

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

Provension Processing ("Processing") ("Processing formation of the Environment")

20-Oct-10

RHOMBUS OPERATING CO LTD

P. O. BOX 8316 MIDLAND TX 79708-8316

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 DETAIL	L SECTION					
NORTHWEST EUMONT Inspection Date Type Inspection				Violation?	E-12-19S-36E *Significant Non-Compliance?	30-025-03997-00- Corrective Action Due By:	00 Inspection No.			
10/19/2010	Routine/Periodic Violations Absent Well Identification Signs (Rt		Mark Whitaker	Yes	No	11/26/2010	iMAW1029248822			
Comments	on Inspection:	Well sIgn not leg	gible (Rule 19.15.16	58). NEED 7	O REPLACE WELL	SIGN. 2ND NOTICE				
NORTHWI Inspection Date	EST EUMONT Type Inspection	UNIT No.115	Inspector	Violation?	N-14-19S-36E *Significant Non-Compliance?	30-025-04014-00- Corrective Action Due By:				
10/19/2010	Routine/Perio	die	Mark Whitaker	Yes	No	11/26/2010	iMAW1029245955			
Comments	on Inspection:	Operator reportu AND SCHEDUI	ng production Belts LE TIME TO VERI	not on shear	ve. NEED TO CONTA CTION IST NOTICE	ACT OCD 575-393-6 Took pictures.	161			
NORTHWE Inspection Date	EST EUMONT Type Inspectior		Inspector	Violation?	L-14-19S-36E *Significant Non-Compliance?	30-025-04016-00- Corrective Action Due By:	00 Inspection No.			
10/19/2010	Routine/Perio Violations Idle well (Rule 20		Mark Whitaker	Yes	No	•	iMAW1029245155			
(Operator reporting production. No power to unit. Valves at wellhead closed. NEED TO CONTACT OCD 575-393-6161 AND SCHEDULE TIME TO VERIFY PRODUCTION. IST NOTICE. Took pictures.								
				3-0720 👫 ht	[:] Hobbs, New Mexico tp //www.emnrd.state.nn					

Inspection	EST EUMON		,		P-15-19S-36E *Significant	30-025-04018-00 Corrective	-00	
Date	Type Inspectio		Inspector	Violation?	Non-Compliance?	Action Due By:	Inspection No.	
10/19/2010	Routine/Peric Violations Idle well (Rule 2		Mark Whitaker	Yes	No	11/23/2010	iMAW102924422	
Comments	on Inspection:	in thg. NEED	ting production No [TO CONTACT OCE N. 1ST NOTICE, Too	0 575-393-61	Fuses on primary lin 61 AND SCHEDULE	e north of well down E TIME TO VERIFY	. Rods	
NORTHWI	EST EUMONT	F UNIT No.13	4		N-22-19S-36E	30-025-04032-00	-00	
Inspection Date	Type Inspection	13	Inspector	Violation?	*Significant	Corrective	Inspection No.	
10/19/2010	0/19/2010 Routine/Period Violations		Mark Whitaker	Yes	Non-Compliance? No	Action Due By: 11/26/2010	iMAW102925921	
		coping (Rule 114)						
Comments	on Inspection:	Well plugged PUMPING UN	Pumping unit has no HT FROM LOCATIO	t been remov DN. 1ST NO	ed from location. NEI	ED TO REMOVE		
NORTHWE	EST EUMONI	UNIT No.13	1		M-23-19S-36E	30-025-04036-00	-00	
Inspection Date			Inspector	Violation?	*Significant	Corrective	Inspection No.	
10/19/2010	Routine/Periodic Violations Idle well (Rule 201)		Mark Whitaker	Yes	Non-Compliance? No	Action Due By: 11/26/2010	iMAW102924195	
Comments o	on Inspection:	Operator report line disconnect	ed. Birds nest inside	box NEED 7	Conduit from control FO CONTACT OCD : J. 1ST NOTICE, Tool	575-393-6161 AND	wer	
NORTHWE	ST EUMONT				H-33-198-36E	30-025-04099-00	-00	
Inspection Date	Type Inspectior	Type Inspection		Violation?	*Significant Non-Compliance?	Corrective Action Due By: Inspection No		
10/19/2010	Routine/Perio Violations	die	Mark Whitaker	Yes	No	11/26/2010	iMAW102924015	
Comments o	Absent Well Iden on Inspection:	tification Signs (R						
					ALL WELL SIGN 1			
Inspection	ST EUMONT	UNIT No.166			L-34-19S-36E *Significant	30-025-04111-00-00		
Date	Type Inspection	I	Inspector	Violation?	Non-Compliance?	Corrective Action Due By:	Inspection No.	
10/19/2010	Routine/Perio Violations		Mark Whitaker	Yes	No	11/26/2010	iMAW102923670	
	- General Houseke	eping (Rule 114)						
Comments o	on Inspection:	Well plugged. I	umping unit has not IT FROM LOCATIO	been remove	ed from location. NEE	ED TO REMOVE		
	n Inspection:	Well plugged. I PUMPING UN	IT FROM LOCATIC	been remove N IST NOT	ÎCE.		ΔΔ	
NORTHWE Inspection	on Inspection:	Well plugged. I PUMPING UN UNIT No.161	IT FROM LOCATIC	ON_IST NOT	ed from location. NEE ICE. O-34-19S-36E *Significant	ED TO REMOVE 30-025-04116-00- Corrective		
NORTHWE Inspection Date	n Inspection: ST EUMONT Type Inspection	Well plugged. I PUMPING UN UNIT No.161	IT FROM LOCATIC	DN_IST_NOT Violation?	ICE. O-34-19S-36E *Significant Non-Compliance?	30-025-04116-00- Corrective Action Due By:	Inspection No.	
NORTHWE Inspection Date	n Inspection: ST EUMONT Type Inspection Routine/Period Violations	Well plugged. I PUMPING UN UNIT No.161 dic	IT FROM LOCATIC Inspector Mark Whitaker	ON_IST NOT	TCE. O-34-19S-36E *Significant	30-025-04116-00- Corrective	Inspection No.	
NORTHWE Inspection Date 0/19/2010	n Inspection: ST EUMONT Type Inspection Routine/Period Violations	Well plugged. I PUMPING UN UNIT No.161 dic tification Signs (R	IT FROM LOCATIC Inspector Mark Whitaker ule 103)	N IST NOT Violation? Yes	ICE. O-34-19S-36E *Significant Non-Compliance? No	30-025-04116-00 - Corrective Action Due By: 11/26/2010		
NORTHWE Inspection Date 10/19/2010 Comments o	n Inspection: ST EUMONT Type Inspection Routine/Period Violations Absent Well Ident n Inspection :	Well plugged, I PUMPING UN UNIT No.161 dic dification Signs (R No well Sign (R	IT FROM LOCATIC Inspector Mark Whitaker ule 103) tule 19 15.16.8). NEI	N IST NOT Violation? Yes	ICE. O-34-19S-36E *Significant Non-Compliance? No ALL WELL SIGN. 18	30-025-04116-00 - Corrective Action Due By: 11/26/2010	Inspection No. iMAW1029238462	
NORTHWE Inspection Date 0/19/2010 Comments o NORTHWE Inspection	n Inspection: ST EUMONT Type Inspection Routine/Period Violations Absent Well Ident n Inspection: ST EUMONT	Well plugged, I PUMPING UN UNIT No.161 dic dification Signs (R No well Sign (R UNIT No.155	IT FROM LOCATIC Inspector Mark Whitaker ule 103) tule 19 15.16.8). NEI	N IST NOT Violation? Yes ED TO INST.	ICE. O-34-19S-36E *Significant Non-Compliance? No ALL WELL SIGN. 1s F-34-19S-36E *Significant	30-025-04116-00- Corrective Action Due By: 11/26/2010 at notice. 30-025-08701-00- Corrective	Inspection No. iMAW1029238462 00	
NORTHWE Inspection Date 10/19/2010 Comments o NORTHWE	n Inspection: ST EUMONT Type Inspection Routine/Period Violations Absent Well Ident n Inspection: ST EUMONT Type Inspection Routine/Period Violations	Well plugged. I PUMPING UN UNIT No.161 dic dification Signs (R No well Sign (R UNIT No.155 lic	IT FROM LOCATIC Inspector Mark Whitaker ule 103) tule 19 15.16.8). NEI Inspector Mark Whitaker	N IST NOT Violation? Yes	ICE. O-34-19S-36E *Significant Non-Compliance? No ALL WELL SIGN. 18 F-34-19S-36E	30-025-04116-00- Corrective Action Due By: 11/26/2010 at notice. 30-025-08701-00- Corrective Action Due By:	Inspection No. iMAW1029238462 00 Inspection No.	
NORTHWE Inspection Date 0/19/2010 Comments o NORTHWE Inspection Date	n Inspection: ST EUMONT Type Inspection Routine/Period Violations Absent Well Ident ST EUMONT Type Inspection Routine/Period Violations Absent Well Ident	Well plugged. I PUMPING UN UNIT No.161 dic dification Signs (R No well Sign (B UNIT No.155 lic theation Signs (R	IT FROM LOCATIC Inspector Mark Whitaker ule 103) tule 19 15,16,8). NEF Inspector Mark Whitaker ale 103)	N IST NOT Violation? Yes ED TO INST. Violation? Yes	ICE. O-34-19S-36E *Significant Non-Compliance? No ALL WELL SIGN. 1s F-34-19S-36E *Significant Non-Compliance?	30-025-04116-00 - Corrective Action Due By: 11/26/2010 at notice. 30-025-08701-00 - Corrective Action Due By: 11/26/2010	Inspection No. iMAW1029238462 00	

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

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 ²Significant 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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