



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor
Joanna Prukop
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

Field Inspection Program
"Preserving the Integrity of Our Environment"

21-Feb-03

RELIANCE ENERGY, INC.
6 DESTA DRIVE SUITE 5500
MIDLAND, TX 79705-

Dear Operator:

The following inspection(s) indicate one or more violations as described in the detail section below. The inspection(s) indicates that the well, equipment, location or operational status failed to meet standards of the New Mexico Oil Conservation Division. 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 below 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.

Please notify the proper district office of the Division of the date corrective actions are scheduled to be made so that arrangements can be made to reinspect the well and/or facility.

INSPECTION DETAIL SECTION

| | | | | | | |
|-----------------------------------|------------------|--|-------------|---------------------------------|------------------------------|----------------|
| WILLOW SPRING 34 STATE 001 | | | F-34-4S-25E | 30-005-63251-00-00 | | |
| Inspection Date | Type Inspection | Inspector | Violation? | *Significant Non-Compliance? | Corrective Action Due By: | Inspection No. |
| 02/18/2003 | Routine/Periodic | Phil Hawkins | Yes | No | 5/24/2003 | iPCH0304938764 |
| Comments on Inspection: | | No Flowline . IDLE WELL VIOLATION RULE # 201 OPEN DRILLING PIT | | | | |

| | | | | | | |
|-----------------------------------|------------------|---|-------------|---------------------------------|------------------------------|----------------|
| WILLOW SPRING 27 STATE 001 | | | L-27-4S-25E | 30-005-63263-00-00 | | |
| Inspection Date | Type Inspection | Inspector | Violation? | *Significant Non-Compliance? | Corrective Action Due By: | Inspection No. |
| 02/18/2003 | Routine/Periodic | Phil Hawkins | Yes | No | 5/24/2003 | iPCH0304938321 |
| Comments on Inspection: | | WELL IS SHUT -IN . NO PRODUCTION . OPEN DRILLING PITS . IDLE WELL VIOLATION RULE #201 | | | | |

| | | | | | | |
|-----------------------------------|------------------|---|-------------|---------------------------------|------------------------------|----------------|
| WILLOW SPRING 23 STATE 001 | | | F-23-4S-25E | 30-005-63290-00-00 | | |
| Inspection Date | Type Inspection | Inspector | Violation? | *Significant Non-Compliance? | Corrective Action Due By: | Inspection No. |
| 02/18/2003 | Routine/Periodic | Phil Hawkins | Yes | No | 5/24/2003 | iPCH0304945285 |
| Comments on Inspection: | | NO PRODUCTION ON THIS WELL IDLE WELL VIOLATION OF RULE #201 . OPEN DRILLING PIT | | | | |

**WILLOW SPRING 15 STATE 001**

N-15-4S-25E

30-005-63299-00-00

| Inspection Date | Type Inspection | Inspector | Violation? | *Significant Non-Compliance? | Corrective Action Due By: | Inspection No. |
|---|------------------|--------------|------------|------------------------------|---------------------------|----------------|
| 02/18/2003 | Routine/Periodic | Phil Hawkins | Yes | No | 5/24/2003 | iPCH0304944294 |
| Comments on Inspection: No Well Sign. VIOLATION RULE #103 , LAST PRODUCTION 5/2002 | | | | | | |

WILLOW SPRING 32 STATE 005

G-32-4S-25E

30-005-63514-00-00

| Inspection Date | Type Inspection | Inspector | Violation? | *Significant Non-Compliance? | Corrective Action Due By: | Inspection No. |
|---|------------------|--------------|------------|------------------------------|---------------------------|----------------|
| 02/18/2003 | Routine/Periodic | Phil Hawkins | Yes | No | 5/24/2003 | iPCH0304935773 |
| Comments on Inspection: No Well Sign. VIOLATION RULE # 103 | | | | | | |

Thank you for your prompt attention to this matter and your efforts in helping to protect our environment and the infrastructure of the oil and gas industry.

Sincerely,

Artesia 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.