

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

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.

		INSPE	CTION DETAIL	L SECTION		
EUNICE M Inspection Date	ONUMENT U Type Inspection		Violation?	P-24-20S-36E *Significant Non-Compliance?	30-025-04318-00- Corrective Action Due By:	.00 Inspection No.
12/14/2010	 Routine/Periodic Mark Whitaker Violations Idle well (Rule 201) 		iitaker Yes	No	1/31/2011	iMAW1034835890
	on Inspection:	T/A status has expired. NEE OR PLUG AND ABANDO		PRODUCTION, RE-	TEST FOR T/A STA	
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
12/14/2010	/2010 Routine/Periodic Mark W Violations Idle well (Rule 201)		iitaker Yes	No	1/31/2011	iMAW1034835724
Comments		T/A status has expired. NEE OR PLUG AND ABANDO		PRODUCTION, RE-	TEST FOR T/A STA	TUS,

SKAGGS GRAYBURG UNIT No.013 Inspection Date Type Inspection 12/14/2010 Routine/Periodic		Inspector Mark Whitaker	Violation? Yes	B-13-20S-37E *Significant Non-Compliance? No	•	Inspection No.	
	Violations Idle well (Rule :		wark wintaker	108	INO	1/31/2011	iMAW1034835644
Comments	on Inspection:	T/A status has OR PLUG AN	s expired. NEED TO F ND ABANDON WEL	RETURN TO L. 1st notice.	PRODUCTION, RE	-TEST FOR T/A STA	ATUS,
	IONUMENT	UNIT No.022			K-19-20S-37E	30-025-06173-00	-00
Inspection Date			Inspector	Violation?	*Significant Non-Compliance?	Corrective	Inspection No.
12/14/2010	Routine/Periodic		Mark Whitaker	Yes	No	Action Due By: 1/31/2011	iMAW103483580
	Violations Idle well (Rule 201)					0.502011	1111111001000
Comments	on Inspection:	T/A status has PLUG AND A	expired. NEED TO R ABANDON WELL, 19	ETURN TO	INJECTION, RE-TE	ST FOR T/A STATU	S, OR
	IONUMENT I	UNIT No.011			E-19-20S-37E	30-025-06183-00	-00
Inspection Date	Type Inspection		Inspector	Violation?	*Significant	Corrective	
12/14/2010	Routine/Perio		Mark Whitaker	Yes	Non-Compliance? No	Action Due By: 1/31/2011	Inspection No.
	Violations Idle well (Rule 2			105	NO	1/51/2011	iMAW1034835475
Comments	on Inspection:	T/A status has OR PLUG AN	expired. NEED TO R ID ABANDON WELL	ETURN TO	PRODUCTION, RE-	TEST FOR T/A STA	TUS.
	ONUMENT U	JNIT No.012			F-19-20S-37E	30-025-06184-00-	.00
Inspection Date	Type Inspection	n	Inspector	Violation?	*Significant	Corrective	
12/14/2010	Routine/Peric	odie	Mark Whitaker	Yes	Nøn-Compliance? No	Action Due By: 1/31/2011	Inspection No. iMAW1034835575
	Violations Idle well (Rule 2	01)		100	NO	173172011	IMAW 1034835572
	on Inspection:	OR PLUG AN	expired. NEED TO R D ABANDON WELL	ETURN TO	PRODUCTION, RE-	TEST FOR T/A STA	TUS,
EUNICE M Inspection	ONUMENT U	JNIT No.009			D-21-20S-37E	30-025-06203-00-	00
Date	Type Inspection	a	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
12/14/2010	Routine/Periodic		Mark Whitaker	Yes	No	1/31/2011	iMAW1034835056
	Violations Idle well (Rule 20	01)					
	on Inspection:	OR PLUG AN	expired. NEED TO RI D ABANDON WELL	ETURN TO I	PRODUCTION, RE-1	TEST FOR T/A STA	ΓUS,
	ONUMENT U	NIT No.010			C-21-20S-37E	30-025-06204-00-	00
Inspection Date	Type Inspection	1	Inspector	Violation?	*Significant Non-Compliance?	Corrective	Inspection No.
2/14/2010	Routine/Perio	die	Mark Whitaker	Yes	No	Action Due By: 1/31/2011	iMAW1034835393
	Violations					110112011	1012101004055555
Comments o	Idle well (Rule 20 n Inspection:	T/A status has a	expired. NEED TO RE	ETURN TO I	PRODUCTION, RE-1	EST FOR T/A STAT	rus,
UNICE M	ONLIMENT U		O ABANDON WELL		N 00 000 -		
Inspection	NICE MONUMENT UNIT No.033				N-20-20S-37E *Significant	30-025-21715-00-0)0
Date	Type Inspection		Inspector	Violation?	Non-Compliance?	Corrective Action Due By:	Inspection No.
2/14/2010	Routine/Period		Mark Whitaker	Yes	No		iMAW1034835948
	Idle well (Rule 20		xpired. NEED TO RE	TURN TO F	PRODUCTION, RE-T	EST FOR T/A STAT	'US,
Comments of	•	OR PLUG ANT	DABANDON WELL	1st notice			
Comments of	•		D ABANDON WELL.	1st notice.			
Comments of	•	OR PLUG ANI	D ABANDON WELL. n Division * 1625 N. Fi 393-6161 * Fax: 575-393	Ist notice.	Hobbs, New Mexico 8	8240	

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