NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Betty Rivera
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

Field Inspection Program
"Preserving the Integrity of Our Environment"

08-Oct-02

CARBON ENERGY INC
520 N SHIPP
HOBBS NM 88240-

Dear Operator:

The following inspection(s) indicate one or more violations as described in the detail section below. The inspection(s) indicates that the well, equipment, location or operational status failed to meet standards of the New Mexico Oil Conservation Division. 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 below 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.

Please notify the proper district office of the Division 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

SHELL STATE 001   3-6-19S-37E   30-025-26637-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
09/25/2002	Routine/Periodic	Johnny Robinson	Yes	No	12/29/2002	iJDR0226855132

Comments on Inspection: Well is SI and the well sign isn't ledgeable. Install a well sign, return the well to production, TA or plug the well. FIRST NOTICE OF NON-COMPLIANCE.

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,

CHRIS WILLIAMS
OC DISTRICT SUPERVISOR/GENERAL MANAGER
Chris Williams, District I Supervisor

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.

Before the OCD
Case 13337
OCD Ex. 13