

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

Jim Noel
Cabinet Secretary
Karen W. Garcia
Deputy Cabinet Secretary

Response Required – Deadline Enclosed

Field Inspection Program
"Preserving the Integrity of Our Environment"

30-Sep-10

RIDGEWAY ARIZONA OIL CORP.
ONE RIVERWAY, SUITE 610
HOUSTON TX 77056

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

JAMES MCFARLAND A No.001

O-20-7S-33E

30-041-10403-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
09/28/2010	Routine/Periodic	Maxey Brown	Yes	No	1/1/2011	iMGB1027227939
Violations Absent Well Identification Signs (Rule 103)						

Comments on Inspection: NO Well Sign (Rule 19.15.16.8). NEED TO INSTALL WELL SIGN. THIS IS 1ST LETTER OF NON-COMPLINACE.

JAMES MCFARLAND No.002

M-20-7S-33E

30-041-10407-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
09/28/2010	Routine/Periodic	Maxey Brown	Yes	No	1/1/2011	iMGB1027144395
Violations Absent Well Identification Signs (Rule 103)						

Comments on Inspection: NO WELL SIGN. RULE 19.15.16.8. NEED TO INSTALL WELL SIGN. THIS IS 1ST LETTER OF NON-COMPLIANCE. MGB.

JAMES MCFARLAND A No.002

P-20-7S-33E

30-041-10447-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
09/28/2010	Routine/Periodic	Maxey Brown	Yes	No	1/1/2011	iMGB1027141961
Violations Absent Well Identification Signs (Rule 103)						

Comments on Inspection: NO Well Sign (Rule 19.15.16.8). NEED TO INSTALL WELL SIGN. NO PROD REPORTED IN 41 MONTHS. NO PUMPING EQUIP. THIS IS 1ST LETTER OF NON-COMPLIANCE. MGB.

JAMES MCFARLAND No.001

N-20-7S-33E

30-041-10474-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
09/28/2010	Routine/Periodic	Maxey Brown	Yes	No	1/1/2011	iMGB1027144311
Violations Absent Well Identification Signs (Rule 103)						

Comments on Inspection: NO WELL SIGN. RULE 19.15.16.8. NEED TO INSTALL WELL SIGN. THIS IS 1ST LETTER OF NON-COMPLIANCE MGB.

JAMES MCFARLAND No.003

K-20-7S-33E

30-041-10483-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
09/28/2010	Plugged Well Surface Restor	Maxey Brown	Yes	No	1/1/2011	iMGB1027142734

Comments on Inspection: P/A -DO NOT RELEASE. RULE 19.15.25.10. NEED TO REMOVE 4 CONCRETE PORTABLE PUMPING UNIT BASES AND METAL PIPING FROM LOCATION. NEED TO CORRECT MARKER. API# WRONG, UL IS WRONG, WELL # IS WRONG, TOWNSHIP IS WRONG. ALSO REMOVE PIPING STICKING UP FROM WELLHEAD SOUTH OF MARKER. THIS IS 1ST LETTER OF NON-COMPLIANCE. MGB.

JAMES MCFARLAND A No.003

J-20-7S-33E

30-041-10484-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
09/28/2010	Routine/Periodic	Maxey Brown	Yes	No	1/1/2011	iMGB1027142424
Violations Absent Well Identification Signs (Rule 103)						

Comments on Inspection: NO WELL SIGN. RULE 19.15.16.8. NEED TO INSTALL WELL SIGN.. CONTAMINATED SOIL STILL ON LOCATION AS REPORTED IN 2000. NO PUMPING EQUIP. NO PROD REPORTED IN 41 MONTHS. THIS IS 1ST LETTER OF NON-COMPLIANCE. MGB.

JAMES MCFARLAND A No.004

I-20-7S-33E

30-041-10492-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
09/28/2010	Routine/Periodic	Maxey Brown	Yes	No	1/1/2011	iMGB1027144083
Violations Absent Well Identification Signs (Rule 103)						

Comments on Inspection: NO WELL SIGN. RULE 19.15.16.8. NEED TO INSTALL WELL SIGN. THIS IS 1ST LETTER OF NON-COMPLIANCE. MGB.

JAMES MCFARLAND No.004

L-20-7S-33E

30-041-10567-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
09/28/2010	Routine/Periodic	Maxey Brown	Yes	No	1/1/2011	iMGB1027143780
Violations Absent Well Identification Signs (Rule 103)						

Comments on Inspection: NO Well Sign. RULE 19.15.16.8. ^{NEED TO INSTALL WELL SIGN.} NO CONTROL PANEL. LINE FUSE DOWN ON POLE. OTHER THIS IS 1ST LETTER OF NON-COMPLIANCE. MGB.

JAMES MCFARLAND A No.005

P-20-7S-33E

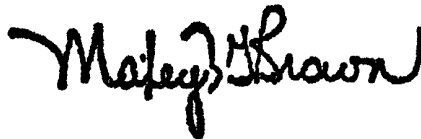
30-041-20915-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
09/28/2010	Routine/Periodic	Maxey Brown	Yes	No	1/1/2011	iMGB1027140870
Violations						
Absent Well Identification Signs (Rule 103)						
General Housekeeping (Rule 114)						

Comments on Inspection: NO Well Sign (Rule 19.15.16.8). NEED TO INSTALL WELL SIGN. PUMPING UNIT IS OFF. NO ELEC POWER TO LOC. NEED TO REMOVE MISC JUNK (STEEL DRUMS, WODDEN PALLETS, JUNK RODS, SECTIONS OF TANK WALKWAY). TANK BATTERY SITE SHOWS THAT 1 TANK HAS BEEN REMOVED. 1 TANK AND 1 HEATER TREATER REMAINING. THIS IS 1ST LETTER OF NON-COMPLIANCE. MGB.

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,

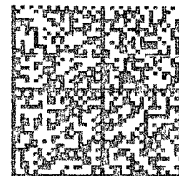


Hobbs OCD District Office

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

EMNRD
OIL CONSERVATION DIVISION
1625 N FRENCH DRIVE
HOBBS NM 88240



HASLER

017H15554612

\$0.440

10/01/2010

Mailed From 88240

US POSTAGE

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ONE RIVERWAY, SUITE 610
HOUSTON TX 77056