



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

20-Oct-10

RHOMBUS OPERATING CO LTD

P. O. BOX 8316

MIDLAND TX 79708-8316

LETTER OF VIOLATION - Inactive Well(s)

Dear Operator:

A review of our records and recent inspection(s) indicate that the subject well(s) has been shut-in for an extended period of time. Rule 201 of the Rules and Regulation of the Oil Conservation Division provides that a well may be shut-in no longer than sixty days after suspension of drilling operations, upon determining that the well is no longer usable (e.g., a dry hole), or one year after last production. To comply with guidelines as established in the Rules and Regulations, corrective actions must be taken immediately and the well(s) brought into compliance.

The detail section below indicates preliminary findings and/or probable nature of the violation.

The following options are available:

1. Immediately restore the well(s) to production, injection or disposal as applicable.
2. Request "Temporary Abandoned" status pursuant to Rule 203, which requires that you set a plug and conduct a mechanical integrity test.
3. Submit a proposal to 'Plug and Abandon' the well(s) pursuant to Rule 202, proceed with plugging procedures on a timely basis after the proposal has been evaluated, amended and/or approved.

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.

IDLE WELL INSPECTION DETAIL SECTION

NORTHWEST EUMONT UNIT P-11-19S-36E **30-025-03991-00-00** Inspection No. iMAW1029248068
102

Inspection Date: 10/19/2010 1:21:05 PM

Corrective Action Due by: 11/26/2010

Type Inspection

Inspector

Violation?

*Significant Non-Compliance?

Routine/Periodic

Mark Whitaker

Yes

No

Comments on Inspection:

Idle Well (Rule 19.15 25.8) NEED TO RETURN WELL TO PRODUCTION. APPLY FOR T/A STATUS. OR PLUG AND ABANDON WELL 1ST NOTICE.

NORTHWEST EUMONT UNIT I-33-19S-36E **30-025-04097-00-00** Inspection No. iMAW1029239898
158

Inspection Date: 10/19/2010 11:04:55 AM

Corrective Action Due by: 11/26/2010

Type Inspection

Inspector

Violation?

*Significant Non-Compliance?

Routine/Periodic

Mark Whitaker

Yes

No

Comments on Inspection:

Idle Well (Rule 19.15 25.8). NEED TO RETURN WELL TO INJECTION. APPLY FOR T/A STATUS. OR PLUG AND ABANDON. 2ND NOTICE.

Oil Conservation Division * 1625 N. French Drive * Hobbs, New Mexico 88240

Phone 575-393-6161 * Fax 575-393-0720 * <http://www.emnrd.state.nm.us>

Inspection Date: 10/19/2010 10:47:33 AM

Corrective Action Due by: 11/26/2010

Type Inspection

Inspector

Violation?

*Significant Non-Compliance?

Routine/Periodic

Mark Whitaker

Yes

No

Comments on Inspection:

Idle Well (Rule 19.15.25.8). NEED TO RETURN TO PRODUCTION, APPLY FOR T/A STATUS.
OR PLUG AND ABANDON WELL. 1st notice

Thank you for your prompt attention to this matter and your efforts in helping to protect our environment and the infrastructure of the oil and gas industry.

Sincerely,

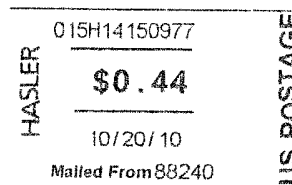
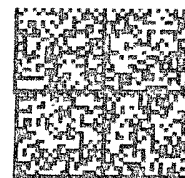


COMPLIANCE OFFICER

Hobbs OCD District Office

* Significant Non-Compliance events are reported directly to the U.S. Environmental Protection Agency, Region VI, Dallas, Texas

EMNRD
OIL CONSERVATION DIVISION
1625 N FRENCH DRIVE
HOBBS NM 88240



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