NEW MEXICO ENERGY, MINERALS 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"

25-Mar-03

MACK ENERGY CORP PO BOX 960 ARTESIA, NM 88211-0960

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

STATE 647 AC 724 203

Inspection

Type Inspection

P-25-17S-28E

30-015-10312-00-00

*Significant

Corrective

Date

03/25/2003 Routine/Periodic

Mike Bratcher

Inspector

Action Due By:

Inspection No.

Violation? Yes

Non-Compliance? No

5/10/2002

iMLB0308445887

Comments on Inspection:

Violation for illegible well sign in 4/02. Operator placed sticker on sign to indicate current operator. Most of Sticker has now blown off. The rest of the information on sign is mostly illegible and is once again in violation Of rule 103.

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

Artesia OCD District Office

Michel Scall

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.