

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

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05-Oct-10

MAR OIL & GAS CORP. P.O. BOX 5155 SANTA FE, NM 87502

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		
EUMONT I Inspection Date	HARDY UNIT		Violation?	I-1-21S-36E ⁺ Significant Non-Compliance?	30-025-04435-00- Corrective Action Due By:	00 Inspection No.
10/04/2010	Pressure Test	Sylvia Dickey	Yes	No	1/8/2011	iSAD1027852809
ELINGNER		HAS BEEN DONE TO REPAIR WE 19 15 26 9 Casing and Cementing of *** FAILED OVERALL MECHAN	Injection W	ells AND 19-15-26.10 EGRITY 19-15-26-11	Operation and Main	lenunce
EUMONT 1 Inspection Date	IARDY UNIT		Violation?	A-1-21S-36E Significant Non-Compliance?	30-025-04436-00- Corrective Action Due By:	00 Inspection No.
10/04/2010	Pressure Test	Sylvia Dickey	Yes	No	1/8/2011	iSAD1027852457
Comments o	on Inspection:	NO Action Taken To bring Well into HAS BEEN DONE TO REPAIR WE 19 15.26 9 Casing and Cementing of FAILED OVERALL MECHAN	LL -* POF Injection W	PERATOR IN VIOLA ells AND 19-15-26-10	TION OF NMOCD Operation and Maini	

Inspection Date	ARDY UNIT	No.007	Inspector Sylvia Dickey	Violation? Yes	B-36-20S-37E ³ Significant Non-Compliance? No	30-025-06220-00-0 Corrective Action Due By: 1/8/2011	0 Inspection No. 1SAD1027850190	
		HAS BEEN DO 19 15 26.9 Casin ~ '' ``2ND YEA	n To bring Well int NE TO REPAIR W	o Compliance ELL. ****OP f Injection W SS EPA REC	WELL WAS UNAB ERATOR IN VIOLA DIS AND 19.15 26 10	LE TO PT. NO WOR	K mance	
EUMONT HARDY UNIT No.019					L-36-20S-37E	30-025-06227-00-0	0	
Inspection Date	Type Inspection		Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.	
	Pressure Test		Sylvia Dickey	Yes	No	1/7/2011	ISAD1027737371	
Comments o	n Inspection:	No Action Taker PERFORMED. ²	n To bring Well into	o Compliance ♦ VIOLATIO	, NO PRESSURE TE N OF NMOCD RULI	ST E 19 15 26.11******		
EUMONT E Inspection Date	IARDY UNIT		Inspector	Violation?	D-5-21S-37E *Significant Non-Compliance?	30-025-06407-00-0 Corrective Action Due By:	Inspection No.	
10/04/2010	Pressure Test		Sylvia Dickey	Yes	No	1/7/2011	1SAD1027852665	
	n Inspection:	HAS BEEN DO 19 15 26 9 Casir Martine FAILED (NE TO REPAIR W	ELL * ***OF	PERATOR IN VIOLA ells AND 19 15 26 1(EGRITY 19 15 26.11	Operation and Maint (NC)	enance	
	IARDY UNIT	No.047			K-6-21S-37E Significant	30-025-06412-00-0 Corrective	10	
Inspection Date	Type Inspection		Inspector	Violation?	Non-Compliance?	Action Due By:	Inspection No.	
10/04/2010	Pressure Test		Sylvia Dickey	Yes	No	1/7/2011	iSAD1027852909	
Comments (on Inspection:	HAS BEEN DO 19 15 26 9 Casu	NE TO REPAIR W	/ELL ^^OI of Injection W	PERATOR IN VIOLA Tells AND 19.15.26 10	BLE TO PT. NO WOR TION OF NMOCD) Operation and Maint		
EUMONT HARDY UNIT No.035					G-6-21S-37E 30-025-06422-00-00			
Inspection Date	Type Inspection	I	Inspector	Violation?	Significant Non-Compliance?	Corrective Action Due By:	Inspection No.	
10/04/2010	Bradenhead		Sylvia Dickey	Yes	No	1/8/2011	ISAD1027852587	
Comments	on Inspection:	HAS BEEN DC 19 15.26 9 Casi	NE TO REPAIR W	VELL *****Ol of Injection W	PERATOR IN VIOLA (ells and 19-15-26-10	BLE TO PT. NO WOF ATION OF NMOCD) Operation and Maint		

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

Hobbs OCD District Office COMPLIANCE OFFICER

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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

> Oil Conservation Division — 1625 N. French Drive 11 Hobbs, New Mexico, 88240 Phone, 505-393-6161 11 Fax, 505-393-0720 11 http://www.emnid.state.nm.us

