

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Susana Martinez Governor

Brett Woods, Ph.D. Acting Cabinet Secretary Daniel Sanchez Acting Division Director Oil Conservation Division

Field Inspection Program
"Preserving the Integrity of Our Environment"

08-Mar-11

ENERVEST OPERATING L.L.C.

1001 FANNIN ST, STE 800 HOUSTON TX 77002

Comments on Inspection:

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.

INS.	PE	CI	TON	DEI	AIL	SEC	HON	

Inspection Date	UGHLIN COM No.005 Type Inspection	Inspector	Violation?	O-5-20S-37E *Significant Non-Compliance?	30-025-05907-00- Corrective Action Due By:	-00 Inspection No.
03/08/2011	Routine/Periodic	Mark Whitaker	Yes	No	5/9/2011	iMAW1106745002
	Violations					
	Absent Well Identification Signs	Rule 103)				
Comments	on Inspection: No well Sign	(Rule 19.15.16.8). NE	ED TO INICI	CALL WELL CLON L		
	1 to non orga	(Nuic 19.13.10.6). NE	ED TO INST	ALL WELL SIGN. I	st notice.	
	UGHLIN COM No.004	(Nuic 19.13.10.6). NE	TO TO INST	A-8-20S-37E	30-025-06005-00-	-00
		Inspector	Violation?			.00 Inspection No.
BRITT-LAU	UGHLIN COM No.004			A-8-20S-37E *Significant	30-025-06005-00- Corrective	
BRITT-LAU Inspection Date	UGHLIN COM No.004 Type Inspection	Inspector	Violation?	A-8-20S-37E *Significant Non-Compliance?	30-025-06005-00- Corrective Action Due By:	Inspection No.

No well Sign (Rule 19.15.16.8). NEED TO INSTALL WELL SIGN. 1st notice.

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



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SO.44

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Mailed From 88240

ENERVEST OPERATING LLC 1001 FANNIN ST, STE 800 HOUSTON, TX 77002