



# New Mexico Energy, Minerals and Natural Resources Department

**Bill Richardson**  
Governor

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

**Mark Fesmire**  
Division Director  
Oil Conservation Division



**\*Response Required – Deadline Enclosed\***

*Field Inspection*  
*"Preserving the Integrity of Our Environment"*

15-Dec-10

**CIMAREX ENERGY CO. OF COLORADO**  
600 N. MARIENFELD ST SUITE 600  
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 DETAIL SECTION**

**SKELLY PENROSE A UNIT No.028**

L-3-23S-37E

30-025-10608-00-00

| Inspection<br>Date  | Type Inspection | Inspector     | Violation? | *Significant<br>Non-Compliance? | Corrective<br>Action Due By: | Inspection No. |
|---|-----------------|---------------|------------|---------------------------------|------------------------------|----------------|
| 12/09/2010  | Pressure Test   | Sylvia Dickey | Yes        | No                              | 3/14/2011                    | iSAD1034334713 |
| Comments on Inspection: FLANGE BELOW MASTER TUBING VALVE IS LEAKING****OPERATOR IN VIOLATION OF NMOCD RULE 19.15.26.10****OPERATION AND MAINTENANCE**** |                 |               |            |                                 |                              |                |

**W H KING No.003**

L-6-23S-37E

30-025-27335-00-00

| Inspection<br>Date   | Type Inspection | Inspector     | Violation? | *Significant<br>Non-Compliance? | Corrective<br>Action Due By: | Inspection No. |
|--|-----------------|---------------|------------|---------------------------------|------------------------------|----------------|
| 12/09/2010   | Bradenhead      | Sylvia Dickey | Yes        | No                              | 3/14/2011                    | iSAD1034338854 |
| Comments on Inspection: GAS PRODUCTION (COMPRESSOR USED) SURFACE VALVE IS FROZEN*****NEED TO REPLACE SURFACE VALVE *****OPERATOR IN VIOLATION OF NMOCD RULE 19.15.26.10*****OPERATION AND MAINTENANCE***** |                 |               |            |                                 |                              |                |

Oil Conservation Division \* 1625 N. French Dr.\*

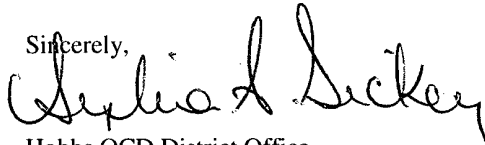
\* Hobbs, New Mexico 88240

\* 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 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.

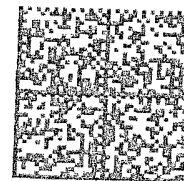
Sincerely,

A handwritten signature in black ink, appearing to read "Stephen D. Secker". The signature is fluid and cursive, with the first name "Stephen" being more prominent than the last name "Secker".

Hobbs OCD District Office  
**COMPLIANCE OFFICER**

**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



HASLER 015H14150977  
\$0.44  
12/15/10  
Mailed From 88240  
US POSTAGE

CIMAREX ENERGY CO.  
600 N. MARIENFELD STREET  
STE. 600  
MIDLAND, TX 79701