

## NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

## **BILL RICHARDSON**

Governor Jim Noel Cabinet Secretary Karen W. Garcia Deputy Cabinet Secretary Mark E. Fesmire, P.E. Duector Oil Conservation Division

Pael Class - Stroyer - Construction "Preserving the surgest on Our Environment"

07-Oct-10

## TRILOGY OPERATING INC

P O. BOX 7606 MIDLAND TX 79708

## **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		
GENESIS S Inspection Date	TATE No.001 Type Inspection	Inspector	Violation?	P-18-20S-36E *Significant Non-Compliance?	30-025-34553-00 Corrective Action Due By:	-00 Inspection No.
10/06/2010	Routine/Periodic Violations Surface Damage/Restoration	Mark Whitaker	Yes	No	11/5/2010	iMAW1027957407
Comments		FRELEASE Range on dry CT MARKER. 1st notice.	hole marker	incorrect. Should be F	R36E not R39E NEE	D TO
EMERALD Inspection Date	No.003 Type Inspection	Inspector	Violation?	I-24-19S-38E *Significant Non-Compliance?	30-025-35446-00 Corrective Action Due By:	-00 Inspection No.
10/07/2010	Routine/Periodie Violations Absent Well Identification 5	Mark Whitaker Signs (Rule 103)	Yes	No	11/30/2010	iMAW1028044534
Comments of	on Inspection: No well	sign (Rule 10 15.16.8). NEI	ED TO INST	ALL WELL SIGN	st notice.	
DIAMOND Inspection Date	No.002 Type Inspection	Inspector	Violation?	C-24-19S-38E *Significant Non-Compliance?	30-025-36091-00 Corrective Action Due By:	-00 Inspection No.
10/07/2010	Routine/Periodie Violations Absent Well Identification S	Mark Whitaker	Yes	No	11/30/2010	iMAW1028045210
Comments of	on Inspection: No well	sign (Rule 10.15.16 8). NEI	ED TO INST	ALL WELL SIGN 1	st notice.	
		servation Division ÷ 1625 N one 575-393-6161 * Fax 575-3		Hobbs, New Mexico		

Inspection Date	No.003 Type Inspection	Inspector	Violation?	H-24-19S-38E *Significant Non-Compliance?	30-025-36142-00- Corrective Action Due By:	00 Inspection No.
10/07/2010	Routine/Periodic	Mark Whitaker	Yes	No	11/30/2010	1MAW1028044739
	Violations					
	Absent Well Identification Sigi	18 (Rule 103)				
Comments of	on Inspection: No well sig	n (Rule 10.15-16-8). NEI	ED TO INST	ALL WELL SIGN. 18	st notice.	
PHILLIPS No.001				E-19-19S-39E <b>30-025-36144-00-00</b>		
Inspection	n transformer	The second of	W L. C	*Significant	Corrective	Inspection No.
Date	Type Inspection	Inspector	Violation?	Non-Compliance?	Action Due By:	•
10/07/2010	Routine/Periodic Violations Absent Well Identification Sign	Mark Whitaker	Yes	No	11/30/2010	iMAW1028047988
Comments (	e	battery sign (Rule 10.15.	16.8) NEED	TO INSTALL WELI	SIGNS. 1st notice	
DIAMOND				D-24-19S-38E	30-025-36221-00-	.00
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
10/07/2010	Routine/Periodic	Mark Whitaker	Yes	No	11/30/2010	iMAW1028046002
	Violations					
Comments	Absent Well Identification Sig	ns (Rule 103) gn (Rule 10.15.16.8), NEI	ED TO INST	ALL WELL SIGN 1	st notice	
Comments of DIAMOND	Absent Well Identification Sig on Inspection: No well sig		ED TO INST	ALL WELL SIGN 1: E-24-19S-38E	st notice 30-025-36327-00-	.00
	Absent Well Identification Sig on Inspection: No well sig		ED TO INST Violation?			.00 Inspection No.
DIAMOND Inspection	Absent Well Identification Sig on Inspection: No well sig No.004	n (Rule 10.15.16.8). NE		E-24-19S-38E *Significant	30-025-36327-00- Corrective	
DIAMOND Inspection Date	Absent Well Identification Sign on Inspection: No well sign No.004 Type Inspection Routine/Periodic	n (Rule 10.15.16.8). NE Inspector Mark Whitaker	Violation?	E-24-19S-38E *Significant Non-Compliance?	30-025-36327-00- Corrective Action Due By:	Inspection No.
DIAMOND Inspection Date 10/07/2010	Absent Well Identification Signon Inspection: No well signo.004 Type Inspection Routine/Periodic Violations Absent Well Identification Sig	n (Rule 10.15.16.8). NE Inspector Mark Whitaker	Violation? Yes	E-24-19S-38E *Significant Non-Compliance? No	<b>30-025-36327-00</b> Corrective Action Due By: 11/30/2010	Inspection No.
DIAMOND Inspection Date 10/07/2010 Comments	Absent Well Identification Signon Inspection: No well signo.004 Type Inspection Routine/Periodic Violations Absent Well Identification Sig	n (Rule 10.15.16.8). NEI Inspector Mark Whitaker ns (Rule 103)	Violation? Yes	E-24-19S-38E *Significant Non-Compliance? No	<b>30-025-36327-00</b> - Corrective Action Due By: 11/30/2010 st notice. <b>30-025-37548-00</b> -	Inspection No. iMAW1028045791
DIAMOND Inspection Date 10/07/2010 Comments	Absent Well Identification Signon Inspection: No well signo.004 Type Inspection Routine/Periodic Violations Absent Well Identification Signon Inspection: No well signo.	n (Rule 10.15.16.8). NEI Inspector Mark Whitaker ns (Rule 103)	Violation? Yes	E-24-19S-38E *Significant Non-Compliance? No	<b>30-025-36327-00</b> - Corrective Action Due By: 11/30/2010	Inspection No. iMAW1028045791
DIAMOND Inspection Date 10/07/2010 Comments SCHUBER' Inspection	Absent Well Identification Sig on Inspection: No well sig No.004 Type Inspection Routine/Periodic Violations Absent Well Identification Sig on Inspection: No well sig T FARMS No.001	n (Rule 10.15.16.8). NE Inspector Mark Whitaker ns (Rule 103) gn (Rule 10.15.16.8) NE	Violation? Yes ED TO INST	E-24-19S-38E *Significant Non-Compliance? No ALL WELL SIGN. 1 B-25-19S-38E *Significant	30-025-36327-00- Corrective Action Due By: 11/30/2010 st notice. 30-025-37548-00- Corrective	Inspection No. iMAW1028045791 -00 Inspection No.
DIAMOND Inspection Date 10/07/2010 Comments SCHUBER Inspection Date	Absent Well Identification Signon Inspection: No well signo, No.004 Type Inspection Routine/Periodic Violations Absent Well Identification Signon Inspection: No well signo, No well signo, No well signo, No well signo, No.001 Type Inspection	n (Rule 10.15.16.8). NE Inspector Mark Whitaker ns (Rule 103) gn (Rule 10.15.16.8) NE Inspector Mark Whitaker	Violation? Yes ED TO INST Violation?	E-24-19S-38E *Significant Non-Compliance? No YALL WELL SIGN. 1 B-25-19S-38E *Significant Non-Compliance?	30-025-36327-00- Corrective Action Due By: 11/30/2010 st notice. 30-025-37548-00- Corrective Action Due By:	Inspection No. iMAW1028045791 •00

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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