



New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

Brett F. Woods, PH.D
Acting Cabinet Secretary

Daniel Sanchez
Acting Division Director
Oil Conservation Division



Response Required – Deadline Enclosed

Field Inspection Program

"Preserving the Integrity of Our Environment"

24-Feb-11

EOR OPERATING COMPANY

One Riverway SUITE 610

Houston TX 77056

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

U D SAWYER No.001				A-34-9S-36E	30-025-03629-00-00	
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
02/24/2011	Routine/Periodic Violations	Maxey Brown	Yes	No	5/30/2011	IMGB1105534143
Absent Well Identification Signs (Rule 103)						
Comments on Inspection: NO Well Sign (Rule 19.15.16.8). UNABLE TO FIND WELL SIGN.. NEED TO INSTALL SIGN. MGB						
CROSSROADS SILURO DEVONIAN UNIT No.105				B-34-9S-36E	30-025-23472-00-00	
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
02/24/2011	Routine/Periodic Violations	Maxey Brown	Yes	No	5/30/2011	IMGB1105533459
Absent Well Identification Signs (Rule 103)						
Comments on Inspection: Well Sign (Rule 19-15-16-8). NEED TO CORRECT WELL TO SHOW CORRECT WELL NAME AND NUMBER. MGB.						

Oil Conservation Division
1625 N. French Drive • Hobbs, New Mexico 88240
Phone (575) 393-6161 • Fax (575) 393-0720 • www.emnrd.state.nm.us/OCD



CROSSROADS SILURO DEVONIAN UNIT No.307

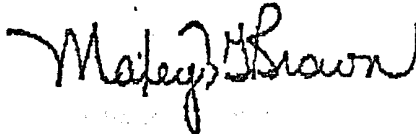
J-27-9S-36E

30-025-24100-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
02/24/2011	Routine/Periodic	Maxey Brown	Yes	No	5/30/2011	iMGB1105536800
Violations Absent Well Identification Signs (Rule 103)						
Comments on Inspection: Well Sign (Rule 19.15.16.8). NEED TO CORRECT WELL SIGN TO SHOW CORRECT LEASE NAME. MGB.						

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,

**COMPLIANCE OFFICER**

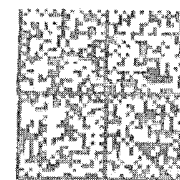
Hobbs OCD District Office

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



HASLER 015H14150977
\$0.44
02/24/11
Mailed From 88240
US POSTAGE

EOR OPERATING COMPANY
ONE RIVERWAY SUITE 610
HOUSTON TX 77056