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MAR 21 2011
HOBBSOCD

March 18, 2011

New Mexico Energy, Minerals and Natural Resources Department
Hobbs OCD District Office
Inspector: Buddy Hill
1625 N. French Drive
Hobbs, NM 88240

Re: Federal 9 Com No. 001
Letter of Violation – Inspection
Inspection No. ILWH1103541388

Buddy Hill,

On January 28, 2011 Chris Chesser was notified by Buddy Hill with the NMOCD about a leak behind the tanks at the Federal 9 Com #1. It was a disconnected 2" circulating line that had a small dripping leak. The leak was repaired that night by installing a 2" union half with a 2" bull plug. No more than 1/2 to 3/4 of a bbl of water leaked out of the line into the dike. All water was contained inside the dike. Chris Chesser returned Mr. Hill's phone call and reported all of this activity to him. He approved what the work that was done.

Please contact me, Sindy Prescott by any of the means below if you have any questions or need any additional information.

Thank you,

A handwritten signature in black ink that reads 'Sindy Prescott'.

Sindy Prescott
Office Manager/Midland Field Office
Three Rivers Operating, LLC
Email: sprescott@3rnr.com

FOR WELL FILE
30-025-20817

Handwritten initials in black ink, possibly 'JH' or 'JL', followed by the number '322-11'.