

# 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"*

17-Apr-03

**SAGA PETROLEUM LIMITED LIABILITY CO.**  
415 W WALL STE 1900  
MIDLAND, TX 79701-0000

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

|                                    |                        |                                                                                                                                                                                   |                     |                           |                       |                       |
|------------------------------------|------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------------|-----------------------|-----------------------|
| <b>WEST HENSHAW PREM UNIT 001N</b> |                        |                                                                                                                                                                                   | <b>M-2-16S-30E</b>  | <b>30-015-03826-00-00</b> |                       |                       |
| <b>Inspection</b>                  |                        |                                                                                                                                                                                   |                     | <b>*Significant</b>       | <b>Corrective</b>     |                       |
| <b>Date</b>                        | <b>Type Inspection</b> | <b>Inspector</b>                                                                                                                                                                  | <b>Violation?</b>   | <b>Non-Compliance?</b>    | <b>Action Due By:</b> | <b>Inspection No.</b> |
| 04/14/2003                         | MIT Witnessed -        | Gerry Guye                                                                                                                                                                        | Yes                 | No                        | 7/18/2003             | iGEG0302147825        |
| <b>Comments on Inspection:</b>     |                        | No bradenhead connection visible. Cellar must be dug out to bradenhead and a connection plumbed to surface to facilitate the monitoring of the area behind the production casing. |                     |                           |                       |                       |
| <b>WEST HENSHAW PREM UNIT 005</b>  |                        |                                                                                                                                                                                   | <b>O-3-16S-30E</b>  | <b>30-015-03844-00-00</b> |                       |                       |
| <b>Inspection</b>                  |                        |                                                                                                                                                                                   |                     | <b>*Significant</b>       | <b>Corrective</b>     |                       |
| <b>Date</b>                        | <b>Type Inspection</b> | <b>Inspector</b>                                                                                                                                                                  | <b>Violation?</b>   | <b>Non-Compliance?</b>    | <b>Action Due By:</b> | <b>Inspection No.</b> |
| 04/14/2003                         | MIT Witnessed -        | Gerry Guye                                                                                                                                                                        | Yes                 | No                        | 7/18/2003             | iGEG0302147847        |
| <b>Comments on Inspection:</b>     |                        | No Well Sign.                                                                                                                                                                     |                     |                           |                       |                       |
| <b>WEST HENSHAW PREM UNIT 007</b>  |                        |                                                                                                                                                                                   | <b>C-10-16S-30E</b> | <b>30-015-03884-00-00</b> |                       |                       |
| <b>Inspection</b>                  |                        |                                                                                                                                                                                   |                     | <b>*Significant</b>       | <b>Corrective</b>     |                       |
| <b>Date</b>                        | <b>Type Inspection</b> | <b>Inspector</b>                                                                                                                                                                  | <b>Violation?</b>   | <b>Non-Compliance?</b>    | <b>Action Due By:</b> | <b>Inspection No.</b> |
| 04/14/2003                         | MIT Witnessed -        | Gerry Guye                                                                                                                                                                        | Yes                 | No                        | 7/18/2003             | iGEG0302147901        |
| <b>Comments on Inspection:</b>     |                        | No bradenhead connection visible. Cellar must be dug out to bradenhead and a connection plumbed to surface to facilitate the monitoring of the area behind the production casing. |                     |                           |                       |                       |

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.

Sincerely,

  
Artesia OGD District Office