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 *Significant 30-005-00349-00-00

Date Type Inspection 02/21/2008

Inspection

Pre-Operation (MIT

Inspector Richard Inge Violation? Yes

Non-Compliance? No

Corrective Action Due By: 3/5/2008

Inspection No. 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.0011

30-005-20307-00-00 Corrective

Inspection Date

02/21/2008

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

*Significant Non-Compliance? No

L-31-14S-30E

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

Enspection Date 02/21/2008

Type Inspection Pre-Operation (MIT Inspector

Violation?

Action Due By:

Inspection No.

Richard Inge

iREI0805232620

Comments on Inspection:

Yes

*Significant Non-Compliance? 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

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 *Significant 30-005-60026-00-00

Inspection Date 02/21/2008

02/21/2008

Type Inspection Pre-Operation (MIT

Inspector Richard Inge Violation? Yes

Non-Compliance? No

Corrective 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

Pre-Operation (MIT

L-36-8S-28E

30-005-60033-00-00 Corrective

Inspection Type Inspection Date

Inspector Richard Inge Violation? Yes

Non-Compliance? No

*Significant

Action Due By: 3/5/2008

Inspection No. 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

Inspection Date

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

Inspector Richard Inge Violation? Yes

*Significant Non-Compliance? No

Corrective Action Due By:

Inspection No. iREI0805233917

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

30-005-60078-00-00 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. iREI0805232574

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

30-005-60080-00-00

Inspection Date

Type Inspection

Inspector

Violation?

*Significant Non-Compliance?

Corrective Action Due By:

Inspection No.

Comments on Inspection:

02/21/2008 Pre-Operation (MIT

Richard Inge

Yes

No

iREI0805232956

3/5/2008

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

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

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

30-005-60127-00-00 Corrective

Inspection 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. iREI0805232461

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.074

K-1-9S-28E

30-005-60248-00-00

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. 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 *Significant 30-005-60291-00-00 Corrective

Inspection Date

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

Inspector Richard Inge Violation? Yes

Non-Compliance? No

Action Due By:

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 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. 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

Type Inspection

Inspector

Violation? Yes

*Significant Non-Compliance?

Corrective Action Due By:

02/21/2008

Pre-Operation (MIT Richard Inge

Inspection No. iREI0805234105

Comments on Inspection:

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

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

30-005-60521-00-00

Inspection Date 02/21/2008

Type Inspection Pre-Operation (MIT

Inspector Richard Inge Violation? Yes

*Significant Non-Compliance?

Corrective Action Due By: 3/5/2008

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

02/21/2008

Inspection

Date

Type Inspection

Inspector Richard Inge Violation? Yes

*Significant Non-Compliance? No

No

Corrective Action Due By: 3/5/2008

Inspection No. iREI0805233825

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

Violation?

30-005-60560-00-00

A-36-8S-28E *Significant Non-Compliance?

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

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

30-005-60563-00-00

Inspection

02/21/2008

Date Type Inspection

Inspector Richard Inge

Inspector

Violation? Yes

*Significant Non-Compliance? No

Corrective Action Due By:

Inspection No. iREI0805233777

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."

I-25-8S-28E

No

30-005-60579-00-00

Inspection Date Type Inspection

02/21/2008

02/21/2008

Inspection

Date

02/21/2008

Inspection

Date

02/21/2008

Pre-Operation (MIT

Inspector

*Significant Violation? Non-Compliance?

Corrective Action Due By:

Inspection No. iREI0805233602

Richard Inge

Yes

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

30-005-60580-00-00 Corrective

Inspection **Type Inspection** Date

Inspector Richard Inge Violation? Yes

*Significant Non-Compliance? No

Action Due By: 3/5/2008

Inspection No. iREI0805233002

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

Type Inspection

Pre-Operation (MIT

K-30-8S-29E *Significant 30-005-60596-00-00 Corrective

Inspector Violation? Richard Inge

Non-Compliance? No

Action Due By: 3/5/2008

Inspection No. iREI0805233672

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.009

Pre-Operation (MIT

M-25-8S-28E

30-005-60598-00-00

Type Inspection Inspector

*Significant Non-Compliance?

Corrective Action Due By: 3/5/2008

Inspection No. iREI0805233720

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.002

Pre-Operation (MIT

K-25-8S-28E

30-005-60648-00-00

Inspection Date

Type Inspection 02/21/2008

Inspector Richard Inge

Richard Inge

Violation? Yes

*Significant Non-Compliance? No

Corrective Action Due By:

Inspection No. 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 Corrective

Inspection Date 02/21/2008

Type Inspection Pre-Operation (MIT Inspector

Violation?

Non-Compliance?

Action Due By:

Inspection No.

Richard Inge

Comments on Inspection:

Yes

*Significant No

3/5/2008

iREI0805234003

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

Pre-Operation (MIT

K-31-8S-29E

30-005-60696-00-00 Corrective

Inspection Type Inspection Date

Inspector Richard Inge Violation? Yes

*Significant Non-Compliance? No

Action Due By: 3/5/2008

Inspection No. iREI0805234299

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."

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

Pre-Operation (MIT

B-12-9S-28E

30-005-60790-00-00

Inspection **Type Inspection**

Inspector Richard Inge Violation? Yes

*Significant Non-Compliance? No

Corrective Action Due By: 3/5/2008

Inspection No. iREI0805235140

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.086

P-1-9S-28E

30-005-60794-00-00

Inspection Date

Date

02/21/2008

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

Violation? Ves

Significant Non-Compliance? No

Corrective Action Due By: 3/5/2008

Inspection No. 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

Type Inspection

Inspector Richard Inge Violation? Yes

*Significant Non-Compliance? No

Corrective Action Due By: 3/5/2008

Inspection No. iREI0805234213

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."

O-31-8S-29E

30-005-60796-00-00 Action Due By:

Inspection Type Inspection Inspector Violation? Date Non-Compliance?

*Significant

Corrective

iREI0805234436 02/21/2008 Pre-Operation (MIT Richard Inge Yes 3/5/2008 No

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.059

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

Corrective Inspection Action Due By: Date Type Inspection Inspector Violation? Non-Compliance? Inspection No. Pre-Operation (MIT iREI0805234688 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.

TWIN LAKES SAN ANDRES UNIT No.076

I-1-9S-28E *Significant 30-005-60809-00-00

Corrective

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

Inspector Richard Inge Violation? Yes

Non-Compliance? No

Action Due By: 3/5/2008

Inspection No. iREI0805234931

Inspection No.

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

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

Inspector Richard Inge Violation? Yes

*Significant Non-Compliance? No

Corrective Action Due By: Inspection No. 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

G-6-9S-29E

30-005-60885-00-00

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. iREI0805234854

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-6-9S-29E

30-005-60920-00-00

Date Type Inspection

Inspection

02/21/2008

02/21/2008

02/21/2008

Inspector Pre-Operation (MIT

Violation?

*Significant Non-Compliance?

Corrective Inspection No. Action Due By:

Richard Inge

Yes

Comments on Inspection:

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

No

3/5/2008

iREI0805234728

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

Pre-Operation (MIT

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

Inspection Date Type Inspection

Inspector Richard Inge Violation? Yes

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

Inspection No. iREI0805234514

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.023

Pre-Operation (MIT

A-31-8S-29E

30-005-60965-00-00 Corrective

Inspection Date Type Inspection

Inspector Richard Inge Violation? Yes

*Significant Non-Compliance? No

Action Due By: 3/5/2008

Inspection No. iREI0805234048

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

Pre-Operation (MIT

I-6-9S-29E *Significant 30-005-60993-00-00

Inspection Date Type Inspection

Inspector Richard Inge Violation? Yes

Non-Compliance? No

Corrective Action Due By: 3/5/2008

Inspection No. iREI0805235011

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

K-6-9S-29E

30-005-60995-00-00

Inspection Date

02/21/2008

Type Inspection

Inspector Richard Inge Violation? Yes

*Significant Non-Compliance?

No

Corrective Action Due By: 3/5/2008

Inspection No. iREI0805234974

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."

O-6-9S-29E

30-005-61006-00-00

Inspection Date 02/21/2008

Type Inspection

Inspector

Violation?

*Significant Non-Compliance?

Corrective Action Due By:

Inspection No.

Comments on Inspection:

Richard Inge

iREI0805235100

Pre-Operation (MIT

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

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 Corrective

Inspection Date 02/21/2008

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. iRE10805234810

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

Pre-Operation (MIT

G-7-9S-29E

30-005-61075-00-00 Corrective

Inspection Type Inspection

Inspector Richard Inge

Violation? Yes

*Significant Non-Compliance? No

Action Due By: 3/5/2008

Inspection No. iREI0805235304

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

K-7-9S-29E

30-005-61104-00-00

Inspection **Type Inspection** Date

Inspector Richard Inge Violation? Yes

*Significant Non-Compliance? No

Corrective Action Due By: 3/5/2008

Inspection No. iREI0805235383

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.100

E-7-9S-29E

30-005-61105-00-00

Inspection Date

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

*Significant Non-Compliance?

No

Corrective Action Due By:

Inspection No. iREI0805235239

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

30-005-61107-00-00 Corrective

*Significant Date Type Inspection Inspector Violation? Non-Compliance? Action Due By: Inspection No. Pre-Operation (MIT 02/21/2008 Richard Inge Yes No 3/5/2008 iREI0805235192

Comments on Inspection:

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.057

A-1-9S-28E 30-005-61135-00-00

*Significant Inspection Corrective Date Type Inspection Inspector Violation? Non-Compliance? Action Due By: Inspection No. 02/21/2008 Pre-Operation (MIT Richard Inge Yes 3/5/2008 iREI0805234650 No

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

Type Inspection

M-7-9S-29E 30-005-61453-00-00 *Significant Corrective Violation? Non-Compliance? Action Due By: Inspection No.

3/5/2008

iREI0805235468

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

Inspection

Date

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."

Yes

Inspector

Richard Inge

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 *Significant Corrective Action Due By:

No

Date Type Inspection Inspector Violation? Non-Compliance? Inspection No. 02/21/2008 Pre-Operation (MIT Richard Inge Yes No 3/5/2008 iREI0805235500

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.119

F-18-9S-29E 30-005-61623-00-00

Inspection *Significant Corrective Date Violation? Type Inspection Inspector Non-Compliance? Action Due By: Inspection No. 02/21/2008 Pre-Operation (MIT Richard Inge Yes iREI0805235574

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."

B-18-9S-29E

30-005-61736-00-00

Inspection Date 02/21/2008

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Type Inspection Pre-Operation (MIT

Inspector Richard Inge Violation? Yes

*Significant Non-Compliance? No

Corrective Action Due By: 3/5/2008

Inspection No. iREI0805235540

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.109

J-12-9S-28E *Significant 30-005-61772-00-00

Inspection Type Inspection

Inspector

Violation? Non-Compliance?

Corrective Action Due By:

Inspection No. iREI0805235432

Comments on Inspection:

Date

02/21/2008

Pre-Operation (MIT Richard Inge 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.

TWIN LAKES SAN ANDRES UNIT No.105

H-12-9S-28E

30-005-62068-00-00 Corrective

Inspection Date

02/21/2008

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

*Significant Non-Compliance? No

Action Due By: 3/5/2008

Inspection No. iREI0805235342

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.001

F-25-8S-28E

30-005-62070-00-00

Inspection

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

Violation? Inspector Richard Inge

*Significant Non-Compliance?

Corrective 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."

Yes

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.

O'BRIEN P No.001

C-28-8S-29E *Significant 30-005-62192-00-00

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

Inspector Richard Inge Violation? Yes

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

Inspection Date 02/21/2008

Type Inspection Pre-Operation (MIT Inspector

Violation?

*Significant Non-Compliance? No

Corrective Action Due By:

Inspection No. iREI0805234770

Comments on Inspection:

Richard Inge

Yes

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.015

O-30-8S-29E

30-005-62565-00-00 Corrective

Inspection 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. iREI0805233871

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.008

M-2-16S-31E

30-015-04785-00-00

Corrective

Inspection Date 02/21/2008

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

*Significant Non-Compliance? Nο

Action Due By: 3/5/2008

Inspection No. iREI0805233158

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.005

P-3-16S-31E

30-015-04788-00-00

Inspection Date

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

*Significant Non-Compliance?

Corrective Action Due By: 3/5/2008

Inspection No. iREI0805233101

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.003

K-3-16S-31E

30-015-04794-00-00

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. 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 SOUARE LAKE PREMIER UNIT No.012

A-9-16S-31E

30-015-04831-00-00

Inspection Date 02/21/2008

Type Inspection Pre-Operation (MIT

Inspector

Violation?

*Significant Non-Compliance? No

Corrective Action Due By:

3/5/2008

Inspection No.

Comments on Inspection:

Richard Inge

Yes

iREI0805232363

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? Yes

*Significant Corrective Action Due By: Non-Compliance?

Inspection No. iREI0805233210

Comments on Inspection:

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

02/21/2008

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

*Significant Non-Compliance? No

Corrective Action Due By: Inspection No. iREI0805232190 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.

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.