

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.

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

Inspection Date:	6/6/2005	9:41:06 AM	Corre	Corrective Action Due by: 9/9/2005	
Type Inspection		Inspector	Violation?	*Significant Non-Compliance?	
Bradenhe	ad	Gerry Guye	Yes	No	
Comments on Inspe	ction:	Previous violation not resolu	ved.		
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	Corrective 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	repaired		
SKELLY UNIT 019)	F-15-17S-31E	3 0 -015-05155-00-00	Inspection No. iGEG0510432360	
Inspection Date:	6/9/2005	9:59:18 AM	Corre	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	repaired		
SKELLY UNIT 028		L-15-17S-31E	3 9 -015-05156-00-00	Inspection No. iGEG0510432374	
Inspection Date:	6/9/2005	9:48:49 AM	Согтес	tive Action Due by: 9/12/2005	
Type Inspection		Inspector	Violation?	*Significant Non-Compliance?	
Pressure Test		Gerry Guye	Yes	No	
Comments on Inspec	ction:	Previous IMIT failure - Not	repaired		
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	tion:	Previous IMIT failure - Not	repaired		
SKELLY UNIT 025		I-15-17S-31E	3 0 -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	tion:	Gerry Guye Previous IMIT failure - Not r	Yes repaired	No	
SKELLY UNIT 062		D-21-17S-31E	3 0 -015-05316-00-00	Inspection No. iGEG0510432389	
Inspection Date:	6/13/2005	10:45:02 AM	Correc	tive Action Due by: 9/16/2005	
Type Inspection		Inspector	Violation?	*Significant Non-Compliance?	
Pressure Test		Gerry Gurye	Yes	No .	
Comments on Inspec	tion:	Previous IMIT failure - Not r		1.0	
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-21-17S-31E	30-015-05338-00-00	Inspection No. iGEG0510432404	
Inspection Date:	6/13/2005	12:27:02 PM	Correct	tive Action Due by: 9/16/2005	
Type Inspection		Inspector	Violation?	*Significant Non-Compliance?	
Pressure Test	tion:	Gerry Guye	Yes	No	
Comments on Inspect		Previous IMIT failure - Not re			
SKELLY UNIT 067		J-21-17S-31E	30-015-05339-00-00	Inspection No. iGEG0510432401	

Inspection Date: 6/14/2005 9:37:42 AM Corrective Action Due by: 9/17/2005 Violation? Type Inspection Inspector *Significant Non-Compliance? Bradenhead Gerry Guve Yes No Comments on Inspection: Previous IMIT failure - Not repaired **SKELLY UNIT 045** G-22-17S-31E 30-015-05346-00-00 Inspection No. iGEG0510432419 Inspection Date: 6/14/2005 10:46:24 AM Corrective 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-22-17S-31E 30-015-05353-00-00 Inspection No. iGEG0510432429 Inspection Date: 6/16/2005 11:10:59 AM Corrective Action Due by: 9/19/2095 Type Inspection Inspector Violation? *Significant Non-Compliance? Pressure Test Gerry Guye Yes No Comments on Inspection: Previous IMIT failure - Not repaired **SKELLY UNIT 046** H-22-17S-31E 30-015-05357-00-00 Inspection No. iGEG0510432421 **Inspection Date:** 6/14/2005 10:56:48 AM Corrective Action Due by: 9/17/2005 Violation? Type Inspection Inspector *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:** 6/10/2005 9:25:28 AM Corrective Action Due by: 9/13/2005 Type Inspection Inspector Violation? *Significant Non-Compliance? Pressure Test Yes Gerry Guye 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:** 6/14/2005 1:20:45 PM Corrective Action Due by: 9/17/2005 Type Inspection Inspector Violation? *Significant Non-Compliance? Pressure Test Gerry Guve Yes No Comments on Inspection: Previous IMIT failure - Not repaired **SKELLY UNIT 080** O-23-17S-31E 30-015-05370-00-00 Inspection No. iGEG0510432446 Inspection Date: 6/15/2005 9:35:11 AM Corrective 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 repaired **LEA D 001** B-26-17S-31E 30-015-05411-00-00 Inspection No. iGEG0510432489 6/15/2005 11:19:22 AM **Inspection Date:** 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 **LEA D 003** H-26-17S-31E 30-015-05413-00-00 Inspection No. iGEG0510432497 Inspection Date: 6/15/2005 12:49:11 PM Corrective Action Due by: 9/18/2005 Type Inspection Inspector Violation? *Significant Non-Compliance? Pressure Test Gerry Guve Yes No Comments on Inspection: Idle Well (Rule 201) **LEA D 004** G-26-17S-31E 30-015-05414-00-00 Inspection No. iGEG0510432495

Corrective Action Due by: 9/18/2005 Inspection Date: 6/15/2005 12:38:09 PM Inspector Violation? *Significant Non-Compliance? Type Inspection Gerry Guye Yes No Pressure Test Comments on Inspection: Previous IMIT failure - Not repaired C-26-17S-31E 30-015-05417-00-00 Inspection No. iGEG0510432490 **SKELLY UNIT 082** Inspection Date: 6/15/2005 10:41:12 AM Corrective Action Due by: 9/18/2005 Type Inspection Inspector Violation? *Significant Non-Compliance? Yes Pressure Test Gerry Guye No Comments on Inspection: Previous IMIT failure - Not repaired **SKELLY UNIT 084** A-27-17S-31E 30-015-05423-00-00 Inspection No. iGEG0510432502 Corrective Action Due by: 9/19/2005 **Inspection Date:** 6/16/2005 1:03:59 PM Type Inspection Inspector Violation? *Significant Non-Compliance? Pressure Test Gerry Guye Yes No Comments on Inspection: Previous IMIT failure - Not repaired **SKELLY UNIT 096** W-27-17S-31E 30-015-05424-00-00 Inspection No. iGEG0510432511 Corrective Action Due by: 9/20/2005 Inspection Date: 6/17/2005 10:18:14 AM Violation? **Type Inspection** Inspector *Significant Non-Compliance? Yes Pressure Test Gerry Guye 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:** Corrective Action Due by: 9/12/2005 6/9/2005 11:42:54 AM Type Inspection Inspector Violation? *Significant Non-Compliance? Pressure Test Gerry Guye Yes No Comments on Inspection: Previous IMIT failure - Not repaired E-27-17S-31E 30-015-20410-00-00 **SKELLY UNIT 107** Inspection No. iGEG0510432509 Inspection Date: 6/17/2005 12:25:16 PM Corrective Action Due by: 9/20/2005 **Type Inspection** Inspector Violation? *Significant Non-Compliance? Pressure Test Gerry Guye Yes No Comments on Inspection: Previous IMIT failure - Not repaired **SKELLY UNIT 109** E-15-178-31E 30-015-20468-00-00 Inspection No. iGEG0510432358 Inspection Date: 6/9/2005 11:19:30 AM Corrective Action Due by: 9/12/2005 Type Inspection Inspector Violation? *Significant Non-Compliance? Gerry Guye Pressure Test 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:** 6/6/2005 9:37:43 AM Corrective Action Due by: 9/9/2005 Type Inspection Violetion? Inspector *Significant Non-Compliance? Pressure Test Gerry Guye Yes No Comments on Inspection: Previous violation not resolved. J-23-17S-31E **SKELLY UNIT 300** 30-015-29452-00-00 Inspection No. iGEG0510432439 Inspection Date: 6/15/2005 8:49:53 AM Corrective Action Due by: 9/18/2005 Type Inspection Violation? Inspector *Significant Non-Compliance? Yes Pressure Test Gerry Guye 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.

Sincerely,

Artesia OCD District Office

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