



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 Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective 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 Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective 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

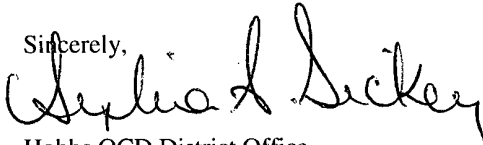
* Phone: (575) 393-6161 * Fax (575) 393-0720* <http://www.emnrd.state.nm.us>



December 15, 2010
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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.

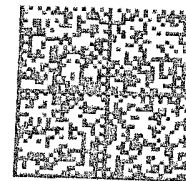
Sincerely,

A handwritten signature in black ink, appearing to read "Cynthia L. Seckey". The signature is fluid and cursive, with the first name "Cynthia" and last name "Seckey" clearly distinguishable.

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

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600 N. MARIENFELD STREET
STE. 600
MIDLAND, TX 79701