

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

Response Required – Deadline Enclosed

For the integrity of the oil business

14-Jan-08

7001 1940 0001 9971 5826

TIPTON OIL & GAS ACQUISITIONS, INC.
P.O. BOX 1597
LOVINGTON NM 88260

ORBIT PETROLEUM, INC.
720 W. Wilshire
Suite 115
Oklahoma City, OK 73116

LOV NO. 02-08-009

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

O'BRIEN FEE 19 No.001

N-19-8S-29E

30-005-60528-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
01/11/2008	Routine/Periodic	Richard Inge	Yes	No	1/28/2008	iREI0801142212
Comments on Inspection: Violation of OCD rule 116. Spill on location. 1. No verbal notification was given to the OCD. 2. No C-141 was received by the OCD within the required time limit. 3. No remediation plan has been received by the OCD regarding the spill delineating the extent of the spill and how the operator proposes to clean up the spill. Please submit a C-141 Spill Report delineating the extent of the spill along with a remediation work plan by the compliance 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 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.

Sincerely,

Handwritten signature of Richard Nee in black ink.

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.