



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"

21-Dec-10

CHESAPEAKE OPERATING INC.
P.O. BOX 912
HOBBS, NM 88240

LETTER OF VIOLATION - Inspection

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

OLLIE J BOYD No.002

D-23-22S-37E

30-025-10434-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
12/21/2010	Bradenhead	Sylvia Dickey	Yes	No	3/26/2011	iSAD1035546932
Comments on Inspection: NO Well SIGN; WELL SIGN RULE 19.15.16.8. ****OPERATOR IN VIOLATION OF NMOCDD RULE 19.15.16.8****						

TRINITY BURRUS ABO UNIT No.021

N-23-12S-38E

30-025-30106-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
12/17/2010	Bradenhead	Sylvia Dickey	Yes	No	3/22/2011	iSAD1035152597
Comments on Inspection: OPERATOR EXCEEDS INJECTION PRESSURE **TUBING GAGE SHOWS 2300 PSI; APPROVED PSI IS 1822 PSI****OPERATOR IS IN VIOLATION OF PERMIT/INJECTION ORDER; ***OPERATOR IN VIOLATION OF OPERATION OF INJECTOR;						

TRINITY BURRUS ABO UNIT No.013

H-22-12S-38E

30-025-36018-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
12/17/2010	Bradenhead	Sylvia Dickey	Yes	No	3/22/2011	iSAD1035149373
Comments on Inspection: Valve ON SURFACE CASING IS FROZEN; OPERATOR NEEDS TO REPLACE SURFACE VALVE****OPERATOR IN VIOLATION OF NMOCDD RULE 19.15.26.10*****OPERATION. & 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>



TRINITY BURRUS ABO UNIT No.016

L-23-12S-38E

30-025-36251-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
12/17/2010	Bradenhead	Sylvia Dickey	Yes	No	3/22/2011	iSAD1035151407
Comments on Inspection: SMALL AMOUNT OF SALT WATER ON SURFACE-ABOUT LESS THAN A GALLON; OPERATOR NEEDS TO MONITOR--***INTERMEDIATE NEEDLE VALVE HAS A LEAK WHEN OPENED NEED TO REPLACE; ***OPERATOR IN VIOLATION OF NMOCD RULE 19.15.26.10***OPERATION & MAINTENANCE***						

TRINITY BURRUS ABO UNIT No.020

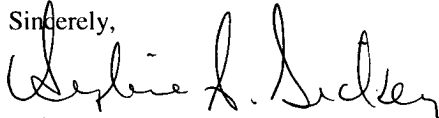
O-23-12S-38E

30-025-36566-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
12/17/2010	Bradenhead	Sylvia Dickey	Yes	No	3/22/2011	iSAD1035151988
Comments on Inspection: FAILED BHT; 850 PSI ON CASING ***OPERATOR NEEDS TO BLEED TO A TRUCK AND PRESSURE TEST TO SHOW MECHANICAL INTEGRITY ***OPERATOR IN VIOLATION OF NMOCD RULE 19.15.26.11*****						

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,



Hobbs OCD District Office

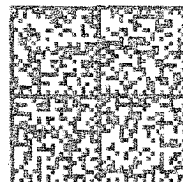
COMPLIANCE OFFICER

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

CHESAPEAKE OPERATING INC.
P.O. BOX 912
HOBBS, NM 88240



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12/21/10

Mailed From 88240

US POSTAGE