Form 3160-9 (December 1989) BLM C( Y

| Number | SJC-69-01 |  |
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|        |           |  |

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CE OF INCURENCES

|     | 1 age 01       |
|-----|----------------|
|     | Identification |
| IID | 892000321E     |
| Lea | e NMLC031670A  |
| CA  |                |
| Uni |                |

Certified Mail - Return Receipt Requested 70993220000239420996

| Hand Delivered Received                 | NOTICE OF INCIDENTS OF NONCOMPLIANCE |  |              | Unit                 |                |                 |
|---|--------------------------------------|--|--------------|----------------------|----------------|-----------------|
|   |                                      |  |              |                      | PA N           | MNM71041A       |
| reau of Land Management Office          | INSPECTION OFFICE                    | Operator   | CON          | OCO INCOR            | PORATED        |                 |
| ddress 414 WEST TAYLOR HOBBS NM 88240   |                                      | Address 10 DESTA DRIVE WEST, SUITE 100 W. MIDLAND TX 79705   |              |                      |                |                 |
| elephone 505.393.3612                   |                                      | Attention KIM SOUTHALL                                       |              |                      |                |                 |
| nspector                                |                                      | Attn Addr 10 DESTA DRIVE WEST, SUITE 100 W. MIDLAND TX 79705 |              |                      |                |                 |
| ite Name<br>SEMU                        | Well or Facility 32                  | Township 20S   | Range<br>38E | Meridian NMP         | Section 19     | 1/4 1/4<br>SWNE |
| ite Name                                | Well or Facility                     | Township   | Range        | Meridian             | Section        | 1/4 1/4         |
| THE FOLLOWING VIOLA                     | ATION WAS FOUND BY BUREAU OF LAND    | MANAGEMENT INS   | PECTORS ON T | HE DATE AND A        | T THE SITE LIS | STED ABOVE      |
| Date                                    | Time (24 - hour clock)               | Violation  |              | Gravity of Violation |                |                 |
| 07/23/2001                              | 09:00                                | 43 CFR 3163.1  |              | MINOR                |                |                 |
| Corrective Action To<br>Be Completed By | Date Corrected                       | Assessment for Noncompliance                                 |              | Assessment Reference |                |                 |
| 08/30/2001                              |                                      |  | ·            |                      | 43 CFR         | 3163.1()        |

Commence plugging operations before the due date on this INC, or be subject to a \$250.00 assessment.

| When violation is corrected, sign this potice and return to above address. | ( ):11                                |
|--|---------------------------------------|
| Company Representative Title Regulatory Solc.                              | Signature Klas Ubas Date 8-28-01      |
| Company Comments   |                                       |
| ZNING I) SENVICES NIGALING UN  | 8-28-01 to PHA. NotiFied S. Caffey    |
| ica obasa PAA Danarisa B Will  | le hiled ASAP upon completion of work |
| Via piuro VII pagarator VI   | 7                                     |
| v  | VARNING                               |

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 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 | Management Authorized Officer         | Stephn J C    | ally    | Date 7-24.01 Time 14 20 |
|-----------------------------|---------------------------------------|---------------|---------|-------------------------|
|                             | · · · · · · · · · · · · · · · · · · · | FOR OFFICE US | E ONLY  |                         |
| Number                      | Date                                  | Assessment    | Penalty | Termination             |
| 50                          |                                       |               |         |                         |
| Type of Inspection          |                                       |               |         |                         |
| PI                          |                                       |               |         |                         |