BLM COPY

Form 3160 9 (December 1989)

by

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UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

	Page of
	Identification
ID	
Lease	NMNM94864
CA	
Unit	

Number AJM-018-01

NOTICE OF INCIDENTS OF NONCOMPLIANCE

Bureau of Land Management Office		Operator					
HOBBS INSPECTION OFFICE			LAYTON ENTERPRISES INC				
Address 414 WEST TAYLOR HOBES NM 88240			Address 3103 79TH STREET LUBBOCK TX 79423				
Telephone 505.393.3612			Attention				
Inspector Andrea Massengill			Attn Addr				
Site Name	Well or Facility	Towuship 9S	Range 36E	Meridian NMP	Section 1	1/4.1/4 SENE	
EL ZORRO FREMONT FEDERAL Site Name EL ZORRO FREMONT FEDERAL	Well or Facility	Township 9S	Range 36E	Meridian NMP	Section 1	1/4 1/4 SWNE_	
EL ZORRO FREMONT FEDERAL THE FOLLOWING VIOLATION WA	S FOUND BY BUREAU OF LAND M	ANAGEMENT INS	SPECTORS ON T	HE DATE AND A	T THE SITE LIS	TED ABOVE	
THE FOLLOWING VIOLATION VA	Time (24 - hour clock)	Violation			Gravity of Violation		
02/16/2001		43	43 CFR 3162.5-1(b)			MINOR	
Corrective Action To Be Completed By	Date Corrected	Assessment for Noncompliance		liance	Assessment Reference		
03/23/2001					43 CFR	3163.1()	
	disposed without prior approv a request for water disposal a	val. Submit to approval with c	this office on other required				

a Sundry Notice (31 information as per attachment.

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When violation is corrected, sign this notice and return to above address. Company Representative Title VICE PRESDENT	Signature	Date	10-85-5
Company Comments			

WARNING

Incidents of Noncompliance correction and reporting timeframes begin upon receipt of this Notice or 7 business days after the date it is mailed, whichever is incidents of Noncomptiance correction and reporting timetratives begin upon receipt of this Notice and reported to the Bureau of Land Management office at the earlier. Each violation must be corrected within the prescribed time from receipt of this Notice and reported to the Bureau of Land Management office at the address shown above. Please note that you already may have been assessed for noncompliance (see amount under "Assessment for Noncompliance"). If you do not comply as noted above under "Corrective Action To Be Completed By" you may incur an additional assessment under (43 CFR 3163.1) and may also incur Civil Penalties (43 CFR 3163.2). All self-certified corrections must be postmarked no later than the next business day after the prescribed time for correction.

Section 109(d)(1) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3163.2(f)(1), provides that any person who "knowingly or willfully" prepares, maintains, or submits, false, inaccurate, or misleading reports, notices, affidavits, record, data, or other written information required by this part shall be liable for a civil penalty of up to \$25,000 per violation for each day such violation continues, not to exceed a maximum of 20 days.

REVIEW AND APPEAL RIGHTS

A person contesting a violation shall request a State Director review of the Incidents of Noncompliance. This request must be filed within 20 working days of receipt of the Incidents of Noncompliance with the appropriate State Director (see 43 CFR 3165.3). The State Director review decision may be appealed to the Interior Board of Lands Appeals, 4015 Wilson Blvd., Arlington VA 22203 (see 43 CFR 3165.4). Contact the above listed Bureau of Land Management office for further information.

Signature of Bureau of Land Manager	Date Date	6/01 08:00		
		FOR OFFICE USE ONLY		Trunitation
Number	Date	Assessment	Penalty	Termination
33				