

NEW MEXICO ENERGY, MINERALS NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukon Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Response Required - Deadline Enclosed

Field Inspection Program "Preserving the Integrity of Our Lasironment"

18-Dec-09

LOVING. 02-09-117

ERS RESOURCES, LLC

C/O ORBIT PETROLEUM, INC. 251 O'CONNOR RIDGE BLVD, #265 IRVING TX 75038

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	7

ARTESIA METEX UNIT No.003

H-24-18S-27E

30-015-00938-00-00

Inspection Date

Type Inspection

Inspector

*Significant Violation? Non-Compliance? Corrective

Inspection No.

12/17/2009

Routine/Periodic

Kimberly Wilson

No

Action Due By: 1/17/2010

iKMW0935148116

Comments on Inspection:

Idle well, last production 3/07, Violation of NMAC 19.15.25.8 Operator must return well to beneficial use, TA or submit P/A procedure to OCD District II office no later than January 17,

Yes

2010.

ARTESIA METEX UNIT No.002

G-24-18S-27E

30-015-00939-00-00

Inspection Date

Type Inspection

Inspector

Violation?

*Significant Non-Compliance?

Corrective Action Due By:

Inspection No.\

12/17/2009

Routine/Periodic

Kimberly Wilson

Yes

No

1/17/2010

iKMW0935147945

Comments on Inspection:

Idle well, last production 11/2006, Violation of NMAC 19.15.25.8 Operator must return well to beneficial use, TA or submit P/A procedure to OCD District II office no later than January 17,

2010.

ARTESIA METEX UNIT No.001 B-24-18S-27E 30-015-00940-00-00 Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 12/16/2009 Routine/Periodic iKMW0935147286 Kimberly Wilson Yes No 1/1/2010 Comments on Inspection: Produced fluids released at wellhead and running across location, violation of NMAC 19.15.29. Operator must submit C-141 to OCD District II office no later than January 1, 2010. Remediation and/or work plan may be required. ARTESIA METEX UNIT No.006 K-24-18S-27E 30-015-00941-00-00 Inspection *Significant Corrective Type Inspection Inspection No. Inspector Violation? Date Non-Compliance? Action Due By: 12/16/2009 Routine/Periodic iKMW0935227819 Kimberly Wilson Yes No 1/17/2010 Comments on Inspection: Idle Well. Violation of NMAC 19.15.25.8 Operator must return well to beneficial use, TA or submit P/A procedure to OCD District II office no later than January 17, 2010 for approval. ARTESIA METEX UNIT No.016 M-24-18S-27E 30-015-00942-00-00 Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 12/16/2009 Routine/Periodic Kimberly Wilson Yes No 1/17/2010 iKMW0935227945 Comments on Inspection: Idle Well. Violation of NMAC 19.15.25.8 Operator must return well to beneficial use, TA or submit P/A procedure to OCD District II office no later than January 17, 2010 for approval ARTESIA METEX UNIT No.008 30-015-00944-00-00 I-24-18S-27E Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 12/16/2009 Routine/Periodic Kimberly Wilson iKMW0935227739 Yes No 1/17/2010 Comments on Inspection: idle Well. Violation of NMAC 19.15.25.8 Operator must return well to beneficial use, TA or submit P/A procedure to OCD District II office no later than January 17, 2010 for approval. ARTESIA METEX UNIT No.005 L-24-18S-27E 30-015-00945-00-00 Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 12/17/2009 Routine/Periodic Kimberly Wilson iKMW0935148994 Yes No 1/17/2010 Comments on Inspection: Idle well, last production 12/2005, Violation of NMAC 19.15.25.8 Operator must return well to beneficial use, TA or submit P/A procedure to OCD District II office no later than January 17, 2010. ARTESIA METEX UNIT No.018 N-24-18S-27E 30-015-00946-00-00 Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? **Action Due By:** 12/17/2009 Routine/Periodic Kimberly Wilson iKMW0935149358 Yes No 1/17/2010 Comments on Inspection: Idle well, last production 11/2006, Violation of NMAC 19.15.25.8 Operator must return well to beneficial use, TA or submit P/A procedure to OCD District II office no later than January 17, 2010. ARTESIA METEX UNIT No.017 N-24-18S-27E 30-015-00947-00-00 Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 12/17/2009 Routine/Periodic Kimberly Wilson iKMW0935149217 Yes No 1/17/2010 Comments on Inspection: Idle well, last production 3/2007. Violation of NMAC 19.15.25.8 Operator must return well to beneficial use, TA or submit P/A procedure to OCD District II office no later than January 17, 2010. ARTESIA METEX UNIT No.027 D-25-18S-27E 30-015-00951-00-00 Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 12/17/2009 Routine/Periodic Kimberly Wilson Yes iKMW0935133369 No 1/17/2010 Comments on Inspection: Idle Well. Violation of NMAC 19.15.25.8 Operator must return well to beneficial use, TA or submit P/A procedure to OCD District II office no later than January, 17, 2010 for approval.

Inspection Date	METEX UNIT	n	Inspector	Violation?	E-25-18S-27E *Significant Non-Compliance?	30-015-00952-00- Corrective Action Due By:	Inspection No.
12/17/2009	Routine/Perio		Kimberly Wilson		No	1/17/2010	iKMW0935133997
Comments	on Inspection:				rator must return well no later than Janaury 1		or
	METEX UNIT	No.026			A-26-18S-27E	30-015-00962-00-	00
Inspection Date	Type Inspectio	n.	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
12/17/2009	Routine/Perio	odic	Kimberly Wilson	Yes	No		iKMW0935131434
Comments	on Inspection:				rator must return well no later than January 1		or
ARTESIA N	METEX UNIT	No.035			H-26-18S-27E	30-015-00963-00-	00
Inspection Date	Type Inspectio	n	Inspector	Violation?	*Significant	Corrective	Inspection No.
12/17/2009	Routine/Perio		Kimberly Wilson		Non-Compliance? No	Action Due By: 1/17/2010	iKMW0935132912
	on Inspection:	Idle Well. Viola	ation of NMAC 19.1:	5.25.8 Ope	rator must return well to later than Janauary	to beneficial use, TA	or
ARTESIA N	METEX UNIT	No.051			P-26-18S-27E	30-015-00966-00-	00
Inspection	Type Inspectio	n	Inspector	Violation?	*Significant	Corrective	Inspection No.
Date 12/17/2009	Routine/Perio		Kimberly Wilson	Yes Yes	Non-Compliance?	Action Due By: 1/17/2010	iKMW0935135794
	on Inspection:		•		rator must return well		*
Comments	, xiispeerioiii				o later than January 1		51
ARTESIA N	METEX UNIT	No.055			B-35-18S-27E	30-015-00986-00-	00
Inspection	Type Inspection	n	Inspector	Violation?	*Significant	Corrective	Inspection No.
Date 12/17/2009	Routine/Perio		Kimberly Wilson	Yes	Non-Compliance? No	Action Due By: 1/17/2010	iKMW0935135373
	on Inspection:	Idle Well. Viola	ation of NMAC 19.15	5.25.8 Oper	rator must return well to later than January 1	to beneficial use, TA	
ARTESIA N	METEX UNIT				A-35-18S-27E	30-015-00987-00-	
Inspection					*Significant	Corrective	
Date	Type Inspection		Inspector	Violation?	Non-Compliance?	Action Due By:	Inspection No.
12/17/2009	Routine/Perio		Kimberly Wilson	Yes	No		iKMW0935135606
	on Inspection:	submit P/A proce	edure to OCD Distric	et II office n	ator must return well to later than January 17	7, 2010.	or
	METEX UNIT	No.057			D-36-18S-27E	30-015-00990-00-0	00
Inspection Date	Type Inspection	ı	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
12/17/2009	Routine/Perio	odic	Kimberly Wilson	Yes	No	•	iKMW0935136102
Comments o	n Inspection:	Idle Well. Viola submit P/A proce	tion of NMAC 19.15 edure to OCD Distric	.25.8 Oper t II office n	ator must return well to later than January 20	to beneficial use, TA of 100 for approval.	or
ARTESIA M	IETEX UNIT	No.058			C-36-18S-27E	30-015-00991-00-0	00
Inspection Date	Type Inspection	,	Inspector	Violation?	*Significant	Corrective	Inspection No.
12/17/2009	Routine/Perio		Kimberly Wilson	Yes	Non-Compliance? No	Action Due By: 1/17/2010	iKMW0935136310
	n Inspection:	Idle Well. Viola	tion of NMAC 19.15	.25.8 Oper	ator must return well to later than January 17	o beneficial use, TA o	
ARTESIA N	IETEX UNIT				I-26-18S-27E	30-015-01190-00-0	
Inspection	4		•	¥79 1 .+ -	*Significant	Corrective	
Date 12/17/2009	Type Inspection		-	Violation?	Non-Compliance?	Action Due By:	Inspection No.
	Routine/Perion Inspection:	Idle Well. Viola			No ator must return well t	o beneficial use, TA o	KMW0935134257
		submit P/A proce	edure to OCD Distric	t II office n	o later than January 17	, 2010 for approval.	

ARTESIA METEX UNIT No.050 30-015-01191-00-00 O-26-18S-27E Inspection *Significant Corrective Inspection No. Type Inspection Inspector Violation? Non-Compliance? Date Action Due By: iKMW0935135065 12/17/2009 Routine/Periodic Kimberly Wilson Yes 1/17/2010 No Comments on Inspection: Idle Well. Violation of NMAC 19.15.25.8 Operator must return well to beneficial use, TA or submit P/A procedure to OCD District II office no later than January 17, 2010 for approval. ARTESIA METEX UNIT No.029 30-015-01194-00-00 B-25-18S-27E Inspection Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: iKMW0935130686 12/17/2009 Routine/Periodic Kimberly Wilson Yes No 1/17/2010 Comments on Inspection: Idle Well. Violation of NMAC 19.15.25.8 Operator must return well to beneficial use, TA or submit P/A procedure to OCD District II office no later than January 17, 2010 for approval. ARTESIA METEX UNIT No.019 O-24-18S-27E 30-015-01195-00-00 Inspection *Significant Corrective Type Inspection Inspection No. Inspector Violation? Date Non-Compliance? Action Due By: 12/17/2009 Routine/Periodic Kimberly Wilson Yes 1/17/2010 iKMW0935149690 Comments on Inspection: Idle well, last production 3/2007, Violation of NMAC 19.15.25.8 Operator must return well to beneficial use, TA or submit P/A procedure to OCD District II office no later than January 2010. ARTESIA METEX UNIT No.020 P-24-18S-27E 30-015-01196-00-00 Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 12/16/2009 Routine/Periodic Kimberly Wilson Yes No iKMW0935227885 1/17/2010 Idle Well. Violation of NMAC 19.15.25.8 Operator must return well to beneficial use, TA or **Comments on Inspection:** submit P/A procedure to OCD District II office no later than January 17, 2010 for approval. ARTESIA METEX UNIT No.007 J-24-18S-27E 30-015-01197-00-00 Inspection *Significant Corrective Type Inspection Violation? Inspector Inspection No. Date Non-Compliance? Action Due By: 12/17/2009 Routine/Periodic Kimberly Wilson Yes Nο 1/17/2010 · iKMW0935148625 Comments on Inspection: ldle well, last production 3/07, Violation of NMAC 19.15.25.8 Operator must return well to beneficial use, TA or submit P/A procedure to OCD District II office no later than January 17, ARTESIA METEX UNIT No.004 E-19-18S-28E 30-015-01944-00-00 Inspection *Significant Corrective Type Inspection Violation? Inspector Inspection No. Date Non-Compliance? Action Due By: 12/17/2009 Routine/Periodic Kimberly Wilson Yes No 1/17/2010 iKMW0935150012 Comments on Inspection: Idle well, last produced 3/07, Violation of NMAC 19.15.25.8 Operator must return well to beneficial use, TA or submit P/A procedure to OCD District II office no later than January 17, ARTESIA METEX UNIT No.061 A-25-18S-27E 30-015-21874-00-00 Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: Routine/Periodic 12/17/2009 Kimberly Wilson iKMW0935131008 Yes No 1/17/2010 Comments on Inspection: Idle Well. Violation of NMAC 19.15.25.8 Operator must return well to beneficial use, TA or submit P/A procedure to OCD District II office no later than January 17, 2010 for approval. ARTESIA METEX UNIT No.064 H-25-18S-27E 30-015-27192-00-00 Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 12/17/2009 Routine/Periodic Kimberly Wilson Yes No 1/17/2010 iKMW0935130292 Idle Well. Violation of NMAC 19.15.25.8 Operator must return well to beneficial use, TA or Comments on Inspection: submit P/A procedure to OCD District II office no later than January 17, 2010 for approval,

ARTESIA METEX UNIT No.065

F-25-18S-27E

30-015-27193-00-00

Inspection Date

12/17/2009

Type Inspection Routine/Periodic Inspector

Violation? Non-Compliance?

*Significant Action Due By:

Corrective

Inspection No.

Yes

Kimberly Wilson

1/17/2010

Comments on Inspection:

1. Wilson

iKMW0935133673

Idle Well. Violation of NMAC 19.15.25.8 Operator must return well to beneficial use, TA or submit P/A procedure to OCD District II office no later than January 17, 2010 for approval.

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.

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.