

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

23-Jun-05

WISER OIL CO (THE)

PO Box 2568

Hobbs NM 88241-0000

NOTICE OF VIOLATION - Inactive Well(s)

Dear Operator:

A review of our records and recent inspection(s) indicate that the subject well(s) has been shut-in for an extended period of time. Rule 201 of the Rules and Regulation of the Oil Conservation Division provides that a well may be shut-in no longer than sixty days after suspension of drilling operations, upon determining that ther well is no longer usable (e.g., a dry hole), or one year after last production. To comply with guidelines as established in the Rules and Regulations, corrective actions must be taken immediately and the well(s) brought into compliance.

The detail section below indicates preliminary findings and/or probable nature of the violation.

The following options are available:

- 1. Immediately restore the well(s) to production, injection or disposal as applicable.
- 2. Request 'Temporary Abandoned' status pursuant to Rule 203, which requires that you set a plug and conduct a mechanical integrity test.
- 3. Submit a proposal to 'Plug and Abandon' the well(s) pursuant to Rule 202, proceed with plugging procedures on a timely basis after the proposal has been evaluated, amended and/or approved.

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 Division 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.

INTERPOLET INCOME CONTANT DECEMBER

	IDLE WELL INSP	ECTION DETAIL SECT	TON	
SKELLY UNIT 094	G-28-17 S -31E	30-015-04884-00-00	Inspection No. iGEG0510432521	
Inspection Date: 6/17/20	05 1:19:58 PM	Corrective Action Due by: 9/20/2005		
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	
Pressure Test Comments on Inspection:	Gerry Guye Previous IMIT failure - Not	Yes repaired	No	
SKELLY UNIT 033	M-14-17S-31E	30-015-05140-00-00	Inspection No. iGEG0510432346	
Inspection Date: 6/6/200	5 1:54:50 PM	Correc	Corrective Action Due by: 9/9/2005	
Type Inspection	Inspector	Violation?	*Significant Nou-Compliance?	
Bradenhead Comments on Inspection:	Gerry Guye Previous IMIT failure - Not	Yes repaired.	No	
SKELLY UNIT 105	F-14-17 S -31E	30-015-05149-00-00	Inspection No. iGEG0510432335	

Inspection Date:	6/6/2005	9:41:06 AM	Correc	ctive Action Due by: 9/9/2005
Type Inspection		Inspector	Violation?	*Significant Non-Compliance?
Bradenhe	ad	Gerry Guye	Yes	No
Comments on Inspe	ection:	Previous violation not resolv		
SKELLY UNIT 017	7	B-15-17S-31E	30-015-05153-00-00	Inspection No. iGEG0510432353
Inspection Date:	6/9/2005	12:36:48 PM	Correc	ctive Action Due by: 9/12/2005
Type Inspection		Inspector	Violation?	*Significant Non-Compliance?
Pressure Test		Gerry Guye	Yes	No
Comments on Inspe	ction:	Previous IMIT failure - Not a	repaired	
SKELLY UNIT 019)	F-15-17S-31E	30-015-05155-00-00	Inspection No. iGEG0510432360
Inspection Date:	6/9/2005	9:59:18 AM	Correc	tive Action Due by: 9/12/2005
Type Inspection		Inspector	Violation?	*Significant Non-Compliance?
Pressure Test		Gerry Guye	Yes	No
Comments on Inspe	ction:	Previous IMIT failure - Not r	repaired	
SKELLY UNIT 028	;	L-15-17S-31E	30-015-05156-00-00	Inspection No. iGEG0510432374
Inspection Date:	6/9/2005	9:48:49 AM	Correc	tive Action Due by: 9/12/2005
Type Inspection		Inspector	Violation?	*Significant Non-Compliance?
Pressure Test		Gerry Guye	Yes	No
Comments on Inspe	ction:	Previous IMIT failure - Not r	epaired	
SKELLY UNIT 027		K-15-17S-31E	30-015-05159-00-00	Inspection No. iGEG0510432372
Inspection Date:	6/7/2005	11:03:13 AM	Correc	tive Action Due by: 9/10/2005
Type Inspection		Inspector	Violation?	*Significant Non-Compliance?
Pressure Test	,	Gerry Guye	Yes	No
Comments on Inspec	etion:	Previous IMIT failure - Not r	epaired `	
SKELLY UNIT 025		I-15-17S-31E	30-015-05160-00-00	Inspection No. iGEG0510432365
Inspection Date:	6/7/2005	1:25:44 PM	Correc	tive Action Due by: 9/10/2005
Type Inspection		Inspector	Violation?	*Significant Non-Compliance?
Pressure Test Comments on Inspec	etion:	Gerry Guye Previous IMIT failure - Not re	Yes engired	No
SKELLY UNIT 062		D-21-17S-31E	30-015-05316-00-00	Inspection No. iGEG0510432389
	6/12/2005			tive Action Due by: 9/16/2005
	0/13/2003	10:45:02 AM	Violation?	
Type Inspection Pressure Test		Inspector Gerry Guye	Yes	*Significant Non-Compliance? No
Comments on Inspec	ction:	Previous IMIT failure - Not n		NO
SKELLY UNIT 075		N-21-17S-31E	30-015-05333-00-00	Inspection No. iGEG0510432409
Inspection Date:	6/13/2005	1:46:28 PM	Correct	tive Action Due by: 9/16/2005
Type Inspection		Inspector	Violation?	*Significant Non-Compliance?
Pressure Test		Gerry Guye	Yes	No
Comments on Inspec	tion:	Previous IMIT failure - Not re	epaired	
SKELLY UNIT 068		K-21-178-31E	30-015-05338-00-00	Inspection No. iGEG0510432404
Inspection Date:	6/13/2005	12:27:02 PM	Согтес	tive Action Due by: 9/16/2005
Type Inspection		Inspector	Violation?	*Significant Non-Compliance?
Pressure Test		Gerry Guye	Yes	No
Comments on Inspec	tion:	Previous IMIT failure - Not re	epaired	
SKELLY UNIT 067	 _	J-21-17S-31E	30-015-05339-00-00	Inspection No. iGEG0510432401

Inspection Date: 6/14/200	5 9:37:42 AM	Correc	tive Action Due by: 9/17/2005
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?
Bradenhead	Gerry Guye	Yes	No
Comments on Inspection:	Previous IMIT failure - Not		
SKELLY UNIT 045	G-22-17S-31E	30-015-05346-00-00	Inspection No. iGEG0510432419
Inspection Date: 6/14/200	5 10:46:24 AM	Correc	tive Action Due by: 9/17/2005
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?
Pressure Test	Gerry Guye	Yes	No
Comments on Inspection:	Previous IMIT failure - Not	repaired	
SKELLY UNIT 057	O-22-178-31E	30-015-05353-00-00	Inspection No. iGEG0510432429
Inspection Date: 6/16/200	5 11:10:59 AM	Correc	tive Action Due by: 9/19/2005
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?
Pressure Test Comments on Inspection:	Gerry Guye Previous IMIT failure - Not	Yes repaired	No
SKELLY UNIT 046	H-22-17S-31E	30-015-05357-00-00	Inspection No. iGEG0510432421
Inspection Date: 6/14/200	5 10:56:48 AM	Correc	tive Action Due by: 9/17/2005
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?
Bradenhead	Gerry Guye	Yes	No
Comments on Inspection:	Previous IMIT failure - Not	repaired	
SKELLY UNIT 101	E-22-17S-31E	30-015-05358-00-00	Inspection No. iGEG0510432418
Inspection Date: 6/10/200	5 9:25:28 AM	Correc	tive Action Due by: 9/13/2005
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?
Pressure Test	Gerry Guye	Yes	No
Comments on Inspection:	Previous IMIT failure - Not	repaired	
SKELLY UNIT 039	C-23-17S-31E	30-015-05361-00-00	Inspection No. iGEG0510432432
Inspection Date: 6/14/200:	5 1:20:45 PM	Correc	tive Action Due by: 9/17/2005
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?
Pressure Test Comments on Inspection:	Gerry Guye Previous IMIT failure - Not a	Yes	No
SKELLY UNIT 080	O-23-17S-31E	30-015-05370-00-00	Inspection No. iGEG0510432446
	5 9:35:11 AM	Correc	tive Action Due by: 9/18/2005
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?
Bradenhead	Gerry Guye	Yes	No
Comments on Inspection:	Previous IMIT failure - Not		140
LEA D 001	B-26-17S-31E	30-015-05411-00-00	Inspection No. iGEG0510432489
Inspection Date: 6/15/2005	5 11:19:22 AM	Correct	tive Action Due by: 9/18/2005
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?
Pressure Test	Gerry Guye	Yes	No
Comments on Inspection:	Previous IMIT failure - Not a	repaired	
LEA D 003	H-26-17S-31E	30-015-05413-00-00	Inspection No. iGEG0510432497
Inspection Date: 6/15/2005	5 12:49:11 PM	Correct	tive Action Due by: 9/18/2005
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?
Pressure Test Comments on Inspection:	Gerry Guye Idle Well (Rule 201)	Yes	No
LEA D 004	G-26-17S-31E	30-015-05414-00-00	Inspection No. iGEG0510432495

Inspection Date: 6/15/2005 12:38:09 PM Corrective Action Due by: 9/18/2005 **Type Inspection** Inspector Violation? *Significant Non-Compliance? Pressure Test Gerry Guye Yes No Comments on Inspection: Previous IMIT failure - Not repaired **SKELLY UNIT 082** C-26-17S-31E 30-015-05417-00-00 Inspection No. iGEG0510432490 Inspection Date: 6/15/2005 10:41:12 AM Corrective Action Due by: 9/18/2005 Violation? *Significant Non-Compliance? Type Inspection Inspector Pressure Test Gerry Guye Yes No Comments on Inspection: Previous IMIT failure - Not repaired A-27-17S-31E **SKELLY UNIT 084** 30-015-05423-00-00 Inspection No. iGEG0510432502 Corrective Action Due by: 9/19/2005 Inspection Date: 6/16/2005 1:03:59 PM Violation? **Type Inspection** Inspector *Significant Non-Compliance? Pressure Test Gerry Guye Yes No Comments on Inspection: Previous IMIT failure - Not repaired W-27-17S-31E **SKELLY UNIT 096** 30-015-05424-00-00 Inspection No. iGEG0510432511 Corrective Action Due by: 9/20/2005 Inspection Date: 6/17/2005 10:18:14 AM Type Inspection Inspector Violation? *Significant Non-Compliance? Pressure Test Gerry Gusye Yes No Comments on Inspection: Previous IMIT failure - Not repaired C-15-17S-31E **SKELLY UNIT 106** 30-015-20366-00-00 Inspection No. iGEG0510432355 **Inspection Date:** 6/9/2005 11:42:54 AM Corrective Action Due by: 9/12/2005 Type Inspection Violation? *Significant Non-Compliance? Inspector Yes Pressure Test Gerry Gurye No Comments on Inspection: Previous IMIT failure - Not repaired **SKELLY UNIT 107** E-27-17S-31E 30-015-20410-00-00 Inspection No. iGEG0510432509 **Inspection Date:** Corrective Action Due by: 9/20/2005 6/17/2005 12:25:16 PM **Type Inspection** Violation? *Significant Non-Compliance? Inspector Pressure Test Gerry Gurye Yes No Comments on Inspection: Previous IMIT failure - Not repaired E-15-17S-31E 30-015-20468-00-00 Inspection No. iGEG0510432358 **SKELLY UNIT 109** Corrective Action Due by: 9/12/2005 6/9/2005 11:19:30 AM **Inspection Date:** Inspector Violation? *Significant Non-Compliance? **Type Inspection Pressure Test** Gerry Gurye Yes No Comments on Inspection: Previous IMIT failure - Not repaired **SKELLY UNIT 110** G-14-17S-31E 30-015-20469-00-00 Inspection No. iGEG0510432338 Inspection Date: Corrective Action Due by: 9/9/2005 6/6/2005 9:37:43 AM Type Inspection Violation? Inspector *Significant Non-Compliance? Pressure Test Gerry Guye Yes No **Comments on Inspection:** Previous violation not resolved. **SKELLY UNIT 300** J-23-17S-31E 30-015-29452-00-00 Inspection No. iGEG0510432439 Corrective Action Due by: 9/18/2005 **Inspection Date:** 6/15/2005 8:49:53 AM **Type Inspection** Violation? *Significant Non-Compliance? Inspector Pressure Test Gerry Guye Yes No Comments on Inspection: Previous IMIT failure - Not repaired

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.

Since ely,

Artesia OCI District Office

^{*} Significant Non-Compliance events are reported directly to the U.S. Environmental Protection Agency, Region VI, Dallas, Texas.