

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor Jim Noel Cabinet Secretary Karen W. Garcia Deputy Cabinet Secretary

20-Oct-10

RHOMBUS OPERATING CO LTD

P. O BOX 8316 MIDLAND TX 79708-8316 Mark E. Fesmire, P.E. Director Oil Conservation Division

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 ther 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.

NORTHWEST EUMONT U	J NIT P-11-198-36E	30-025-03991-00-00	Inspection No. iMAW102924806	
102				
Inspection Date: 10/19/2	010 1:21:05 PM	Correc	ctive Action Due by: 11/26/2010	
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	
Routine/Periodic	Mark Whital	ker Yes	No	
Comments on Inspection:		8). NEED TO RETURN WELL D ABANDON WELL. 1ST NOT	TO PRODUCTION, APPLY FOR T/A FICE.	
NORTHWEST EUMONT U 158	J NIT I-33-198-36E	30-025-04097-00-00	Inspection No. iMAW102923989	
Inspection Date: 10/19/20	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 Whital	ker Yes	No	
Routine/1 enoure			TO INJECTION, APPLY FOR T/A	

NORTHWEST EUMONT UNIT	N-34-19S-36E	30-025-04114-00-00
162		

Inspection Date: 10/19/2	2010 10:47:33 AM	Correctiv	e 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 OR PLUG AND ABANDON WELL 1	RETURN TO PROE st notice	DUCTION. APPLY FOR T/A STATUS,

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

Ô 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

Oil Conservation Division < 1625 N. French Drive < Hobbs, New Mexico. 88240 Phone 575-393-6161 * Fax 575-393-0720, * http://www.emmid.state.nm.us ſ

EMNRD OIL CONSERVATION DIVISION 1625 N FRENCH DRIVE HOBBS NM 88240



RHOMBUS OPERATING CO LTD P O BOX 8316 MIDLAND, TX 79708-8316