

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

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Cabinet Secretary
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Deputy Cabinet Secretary

NATURAL RESOURCES DEPARTMENT

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Director

Oil Conservation Division

Field Inspection Progr<mark>am</mark> "Preserving the Invegrity of Our Environment"

16-Nov-10

ENDEAVOR ENERGY RESOURCES, LP 110 NORTH MARIENFELD SUITE 200 MIDLAND TX 79701

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.

ARCO STATE No.001			INSPECTIO	, , , , , , , , , , , , , , , , , , , ,	O-3-22S-35E	30-025-28876-00-00	
Inspection Date	Type Inspection	n	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
11/15/2010	Routine/Periodic		Mark Whitaker	Yes	No	12/16/2010	iMAW1031945390
	Violations						
	Absent Well Identification Signs (Rule 103)						
		nchanged, T/A'd, Expires 12-23-2011, NO WELL SIGN (RULE 19.15.16.8), NEED WELL SIGN, 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 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, Wash Witches 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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