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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NOTICE OF INCIDENTS OF NONCOMPLIANCE

Identification
IID
Lease <u>NMLC030180B</u>
CA
Unit
PA

Bureau of Land Management Office HOBBS INSPECTION OFFICE		Operator SOUTHWEST ROYALTIES INC				
Address 414 WEST TAYLOR HOBBS NM 88240		Address BOX 11390 MIDLAND TX 79702				
Telephone 505.393.3612		Attention				
Inspector Andrea Massengill		Attn Addr				
Site Name FARNSWORTH B	Well or Facility 01	Township 26S	Range 37E	Meridian NMP	Section 7	1/4 1/4 SWSW

THE FOLLOWING VIOLATION WAS FOUND BY BUREAU OF LAND MANAGEMENT INSPECTORS ON THE DATE AND AT THE SITE LISTED ABOVE

Date	Time (24 - hour clock)	Violation	Gravity of Violation
01/22/1999		43CFR 3162.3-4 (c)	MINOR
Corrective Action To Be Completed By	Date Corrected	Assessment for Noncompliance	Assessment Reference
02/19/1999			43 CFR 3163.1()

Remarks Temporary abandonment (TA) approval for this well expired 06/98. Well must be put on production or plugged and abandoned. Submit a notice of intent to either produce or to plug this well on a 3160-5 (Sundry Notice), one original and 5 copies to this office.

When violation is corrected, sign this notice and return to above address.

Company Representative Title

Aren Supervisor

Signature

[Signature]Date 2/23/99

Company Comments

C.M. Bloo & Worth, P.E.

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 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 <u>[Signature]</u>		Date <u>2-23-99</u>	Time <u>1:00</u>	
FOR OFFICE USE ONLY				
Number 50	Date	Assessment	Penalty	Termination
Type of Inspection PR				