NEW MEXICO ENERGY, MINERALS NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor Joanna Cabinet Secretary Mark E. Fesmire, Director Oil Conservation

21-Feb-08

TIPTON OIL & GAS ACQUISITIONS, INC.

P.O. BOX 1597 LOVINGTON NM 88260

ORBIT PETROLEUM, INC. 1131 E. BRITTON RD OKLAHOMA CITY OK 73131 LOVNO. 02-08-032

LETTER OF VIOLATION - Inspection

Dear Operator:

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

Please notify the proper district office of the Division, in writing, 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

TWIN LAKES SAN ANDRES UNIT No.054

D-1-9S-28E

30-005-00349-00-00

Inspection Date

02/21/2008

Type Inspection Pre-Operation (MIT Inspector

Violation? Non-Compliance?

*Significant

Corrective Action Due By:

Inspection No.

Richard Inge

Yes No 3/5/2008

iREI0805234557

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

DOUBLE L QUEEN UNIT No.001I

L-31-14S-30E

30-005-20307-00-00

Inspection Date Type Inspection 02/21/2008 Pre-Operation (MIT

Inspector Richard Inge Violation? Yes

*Significant Non-Compliance? No

Corrective Action Due By: 3/5/2008

Inspection No. iREI0805232527

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

DOUBLE L QUEEN UNIT No.002H

E-31-14S-30E

30-005-20308-00-00 Corrective

Inspection Date 02/21/2008

Type Inspection

Pre-Operation (MIT

Inspector

Richard Inge

Violation? Yes

*Significant Non-Compliance?

Action Due By:

3/5/2008

Inspection No. iREI0805232620

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.035

K-36-8S-28E

30-005-60026-00-00

*Significant

Corrective

Inspection Date 02/21/2008

Type Inspection Pre-Operation (MIT

Inspector Richard Inge Violation? Yes

Non-Compliance? No

Action Due By: 3/5/2008

Inspection No. iREI0805232294

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.034

L-36-8S-28E

30-005-60033-00-00

Inspection Date

Type Inspection

Inspector

*Significant Violation? Non-Compliance?

Corrective Action Due By:

Inspection No.

02/21/2008 Pre-Operation (MIT

Richard Inge

Yes

Nο

3/5/2008

iREI0805234257

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.017

C-36-8S-28E

30-005-60039-00-00 Corrective

Inspection Date

Type Inspection Inspector Pre-Operation (MIT Richard Inge Violation? Yes

*Significant Non-Compliance? No

Action Due By: iREI0805233917 3/5/2008

Inspection No.

02/21/2008 Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

DOUBLE L QUEEN UNIT No.001K

A-1-15S-29E *Significant 30-005-60078-00-00

Inspection Date Type Inspection

Inspector Richard Inge Violation? Yes

Non-Compliance? No

Corrective Action Due By: 3/5/2008

Inspection No. iREI0805232574

02/21/2008 Pre-Operation (MIT Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

DOUBLE L QUEEN UNIT No.004G

G-36-14S-29E

*Significant

No

30-005-60080-00-00

Inspection Date

Type Inspection

Inspector

Violation?

Corrective

Non-Compliance? Pre-Operation (MIT 02/21/2008 Richard Inge Yes

Action Due By: 3/5/2008

Inspection No. iREI0805232956

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

DOUBLE L QUEEN UNIT No.001H

N-25-14S-29E *Significant 30-005-60127-00-00 Corrective

Inspection Date 02/21/2008

Type Inspection

Inspector Richard Inge Violation?

Non-Compliance?

Action Due By:

Inspection No. iREI0805232461

Comments on Inspection:

Pre-Operation (MIT Yes Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed.'

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.074

K-1-9S-28E

30-005-60248-00-00

Inspection Date

Type Inspection

Inspector

Violation?

*Significant Non-Compliance?

Corrective Action Due By:

Inspection No.

Pre-Operation (MIT 02/21/2008

Richard Inge

Yes

No

3/5/2008

iREI0805234893

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.046

O-36-8S-28E

30-005-60291-00-00

Inspection Date

02/21/2008

02/21/2008

Type Inspection Pre-Operation (MIT Inspector Richard Inge Violation? Yes

*Significant Non-Compliance? No

Corrective Action Due By: 3/5/2008

Inspection No. iREI0805234388

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.055

C-1-9S-28E 30-005-60297-00-00

Inspection Date

Type Inspection Pre-Operation (MIT Inspector

Richard Inge

Violation? Yes

*Significant Non-Compliance? No

Corrective Action Due By: 3/5/2008

Inspection No. iREI0805234602

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

E-36-8S-28E

30-005-60334-00-00

Inspection Date

02/21/2008

Type Inspection Pre-Operation (MIT Inspector

Violation?

*Significant Non-Compliance?

Corrective Action Due By:

3/5/2008

Comments on Inspection:

Richard Inge

Yes

No

Inspection No. iREI0805234105

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.027

G-36-8S-28E *Significant 30-005-60521-00-00 Corrective

Inspection Date

02/21/2008

Type Inspection Pre-Operation (MIT Inspector Richard Inge Violation? Yes

Non-Compliance? No

Action Due By:

Inspection No. iREI0805234159

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.013

M-30-8S-29E

30-005-60558-00-00

Inspection Date

Inspection

Date

Type Inspection

Inspector Richard Inge

Inspector

Violation? Yes

*Significant Non-Compliance? No

Corrective Action Due By: 3/5/2008

Inspection No.

iREI0805233825

02/21/2008 Pre-Operation (MIT Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.019

Type Inspection

A-36-8S-28E

*Significant

Non-Compliance?

30-005-60560-00-00

Corrective Action Due By:

Inspection No.

iREI0805233957

02/21/2008 Pre-Operation (MIT Comments on Inspection:

Richard Inge Yes No 3/5/2008 Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

Violation?

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.011

Pre-Operation (MIT

O-25-8S-28E *Significant 30-005-60563-00-00

Inspection Date

Type Inspection

Inspector Richard Inge Violation? Yes

Non-Compliance? No

Corrective Action Due By: 3/5/2008

Inspection No. iREI0805233777

Comments on Inspection:

02/21/2008

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

I-25-8S-28E

30-005-60579-00-00

Inspection *Significant Corrective Date Type Inspection Inspector Violation? Non-Compliance? Action Due By: Inspection No. Pre-Operation (MIT iREI0805233602 02/21/2008 Richard Inge Yes No 3/5/2008

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

KUCHEMANN No.002

E-30-8S-29E 30-

30-005-60580-00-00

Inspection Corrective Date Type Inspection Inspector Violation? Non-Compliance? Action Due By: Inspection No. iREI0805233002 02/21/2008 Pre-Operation (MIT Richard Inge Yes No 3/5/2008

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "...The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.006

K-30-8S-29E 30-00

30-005-60596-00-00

*Significant Inspection Corrective Date Type Inspection Inspector Violation? Non-Compliance? Action Due By: Inspection No. 02/21/2008 Pre-Operation (MIT Richard Inge iREI0805233672 Yes No 3/5/2008

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "...The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

are to be commenced in order that such tests may be withessed.

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.009

M-25-8S-28E

30-005-60598-00-00

Inspection *Significant Corrective Type Inspection Violation? Date Inspector Non-Compliance? Action Due By: Inspection No. 02/21/2008 Pre-Operation (MIT Richard Inge Yes iREI0805233720 No 3/5/2008

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "...The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.002

K-25-8S-28E 30-005-60648-00-00 *Significant Corrective

Inspection
Date Type Inspection Inspector Violation? Non-Compliance? Action Due By: Inspection No.

02/21/2008 Pre-Operation (MIT Richard Inge Yes No 3/5/2008 iREI0805236097

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "...The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

C-31-8S-29E

30-005-60658-00-00

Luspection Date 02/21/2008

Type Inspection Pre-Operation (MIT Inspector

Violation?

*Significant Non-Compliance?

Corrective Action Due By:

Inspection No.

Richard Inge

Yes

No

3/5/2008

iREI0805234003

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.040

K-31-8S-29E

No

30-005-60696-00-00

Inspection Date 02/21/2008

Type Inspection Pre-Operation (MIT Inspector Richard Inge

Richard Inge

*Significant Violation? Non-Compliance? Yes

Corrective Action Due By: 3/5/2008

Inspection No. iREI0805234299

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.091

B-12-9S-28E

30-005-60790-00-00

Inspection Date

Type Inspection

Inspector Violation?

*Significant Non-Compliance?

No

Corrective Action Due By: 3/5/2008

Inspection No. iREI0805235140

02/21/2008 Pre-Operation (MIT Comments on Inspection:

Yes Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.086

P-1-9S-28E

30-005-60794-00-00 Corrective

Inspection Date Type Inspection 02/21/2008 Pre-Operation (MIT

Inspector Richard Inge Violation? Yes

*Significant Non-Compliance? No

Action Due By: Inspection No. 3/5/2008 iREI0805235061

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.032

G-31-8S-29E

30-005-60795-00-00

Inspection Date

02/21/2008

Type Inspection Pre-Operation (MIT Inspector Richard Inge Violation? Yes

*Significant Non-Compliance? No

Corrective Action Due By: 3/5/2008

Inspection No. iREI0805234213

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

O-31-8S-29E

30-005-60796-00-00

Inspection Date

02/21/2008

Type Inspection Pre-Operation (MIT Inspector Richard Inge Violation?

*Significant Non-Compliance? No

Corrective Action Due By: 3/5/2008

Inspection No. iREI0805234436

Comments on Inspection:

Yes Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well

operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.059

C-6-9S-29E *Significant 30-005-60807-00-00 Corrective

Inspection Date 02/21/2008

Type Inspection Pre-Operation (MIT

Inspector Richard Inge Violation? Yes

Non-Compliance?

Action Due By:

Inspection No. iREI0805234688

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.076

I-1-9S-28E

30-005-60809-00-00

Inspection Date 02/21/2008

Type Inspection Pre-Operation (MIT

Inspector Richard Inge Violation? Yes

*Significant Non-Compliance? No

Corrective Action Due By: 3/5/2008

Inspection No. iREI0805234931

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.043

L-32-8S-29E

30-005-60829-00-00 Corrective

Inspection Date Type Inspection 02/21/2008 Pre-Operation (MIT

Inspector Richard Inge Violation? Yes

*Significant Non-Compliance? No

Action Due By: Inspection No. 3/5/2008 iREI0805234346

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.070

Pre-Operation (MIT

G-6-9S-29E

30-005-60885-00-00 Corrective

Inspection Date Type Inspection

Inspector Richard Inge

Violation? Yes

*Significant Non-Compliance?

Action Due By: 3/5/2008

Inspection No. iREI0805234854

Comments on Inspection:

02/21/2008

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

A-6-9S-29E

30-005-60920-00-00

Inspection Type Inspection Date

Inspector Pre-Operation (MIT

Violation?

*Significant Non-Compliance?

Corrective Action Due By:

Inspection No.

Comments on Inspection:

Richard Inge

Yes

No

iREI0805234728

3/5/2008

Violation of NMOCD Rule 19.15.9.704 A (5), which states in part "... The injection well

operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.052

M-32-8S-29E *Significant 30-005-60961-00-00 Corrective

Inspection Date 02/21/2008

02/21/2008

Type Inspection

Inspector

Violation? Yes

Non-Compliance?

Action Due By:

Inspection No. iREI0805234514

Comments on Inspection:

Pre-Operation (MIT Richard Inge Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.023

A-31-8S-29E

30-005-60965-00-00

Inspection Date

02/21/2008

02/21/2008

Type Inspection

Inspector Richard Inge Violation? Yes

*Significant Non-Compliance? No

Corrective Action Due By: 3/5/2008

Inspection No. iREI0805234048

02/21/2008 Pre-Operation (MIT Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.081

I-6-9S-29E

K-6-9S-29E

30-005-60993-00-00 Corrective

Inspection Date Type Inspection

Inspector Richard Inge Violation? Yes

*Significant Non-Compliance? No

Action Due By: Inspection No. 3/5/2008 iREI0805235011

Pre-Operation (MIT Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.078

Pre-Operation (MIT

30-005-60995-00-00 Corrective

Inspection Date Type Inspection

Inspector Richard Inge

Violation? Yes

*Significant Non-Compliance? No

Action Due By: 3/5/2008

Inspection No. iREI0805234974

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

O-6-9S-29E

30-005-61006-00-00 Corrective

Inspection **Type Inspection** Date 02/21/2008 Pre-Operation (MIT

Inspector Richard Inge Violation?

*Significant Non-Compliance? No

Action Due By: 3/5/2008

Inspection No. iREI0805235100

Comments on Inspection:

Yes Violation of NMOCD Rule 19.15.9,704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.068

E-6-9S-29E

30-005-61007-00-00

*Significant

Corrective

Date 02/21/2008

Inspection

Type Inspection Inspector Pre-Operation (MIT Richard Inge Violation? Yes

Non-Compliance? Action Due By: No 3/5/2008

Inspection No. iREI0805234810

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.103

G-7-9S-29E

30-005-61075-00-00

Inspection Date

Type Inspection

Inspector Richard Inge Violation? Yes

*Significant Non-Compliance? No

*Significant

Corrective Action Due By: 3/5/2008

Inspection No. iREI0805235304

02/21/2008 Pre-Operation (MIT Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.107

Pre-Operation (MIT

K-7-9S-29E

30-005-61104-00-00 Corrective

Inspection Date 02/21/2008

Type Inspection

Inspector Richard Inge Violation? Yes

Non-Compliance? No

Action Due By: 3/5/2008

Inspection No. iREI0805235383

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.100

E-7-9S-29E

30-005-61105-00-00 Corrective

Inspection Date

02/21/2008

Type Inspection

Inspector Richard Inge Violation? Yes

*Significant Non-Compliance? No

Action Due By: 3/5/2008

Inspection No. iREI0805235239

Pre-Operation (MIT Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

A-7-9S-29E

*Significant

No

30-005-61107-00-00 Corrective

Inspection Date

02/21/2008

Type Inspection Pre-Operation (MIT Inspector

Violation? Non-Compliance?

Action Due By:

Inspection No.

Comments on Inspection:

Richard Inge

Yes

3/5/2008

iREI0805235192

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well

operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.057

A-1-9S-28E *Significant 30-005-61135-00-00 Corrective

Inspection Date

Type Inspection Inspector Pre-Operation (MIT Richard Inge Violation? Yes

Non-Compliance? Action Due By: 3/5/2008 No

Inspection No. iREI0805234650

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.111

M-7-9S-29E

30-005-61453-00-00

Inspection Date

02/21/2008

Type Inspection

Inspector

*Significant Violation? Non-Compliance? Yes

Corrective Action Due By:

Inspection No.

02/21/2008 Pre-Operation (MIT Richard Inge

Inspector

No

3/5/2008

iREI0805235468

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "...The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed.'

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.113

O-7-9S-29E

30-005-61604-00-00

Inspection Date

Type Inspection 02/21/2008 Pre-Operation (MIT Richard Inge

*Significant Non-Compliance? No

Corrective Action Due By: 3/5/2008

Inspection No. iREI0805235500

Comments on Inspection:

Yes Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed.'

Violation?

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.119

F-18-9S-29E

30-005-61623-00-00

Inspection Date Type Inspection

Inspector Richard Inge Violation? Yes

*Significant Non-Compliance? No

Corrective Action Due By: 3/5/2008

Inspection No.

iREI0805235574

02/21/2008 Pre-Operation (MIT Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

Pre-Operation (MIT

B-18-9S-29E

30-005-61736-00-00

Inspection Date

02/21/2008

Type Inspection Inspector

Richard Inge

*Significant Violation? Non-Compliance?

Corrective Action Due By: 3/5/2008

Inspection No. iREI0805235540

Comments on Inspection:

Yes Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.109

J-12-9S-28E

30-005-61772-00-00

*Significant

Corrective

Inspection Date 02/21/2008

Type Inspection Pre-Operation (MIT

Inspector Richard Inge

Inspector

Richard Inge

Violation? Yes

Non-Compliance? Action Due By: No 3/5/2008

Inspection No. iREI0805235432

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.105

H-12-9S-28E

30-005-62068-00-00

Inspection Date

02/21/2008

Type Inspection

Violation?

*Significant Non-Compliance? No

Corrective Action Due By: 3/5/2008

Inspection No. iREI0805235342

Pre-Operation (MIT Comments on Inspection:

Yes Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.001

Type Inspection

F-25-8S-28E

30-005-62070-00-00 Corrective

02/21/2008 Pre-Operation (MIT

Inspection

Date

Inspector Violation? Richard Inge Yes

*Significant Non-Compliance? No

Action Due By: 3/5/2008

Inspection No. iREI0805236013

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection

O'BRIEN P No.001

02/21/2008

C-28-8S-29E

30-005-62192-00-00

Inspection Date

Type Inspection Pre-Operation (MIT Inspector Richard Inge Violation? Yes

on this well will require that this well be shut-in on the Corrective Action due date.

*Significant Non-Compliance? No

Corrective Action Due By: 3/5/2008

Inspection No. iREI0805231565

Comments on Inspection:

Violation of NMOCD Rule 19.15,9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

C-5-9S-29E

30-005-62563-00-00 Corrective

Date Type Inspection Inspector Richard Inge Violation?

*Significant Non-Compliance? No

Action Due By:

Inspection No.

Laspection

Inspection

02/21/2008

Pre-Operation (MIT Yes 3/5/2008

iREI0805234770

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well Comments on Inspection:

operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.015

O-30-8S-29E

30-005-62565-00-00

*Significant

Corrective

Date Type Inspection 02/21/2008 Pre-Operation (MIT Inspector Richard Inge Violation? Yes

Non-Compliance? No

Action Due By: Inspection No. iREI0805233871 3/5/2008

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

NORTHEAST SOUARE LAKE PREMIER UNIT No.008

M-2-16S-31E

30-015-04785-00-00

Inspection Date

Type Inspection

Pre-Operation (MIT

Pre-Operation (MIT

Inspector Violation?

Richard Inge

*Significant Non-Compliance?

Corrective Action Due By: 3/5/2008

Inspection No. iREI0805233158

02/21/2008 Pre-Operation (MIT Comments on Inspection:

Yes Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

NORTHEAST SOUARE LAKE PREMIER UNIT No.005

P-3-16S-31E

30-015-04788-00-00 Corrective

Inspection Date Type Inspection

Inspector Richard Inge

Violation? Yes

*Significant Non-Compliance? No

No

Action Due By: Inspection No. 3/5/2008 iREI0805233101

Comments on Inspection:

02/21/2008

02/21/2008

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

NORTHEAST SQUARE LAKE PREMIER UNIT No.003

K-3-16S-31E

30-015-04794-00-00

Inspection Type Inspection Date

Inspector Richard Inge Violation? Yes

*Significant Non-Compliance? No

Corrective Action Due By: 3/5/2008

Inspection No. iREI0805233050

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

NORTHEAST SQUARE LAKE PREMIER UNIT No.012

A-9-16S-31E

30-015-04831-00-00 Corrective

4nspection Date

02/21/2008

Type Inspection

Pre-Operation (MIT

Inspector Richard Inge Violation? Yes

*Significant Non-Compliance? No

Action Due By: 3/5/2008

Inspection No. iREI0805232363

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

NORTHEAST SQUARE LAKE PREMIER UNIT No.021

G-10-16S-31E

30-015-04837-00-00

Inspection Date 02/21/2008

Type Inspection Pre-Operation (MIT Inspector Richard Inge Violation?

*Significant Non-Compliance?

Corrective Action Due By:

Inspection No. iREI0805233210

Comments on Inspection:

Yes 3/5/2008 No Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

NORTHEAST SQUARE LAKE PREMIER UNIT No.025

I-10-16S-31E

30-015-04845-00-00

Inspection Date

Type Inspection

Inspector

Violation? Yes

*Significant Non-Compliance?

No

Corrective Action Due By: 3/5/2008

Inspection No. iREI0805232190

02/21/2008 Pre-Operation (MIT Comments on Inspection:

Richard Inge Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

In the event that a satisfactory response is not received to this letter of direction by the "Corrective Action Due By:" date shown above, further enforcement will occur. Such enforcement may include this office applying to the Division for an order summoning you to a hearing before a Divison Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon this well. Such a hearing may result in imposition of CIVIL PENALTIES for your violation of OCD rules.

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.