

NEW MEXICO ENERGY, MINERALS 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

Field Inspection Program "Preserving the Integrity of Our Environment"

14-Dec-10

BURGUNDY OIL & GAS OF N M INC

401 W TEXAS STE 1003 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.

	INSPECTION	$^{\prime}$ $DETAIL$	SECTION
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EUNICE MONUMENT UNIT No.027

P-24-20S-36E

30-025-04318-00-00

Inspection Date

Type Inspection

Inspector

Violation?

*Significant Non-Compliance? Corrective

Inspection No.

12/14/2010 Routine/Periodic Mark Whitaker

No

Action Due By:

Yes

1/31/2011

iMAW1034835890

Violations

Idle well (Rule 201)

Comments on Inspection:

T/A status has expired. NEED TO RETURN TO PRODUCTION, RE-TEST FOR T/A STATUS,

OR PLUG AND ABANDON WELL. 1st notice.

EUNICE MONUMENT UNIT No.020

I-24-20S-36E

30-025-04319-00-00

Inspection

Type Inspection Date

Inspector

Mark Whitaker

Violation? Yes

*Significant Non-Compliance? No

Corrective Action Due By: 1/31/2011

Inspection No.

iMAW1034835724

12/14/2010 Routine/Periodic Violations

Idle well (Rule 201)

Comments on Inspection:

T/A status has expired. NEED TO RETURN TO PRODUCTION, RE-TEST FOR T/A STATUS,

OR PLUG AND ABANDON WELL. 1st notice,

B-13-20S-37E 30-025-06092-00-00 SKAGGS GRAYBURG UNIT No.013 *Significant Corrective Inspection Inspection No. Violation? Type Inspection Inspector Non-Compliance? Action Due By: Date 12/14/2010 Mark Whitaker Yes No 1/31/2011 iMAW1034835644 Routine/Periodic Violations ldle well (Rule 201) T/A status has expired. NEED TO RETURN TO PRODUCTION, RE-TEST FOR T/A STATUS, Comments on Inspection: OR PLUG AND ABANDON WELL. 1st notice. **EUNICE MONUMENT UNIT No.022** K-19-20S-37E 30-025-06173-00-00 *Significant Corrective Inspection Inspection No. Type Inspection Inspector Violation? Non-Compliance? Action Due By: Date iMAW1034835801 12/14/2010 Routine/Periodic Mark Whitaker Yes No 1/31/2011 Violations Idle well (Rule 201) T/A status has expired. NEED TO RETURN TO INJECTION, RE-TEST FOR T/A STATUS, OR Comments on Inspection: PLUG AND ABANDON WELL. 1st notice. **EUNICE MONUMENT UNIT No.011** E-19-20S-37E 30-025-06183-00-00 *Significant Corrective Inspection Inspection No. Inspector Violation? Type Inspection Non-Compliance? Action Due By: Date 1/31/2011 iMAW1034835475 Mark Whitaker No 12/14/2010 Routine/Periodic Yes Violations Idle well (Rule 201) T/A status has expired, NEED TO RETURN TO PRODUCTION, RE-TEST FOR T/A STATUS, Comments on Inspection: OR PLUG AND ABANDON WELL. 1st notice. **EUNICE MONUMENT UNIT No.012** F-19-20S-37E 30-025-06184-00-00 *Significant Corrective Inspection Type Inspection Inspection No. Inspector Violation? Date Non-Compliance? Action Due By: iMAW1034835575 12/14/2010 Routine/Periodic Mark Whitaker Yes No 1/31/2011 Violations Idle well (Rule 201) Comments on Inspection: T/A status has expired. NEED TO RETURN TO PRODUCTION, RE-TEST FOR T/A STATUS. OR PLUG AND ABANDON WELL. 1st notice. **EUNICE MONUMENT UNIT No.009** D-21-20S-37E 30-025-06203-00-00 Inspection *Significant Corrective Violation? Inspection No. Type Inspection Inspector Action Due By: Date Non-Compliance? Mark Whitaker 1/31/2011 iMAW1034835056 12/14/2010 Routine/Periodic Yes No Violations Idle well (Rule 201) T/A status has expired, NEED TO RETURN TO PRODUCTION, RE-TEST FOR T/A STATUS, Comments on Inspection: OR PLUG AND ABANDON WELL. 1st notice. **EUNICE MONUMENT UNIT No.010** C-21-20S-37E 30-025-06204-00-00 *Significant Inspection Corrective Type Inspection Violation? Inspection No. Inspector Non-Compliance? Date Action Due By: Yes iMAW1034835393 12/14/2010 Routine/Periodic Mark Whitaker No 1/31/2011 Violations Idle well (Rule 201)

Comments on Inspection: T/A status has expired. NEED TO RETURN TO PRODUCTION, RE-TEST FOR T/A STATUS,

OR PLUG AND ABANDON WELL. 1st notice.

EUNICE MONUMENT UNIT No.033 N-20-20S-37E 30-025-21715-00-00 Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 12/14/2010 Routine/Periodic Mark Whitaker iMAW1034835948 Yes No 1/31/2011

Violations

Comments on Inspection:

ldle well (Rule 201)

T/A status has expired. NEED TO RETURN TO PRODUCTION, RE-TEST FOR T/A STATUS,

OR PLUG AND ABANDON WELL. 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,

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



BURGUNDY OIL & GAS OF NM INC 401 W TEXAS SUITE 1003 MIDLAND, TX 79701