

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

Field Inspection Program
"Perserving the Integrity of Our Luvironment"

18-Dec-09

LOVNO. 02-09-117

ERS RESOURCES, LLC

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

2010.

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

ARTESIA METEX UNIT No.003 H-24-18S-27E 30-015-00938-00-00 Inspection *Significant Corrective Type Inspection Inspector Inspection No. Violation? Date Non-Compliance? Action Due By: 12/17/2009 Routine/Periodic Kimberly Wilson Yes No 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, 2010. ARTESIA METEX UNIT No.002 G-24-18S-27E 30-015-00939-00-00 Inspection *Significant Corrective Inspection No.\ Date Type Inspection Inspector Violation? Action Due By: Non-Compliance? Kimberly Wilson 12/17/2009 Routine/Periodic iKMW0935147945 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,

Oil Conservation Division * 1301 W. Grand * Artesia, New Mexico 88210 Phone: 505-748-1283 * Fax: 505-748-9720 * http://www.emnrd.state.nm.us

ARTESIA METEX UNIT No.001 B-24-18S-27E 30-015-00940-00-00 *Significant Inspection Corrective Type Inspection Inspector Violation? Non-Compliance? Inspection No. Date Action Due By: 12/16/2009 iKMW0935147286 Routine/Periodic 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 Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 12/16/2009 Routine/Periodic Kimberly Wilson Yes No iKMW0935227819 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 M-24-18S-27E **ARTESIA METEX UNIT No.016** 30-015-00942-00-00 *Significant Inspection Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: iKMW0935227945 12/16/2009 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.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 Yes No 1/17/2010 iKMW0935227739 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 Yes No 1/17/2010 iKMW0935148994 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** Violation? Inspector Inspection No. Date Non-Compliance? **Action Due By:** 12/17/2009 Routine/Periodic Kimberly Wilson Yes 1/17/2010 iKMW0935149358 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 *Significant Inspection Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 12/17/2009 Routine/Periodic Kimberly Wilson Yes iKMW0935149217 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 No 1/17/2010 iKMW0935133369 Comments on Inspection: ldle 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 N Inspection Date	METEX UNIT		Inspector	Violation?	E-25-18S-27E *Significant Non-Compliance?	30-015-00952-00- Corrective Action Due By:	00 Inspection No.
12/17/2009	Routine/Perio		Kimberly Wilson	ı Yes	No	1/17/2010	iKMW0935133997
Comments	on Inspection:		ation of NMAC 19.1	5.25.8 Ope	rator must return well no later than Janaury 1	to beneficial use, TA 7, 2010 for approval.	or
ARTESIA N	METEX UNIT	No.026			A-26-18S-27E	30-015-00962-00-	00
Inspection Date	Type Inspection		Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
12/17/2009	Routine/Perio	-	Kimberly Wilson		No		iKMW0935131434
Comments	on Inspection:				rator must return well no later than January 1	to beneficial use, TA 7, 2010 for approval.	or
ARTESIA N	METEX UNIT	No.035			H-26-18S-27E	30-015-00963-00-	00
Inspection	Type Inspection	_	Increator	Violetian	*Significant	Corrective	Inspection No.
Date 12/17/2009	Routine/Perio		Inspector Kimberly Wilson	Violation? Yes	Non-Compliance? No	Action Due By: 1/17/2010	iKMW0935132912
	on Inspection:					to beneficial use, TA	
Comments	m mapeetion.					17, 2010 for approval	
	METEX UNIT	No.051			P-26-18S-27E	30-015-00966-00-	00
Inspection Date	Type Inspection	1	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
12/17/2009	Routine/Perio		Kimberly Wilson		Non-Compnance:	•	iKMW0935135794
	on Inspection:	Idle Well. Viola	ition of NMAC 19.1:	5.25.8 Ope	rator must return well	to beneficial use, TA	
			edure to OCD Distri	ct II office r	no later than January 1		
	METEX UNIT	No.055	*		B-35-18S-27E	30-015-00986-00-	00
Inspection Date	Type Inspection	1	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
12/17/2009	Routine/Perio	dic	Kimberly Wilson	Yes	No	· · · · · · · · · · · · · · · · · · ·	iKMW0935135373
Comments	on Inspection:				rator must return well to later than January 1	to beneficial use, TA of 7, 2010 for approval.	or
ARTESIA N	IETEX UNIT	No.056			A-35-18S-27E	30-015-00987-00-0	00
Inspection Date	Type Inspection	•	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
12/17/2009	Routine/Perio		Kimberly Wilson		No.	•	iKMW0935135606
Comments of	n Inspection:	Idle Well. Viola	tion of NMAC 19.15	5.25.8 Oper	ator must return well to later than January 1	to beneficial use, TA	
ARTESIA M	IETEX UNIT	No.057			D-36-18S-27E	30-015-00990-00-0	00
Inspection	Type Inspection		Inspector	Violation?	*Significant	Corrective	Inspection No.
Date 12/17/2009	Routine/Perio		Kimberly Wilson	Yes	Non-Compliance? No	Action Due By: 1/17/2010	iKMW0935136102
	n Inspection:	Idle Well. Viola	tion of NMAC 19.15	5.25.8 Oper		to beneficial use, TA o	
ARTESIA M	IETEX UNIT				C-36-18S-27E	30-015-00991-00-0	00
Inspection			T	72° 1 0	*Significant	Corrective	
Date 12/17/2009	Type Inspection Routine/Perior		Inspector	Violation?	Non-Compliance?	Action Due By:	Inspection No.
	n Inspection:		Kimberly Wilson	Yes	No		iKMW0935136310
Comments o	u Inspection.				o later than January 17	to beneficial use, TA of 7, 2010 for approval.	or.
	IETEX UNIT	No.044			I-26-18S-27E	30-015-01190-00-0	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	KMW0935134257
	n Inspection:	Idle Well. Violat	tion of NMAC 19.15	i.25.8 Oper	· · · · ·	o beneficial use, TA o	
			date to GCD Distric	THE OTHER IN	- mici man January 17	- Loro for approval.	

12/17/2009 Noutine/Periodic Kimberly Wilson Yes No 1/17/2010 iKMW09351350 Noutine/Periodic Kimberly Wilson Yes No 1/17/2010 iKMW09351350 Noutine/Periodic Mimberly Wilson Yes No 1/17/2010 iKMW09351350 Noutine/Periodic	ARTESIA Inspection	METEX UNIT	No.050		•	O-26-18S-27E *Significant	30-015-01191-00-0	00
Comments on Impection: 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	. •	Type Inspection	n	Inspector	Violation?			Inspection No.
ARTESIA METEX UNIT No.029 B-25-18S-27E Significant Non-Compliance? Significant Non-Complia	12/17/2009	Routine/Perio	odic	Kimberly Wilson	Yes	No	1/17/2010	KMW0935135065
Inspection Date	Comments	on Inspection:						r
Page Type Inspection Inspection Comments on Inspection Inspection Make Page	ARTESIA	METEX UNIT	No.029			B-25-18S-27E	30-015-01194-00-0	00
12/17/2009 Routine/Periodic Kimberly Wilson Yes No 1/17/2010 KikMw09351306		Type Inspection	n	Inspector	Violetien?			Inspection No.
Comments on Inspection: submit P/A procedure to OCD District II office no later than January 17, 2010 for approval.				-		-	· ·	-
ARTESIA METEX UNIT No.019 C24-18S-27E Significant No.019 Inspection No.019 No.019 Corrective No.019 No.020 No.02				•				
Inspection Date								
Date Type Inspection Inspection Inspection No. Comments on Inspection		METEX UNIT	No.019				30-015-01195-00-0	00
12/17/2009 Routine/Periodic Kimberly Wilson Yes No 1/17/2010 iKMW09351496 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		Type Inspection	n	Inspector	Violation?			Inspection No.
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. P-24-18S-27E Significant Non-Compliance? Non-Compliance		• • •		•		-	•	-
ARTESIA METEX UNIT No.020 Inspection Date Type Inspection: Type Inspection: Inspe		on Inspection:	Idle well, last pro	•				
Inspection Date Type Inspection Corrective Action Due By: Inspection No.								
Date Type Inspection Inspection Violation? Non-Compliance? Action Due By: Inspection No.		METEX UNIT	No.020					0
12/16/2009 Routine/Periodic Kimberly Wilson Yes No 1/17/2010 iKMW09352278		Type Inspection	1	Inspector	Violation?			Inspection 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.007		• • •		•				•
ARTESIA METEX UNIT No.007 Inspection Date Type Inspection Typ			Idle Well. Viola	tion of NMAC 19.15	5.25.8 Oper	rator must return well	to beneficial use, TA o	
Type Inspection Inspection Inspection Inspection Violation? Non-Compliance? Action Due By: Inspection No.	ARTESIA	METEX UNIT		- District				0
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, 2010. ARTESIA METEX UNIT No.004	•	Type Inspection	1	Inspector	Violation?		Corrective	Inspection No.
beneficial use, TA or submit P/A procedure to OCD District II office no later than January 17, 2010. ARTESIA METEX UNIT No.004 Inspection Date Type Inspection Inspector Violation? Non-Compliance? Action Due By: Inspection No. 12/17/2009 Routine/Periodic Kimberly Wilson Yes No 1/17/2010 iKMW09351500 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, 2010. ARTESIA METEX UNIT No.061 Inspection Date Type Inspection: Inspection 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 iKMW09351310 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 Inspection Date Type Inspection Inspection Inspector Violation? No.064 Inspection Date Type Inspection Inspection Inspector Violation? No.064 Non-Compliance? Corrective Action Due By: Inspection No.064 Inspection Type Inspection Inspection No.064 Inspection No.064 Inspection Type Inspection Inspection Inspector Violation? Non-Compliance? Non-Compliance? Action Due By: Inspection No.064 Inspection Type Inspection Inspection Violation? Non-Compliance? Non-Compliance? Non-Compliance? Action Due By: Inspection No.064 Inspection Type Inspection Violation? Non-Compliance? Non-Complia	12/17/2009	Routine/Perio	dic	Kimberly Wilson	Yes	No	1/17/2010 i	KMW0935148625
Inspection Date Type Inspection Inspector Violation? *Significant Non-Compliance? Action Due By: Inspection No.	Comments	on Inspection:	beneficial use, T.	oduction 3/07, Viol A or submit P/A prod	ation of NM cedure to O	IAC 19.15.25.8 Oper CD District II office n	ator must return well to o later than January 17	,
Type Inspection Inspector Violation? Non-Compliance? Action Due By: Inspection No.	ARTESIA I	METEX UNIT	No.004			E-19-18S-28E	30-015-01944-00-0	0
12/17/2009 Routine/Periodic Kimberly Wilson Yes No 1/17/2010 iKMW09351500 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, 2010. ARTESIA METEX UNIT No.061 Inspection Date Type Inspection Inspector Violation? No.062 *Significant Non-Compliance? Action Due By: Inspection No. 12/17/2009 Routine/Periodic Kimberly Wilson Yes No 1/17/2010 iKMW09351310 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 Inspection Date Type Inspection Inspector Violation? Non-Compliance? Action Due By: Inspection No. 12/17/2009 Routine/Periodic Kimberly Wilson Yes No 1/17/2010 iKMW093513029	-	Tuna Inspection		Inchestor	Violetian 9			Inspection No
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, 2010. ARTESIA METEX UNIT No.061 Inspection Date Type Inspection Inspector Violation? Non-Compliance? Action Due By: Inspection No. 12/17/2009 Routine/Periodic Kimberly Wilson Yes No 1/17/2010 iKMW09351310 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 Inspection Date Type Inspection Inspector Violation? Non-Compliance? Action Due By: Inspection No. 12/17/2009 Routine/Periodic Kimberly Wilson Yes No 1/17/2010 iKMW093513029				•		- '	•	-
beneficial use, TA or submit P/A procedure to OCD District II office no later than January 17, 2010. ARTESIA METEX UNIT No.061 Inspection Date Type Inspection Inspector Violation? Kimberly Wilson Ves No 1/17/2010 ARTESIA METEX UNIT No.064 ROTE OF The Inspection Inspector 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 Inspection Date Type Inspection Inspector Violation? Violation? Violation? Non-Compliance? Action Due By: Inspection No. 12/17/2009 Routine/Periodic Kimberly Wilson Violation? Non-Compliance? Non-Compliance? Action Due By: Inspection No. 12/17/2010 Inspection No. 12/17/2009 Routine/Periodic Kimberly Wilson Ves No 1/17/2010 IKMW093513029				•				KW W 0933 [300] 2
Inspection Date Type Inspection Inspector Violation? Non-Compliance? Action Due By: Inspection No. 12/17/2009 Routine/Periodic Kimberly Wilson Yes No 1/17/2010 iKMW093513100 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 Inspection Date Type Inspection Inspector Violation? Non-Compliance? Action Due By: Inspection No. 12/17/2009 Routine/Periodic Kimberly Wilson Yes No 1/17/2010 iKMW093513029	Comments	on inspection.	beneficial use, Ta					
Date Type Inspection Inspector Violation? Non-Compliance? Action Due By: Inspection No. 12/17/2009 Routine/Periodic Kimberly Wilson Yes No 1/17/2010 iKMW09351310 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 Inspection Date Type Inspection Inspector Violation? Non-Compliance? Action Due By: Inspection No. 12/17/2009 Routine/Periodic Kimberly Wilson Yes No 1/17/2010 iKMW093513029		METEX UNIT	No.061			A-25-18S-27E	30-015-21874-00-0	0
12/17/2009 Routine/Periodic Kimberly Wilson Yes No 1/17/2010 iKMW093513100 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 Inspection Date Type Inspection Inspector Violation? Non-Compliance? Action Due By: Inspection No. 12/17/2009 Routine/Periodic Kimberly Wilson Yes No 1/17/2010 iKMW093513029		Type Inspection	1	Inspector	Violation?	_		Inspection 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.064 Inspection Date Type Inspection Unspector Type Inspection Non-Compliance? Routine/Periodic Inspector Violation Yes No 1/17/2010 IKMW093513029				•		-	·	•
ARTESIA METEX UNIT No.064 Inspection Date Type Inspection Unit Periodic Type Inspection Type Inspection Unit Periodic Type Inspection Type In			Idle Well. Violat	tion of NMAC 19.15	.25.8 Oper	ator must return well t	o beneficial use, TA or	
DateType InspectionInspectorViolation?Non-Compliance?Action Due By:Inspection No.12/17/2009Routine/PeriodicKimberly WilsonYesNo1/17/2010iKMW093513029	ARTESIA N	METEX UNIT				<u>_</u>		0
12/17/2009 Routine/Periodic Kimberly Wilson Yes No 1/17/2010 iKMW093513029	-	Type Inspection		Inspector	Violetie-9			Inconstian No.
				-			•	-
submit P/A procedure to OCD District II office no later than January 17, 2010 for approval.			Idle Well. Violat	ion of NMAC 19.15	.25.8 Opera	ator must return well t	o beneficial use, TA or	

ARTESIA METEX UNIT No.065

F-25-18S-27E

30-015-27193-00-00

Inspection Date

12/17/2009

Type Inspection
Routine/Periodic

Inspector

M. Wilsen

Violation?

*Significant Non-Compliance? Corrective
Action Due By:

Inspection No.

Kimberly Wilson

Yes

No

1/17/2010

iKMW0935133673

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.

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.

Sincerel

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.