

**MERIT ENERGY COMPANY****13727 Noel Road, Suite 500, Dallas, TX 75240****Telephone: 972.701.8377****Facsimile: 972.960.1252****Facsimile Transmission****FAX TO:** GERRY GUYE**FAX NUMBER:** _____**FROM:** LYNNE MOON**PAGES:** COVER + 1**DATE:** 06/15/05**SUBJECT:** _____FERN OIL COMPANY #5 REPAIRED 10/27/04TURNER B #12 REPAIRED 06/02/05

WELLS HAVE BEEN REPAIRED AND ARE BEING
RETURNED TO SERVICE. IF YOU HAVE ANY
QUESTIONS I CAN BE REACHED @ 972-628-1569.

THANKS !



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Jeanne Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Field Inspection Program
"Preserving the Integrity of Our Environment"

10-Nov-04

MERIT ENERGY CO

13727 NOEL RD STE. 500

Dallas TX 75241

NOTICE 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

FREN OIL COMPANY No.005				P-19-17S-31E	30-015-05253-00-00		
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.	
11/10/2004	MIT Witnessed - Pressure T	Gerry Guye	Yes	No	12/10/2004	iGEG0431552648	
Comments on Inspection:		No bradenhead connection visible (Rule 19.15.9.704.B)					

TURNER B No.012				L-20-17S-31E	30-015-05284-00-00		
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.	
11/10/2004	MIT Witnessed - Pressure T	Gerry Guye	Yes	No	12/10/2004	iGEG0431550690	
Comments on Inspection:		no bradenhead connection visible (Rule 19.15.9.704.B)					

505-748-9720