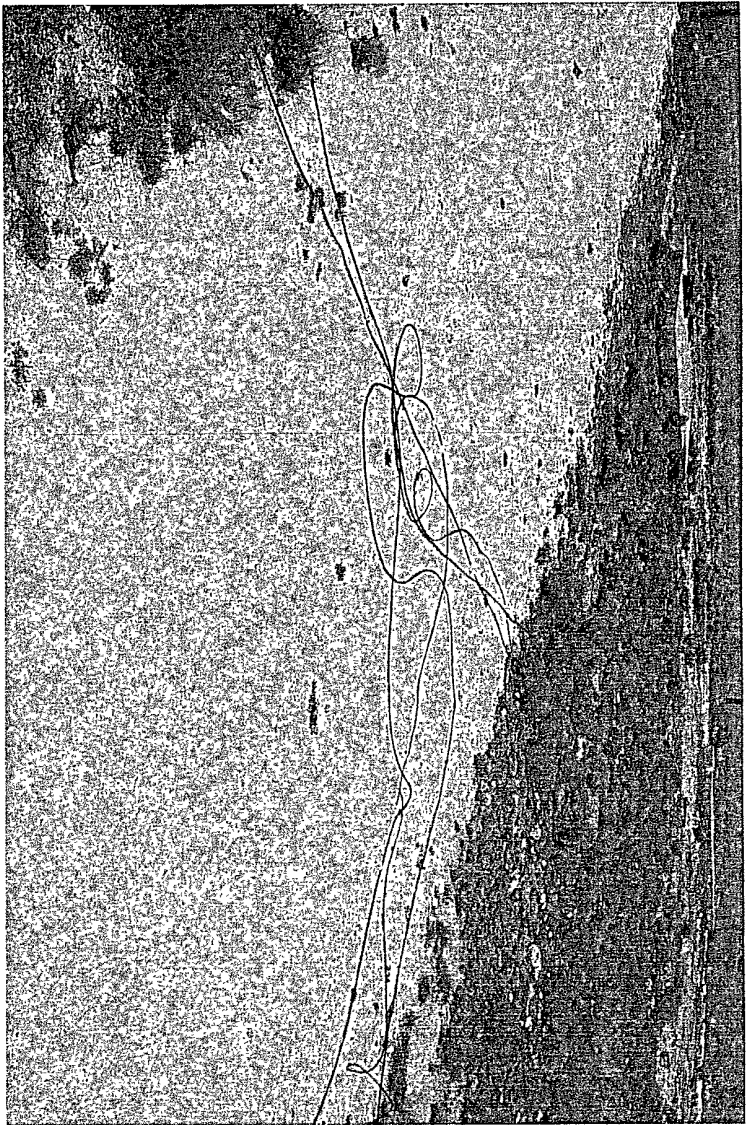


**COMPLIANCE OFFICER**

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

Enclosed 3 pages of Photos  
MB



Submit One (1) per District  
 Office: State of New Mexico  
 Minerals and Natural Resources  
 District I: 1625 N. French Dr. Hobbs, NM 88210  
 District II: 1301 W. Grand Ave. Artes, NM 88210  
 District III: 1000 Robinson Rd. Aztec, NM 87410  
 District IV: 1220 S. St. Francis Dr. Santa Fe, NM 87505

**RECEIVED**  
 OIL CONSERVATION DIVISION  
 JUN 29 2010

WELL API NO: 30-025-26894  
 STATE:  NM FEE:   
 5. Indicate Type of Lease:  STATE  FEDERAL

6. State Oil & Gas Lease No.: L-50987

7. Lease Name or Unit Agreement Name: SAUNDERS 28

8. Well Number: 1

9. OGRD Number: 165255

10. Pool Name or Wildcat: SAUNDERS PERMO UPPER PENN

1. Type of Well:  Oil Well  Gas Well  Other

2. Name of Operator: THE EDMAR COMPANY, LLC

3. Address of Operator: 400 W. ILLINOIS AVE, SUITE 1610

4. Well Location:  
 Unit Letter: F-1  
 Section: 28 Township: 14S Range: 33E NMM: LEA  
 11. Elevation (Show whether "DR", "RKB", "RT", "GR", etc.): 4217' GR

feet from the NORTH line and 1,980 feet from the WEST line

12. Check Appropriate Box to Indicate Nature of Notice Report or Other Data

**NOTICE OF INTENTION TO:**  
 PERFORM REMEDIAL WORK  PLUG AND ABANDON   
 TEMPORARILY ABANDON  CHANGE PLANS   
 PULL OR ALTER CASING  MULTIPLE COMPI

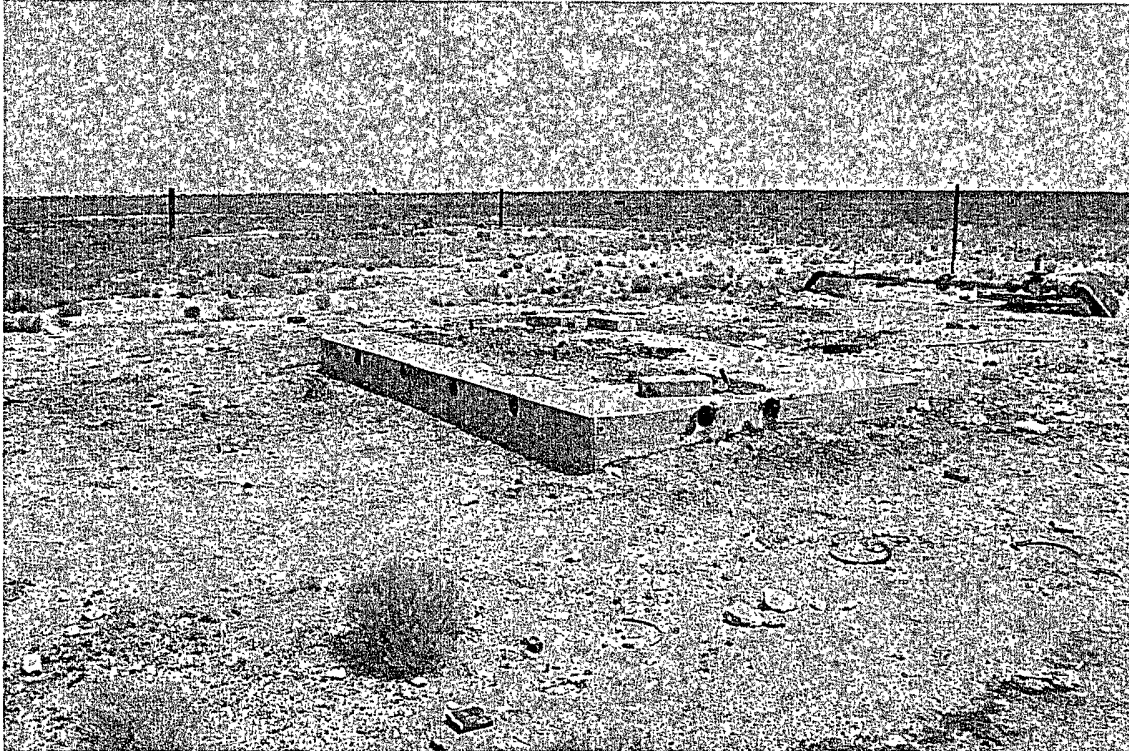
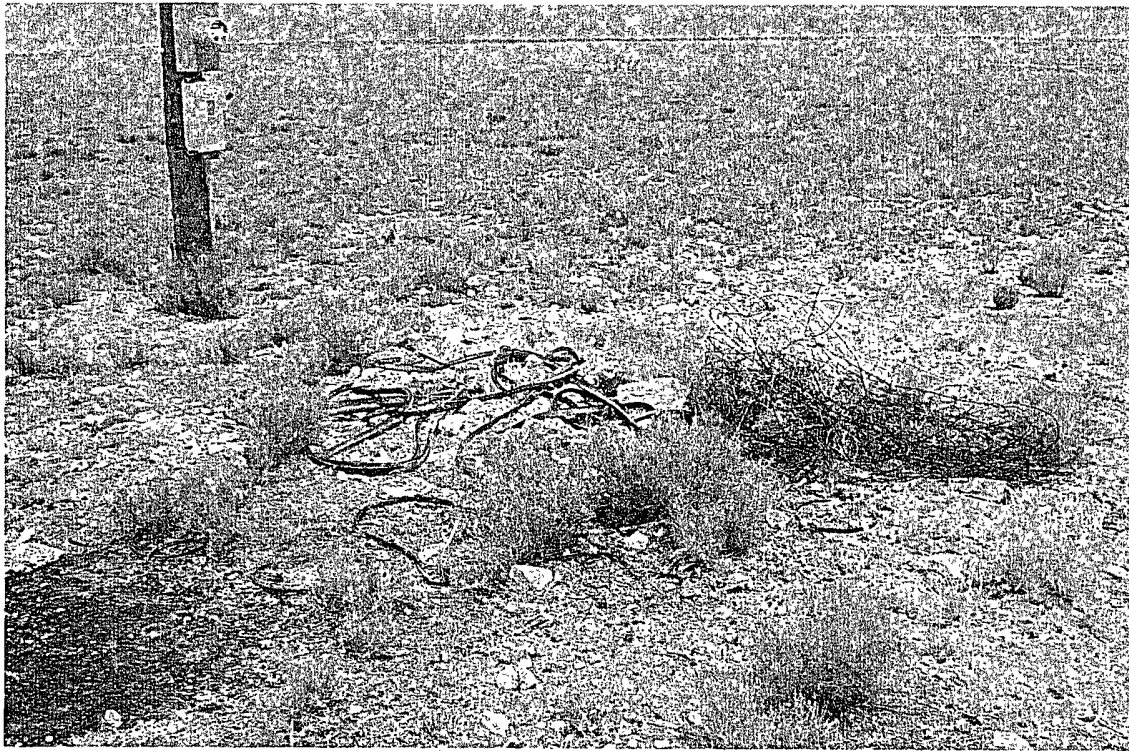
**SUBSEQUENT REPORT OF:**  
 REMEDIAL WORK  ALTERING CASING   
 COMMENCE DRILLING OPNS  PLANDA   
 CASING/CEMENT JOB

OTHER:  Location is ready for OGD inspection after P&A



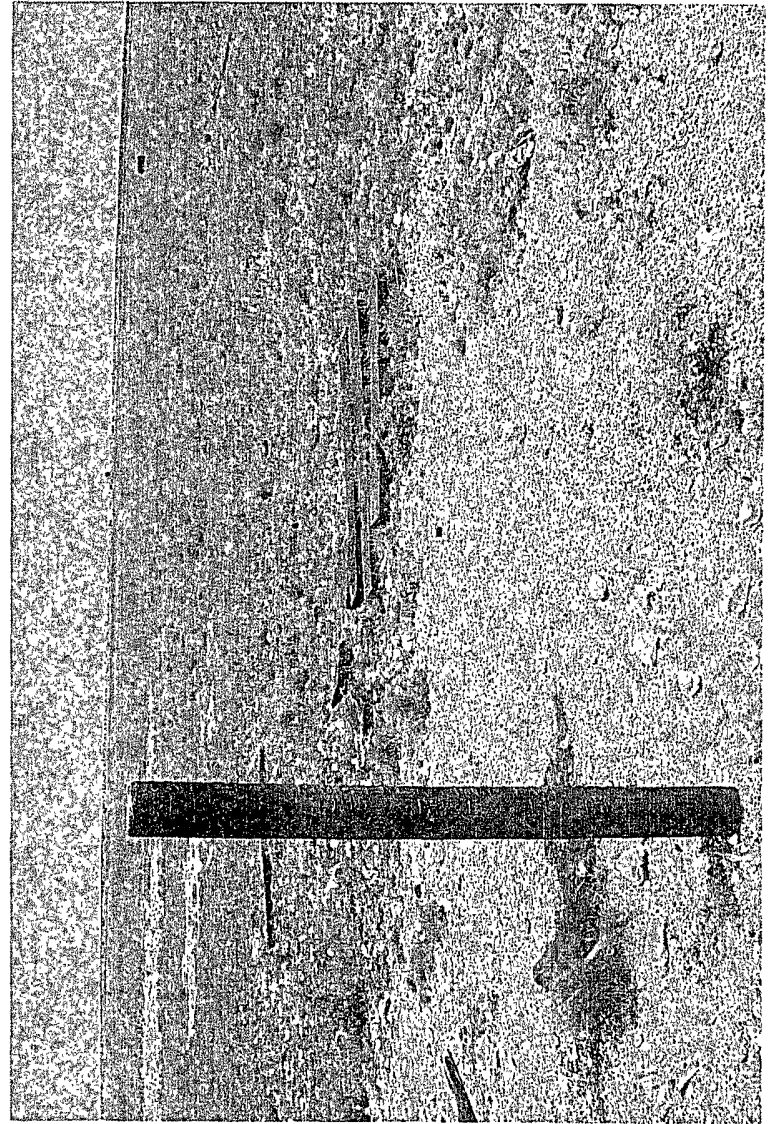
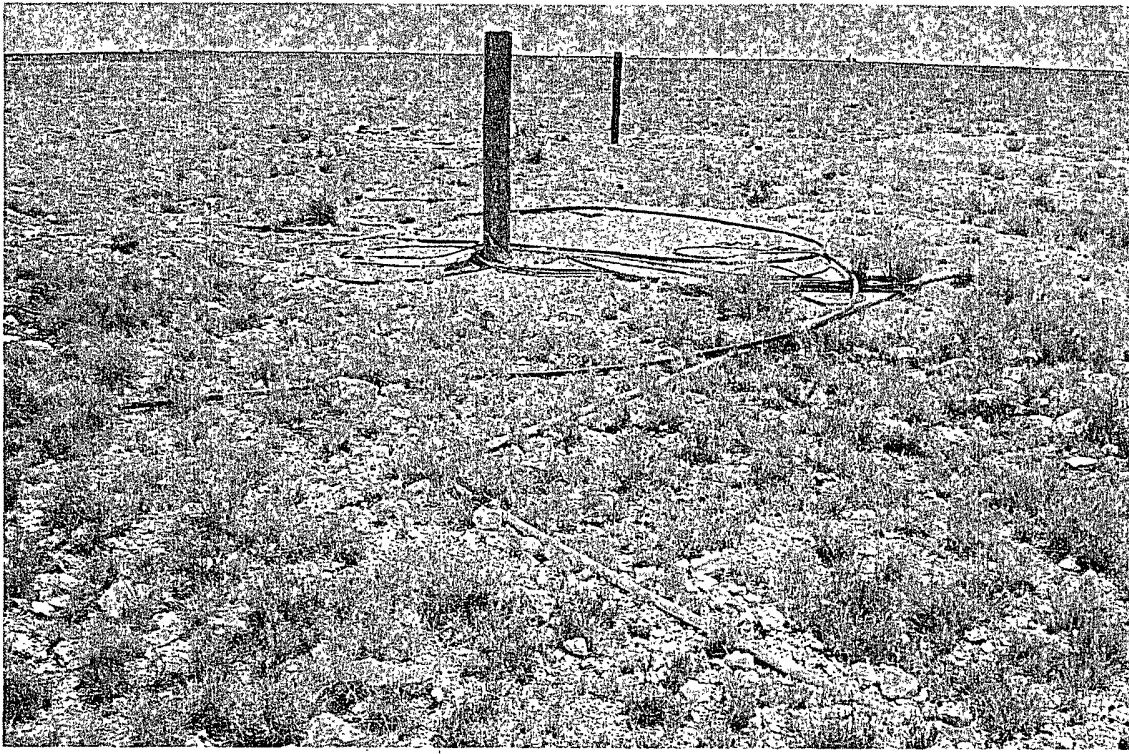
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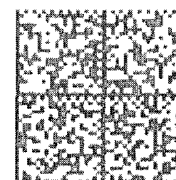
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0102/7/7

**EMNRD  
OIL CONSERVATION DIVISION  
1625 N FRENCH DRIVE  
HOBBS NM 88240**



HASLER	017H15554612	US POSTAGE
	<b>\$0.440</b>	
	07/08/2010	
	Mailed From 88240	

**EDMAR COMPANY LLC  
400 W ILLINOIS STE 1610  
MIDLAND TX 79701**