

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Jim Noel
Cabinet Secretary

Karen W. Garcia
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



Response Required – Deadline Enclosed

Field Inspection Program

"Preserving the Integrity of Our Environment"

24-Aug-10

CONOCOPHILLIPS COMPANY
3300 N A STREET BLDG 6 #247
MIDLAND TX 79710

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

PHILMEX No.027				F-26-17S-33E	30-025-30070-00-00		
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.	
08/24/2010	Plugged Well Surface Restor	Maxey Brown	Yes	No	11/27/2010	iMGB1023641082	
Comments on Inspection:		DO NOT RELEASE. RULE 19.15.25.10. NEED TO REMOVE PILES OF SOIL AND RETURN TO NATURAL CONTOUR. ALSO ELECTRICAL DISCONNECT BOX HAS BEEN DISCARDED IN PASTURE SOUTH OF WELL, PLEASE REMOVE. THIS IS 1ST LETTER OF NON-COMPLIANCE.					

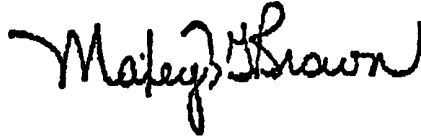
PHILMEX No.038				M-26-17S-33E	30-025-30665-00-00		
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.	
08/24/2010	Plugged Well Surface Restor	Maxey Brown	Yes	No	11/27/2010	iMGB1023639173	
Comments on Inspection:		DO NOT RELEASE. (RULE 19.15.25.10) MARKER SHOWS 1880 FWL UL-K, SHOULD READ 1245 FWL UL-M. ALSO NEED TO RETURN LOCATION TO NATURAL CONTOUR. THIS IS 1ST LETER OF NO-COMPLIANCE.					

Oil Conservation Division
1625 N. French Drive • Hobbs, New Mexico 88240
Phone (575) 393-6161 • Fax (575) 393-0720 • www.emnrd.state.nm.us/OCD



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,



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.

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ConocoPhillips
3300 North A Street
Bldg 6 #247
Midland, TX 79710

Dear Operator.

During recent inspections of the Philmex wells located in Sec 26 T17S R33E, Lea County, New Mexico, the discovery of several idle electric power poles and electric line was noted. Hobbs District 1, OCD office is taking an active role in the elimination of idle power poles and overhead electric wire after the wells have been plugged and abandoned. If future operations do not require the existing power system, OCD would ask that Lea County Electric Coop be notified and request removal. OCD feels that the removal will eliminate future problems of downed poles and line due to weather conditions, grass fires or aging equipment.

Philmex #38, LCEC Pole #054050, 054051.

Philmex #26, LCEC Pole #054054.

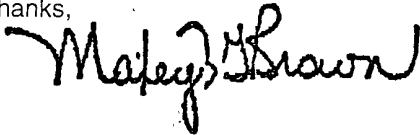
Philmex #37, LCEC Pole #063447.

Philmex #27, LCEC Pole #063412.

Philmex #31, LCEC Pole #063418, 063402, 063413, 063462, 063485.

Lea County Electric Coop.
1300 West Avenue D
Lovington, NM 88260
575-396-3631

Thanks,

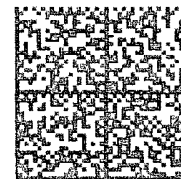


COMPLIANCE OFFICER

Maxey G. Brown
Hobbs District 1, OCD
575-393-6161 ext 107



EMNRD
OIL CONSERVATION DIVISION
1625 N FRENCH DRIVE
HOBBS NM 88240



HASLER	017H15554612	US POSTAGE
	\$0.440	
	08/24/2010	
	Mailed From 88240	

CONOCOPHILLIPS
3300 NORTH A STREET BLDG 6 #247
MIDLAND TX 79710