



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.
Director
Oil Conservation Division

Seal of the State of New Mexico
Oil Conservation Division

15-Oct-10

FINLEY RESOURCES INC
1308 LAKE STREET #200
FT WORTH TX 76102

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

MCQUATTERS COM No.005				H-11-21S-36E	30-025-26558-00-00	
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
10/14/2010	Routine/Periodic	Mark Whitaker	Yes	No	11/19/2010	iMAW1028743631
Violations						
Surface Damage/Restoration						
Comments on Inspection:		DO NOT RELEASE No API number on dry hole marker, Conduit protruding from location north of marker. NEED TO CORRECT MARKER AND REMOVE CONDUIT NORTH OF MARKER 1st notice				

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.

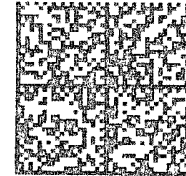
Sincerely,


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

EMNRD
OIL CONSERVATION DIVISION
1625 N FRENCH DRIVE
HOBBS NM 88240



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\$0.440
10/15/2010
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FINLEY RESOURCES INC
1308 LAKE STREET #200
FT WORTH, TX 76102