

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Lori Wrotenberg

Director

Oil Conservation Division

15-May-03

HEARTLAND ENERGY CORP

14705 CHESTERFIELD RD

ROCKVILLE MD 20853-1658

NOTICE OF VIOLATION

Dear Operator:

A review of our records and recent inspection(s) indicate that the subject well(s) has been shut-in for an extended period of time. Rule 201 of the Rules and Regulation of the Oil Coservation Divison provides that a well may be shut-in no longer than sixty days after suspension of drilling operations, upon determining that ther well is no longer usable (e.g., a dry hole), or one year after last production. To comply with guidelines as established in the Rules and Regulations, corrective actions must be taken immediately and the well(s) brought into compliance.

The detail section below indicates preliminary findings and/or probable nature of the violation.

The following options are available:

1. Immediately restore the well(s) to production, injection or disposal as applicable.
2. Request 'Temporary Abandoned' status pursuant to Rule 203, which requires that you set a plug and conduct a mechanical integrity test.
3. Submit a proposal to 'Plug and Abandon' the well(s) pursuant to Rule 202, proceed with plugging procedures on a timely basis after the proposal has been evaluated, amended and/or approved.

To avoid further action, we request that you exercise one of the above options no later than the "Corrective Action" due date indicated below.

Please be advised that this Notice of Violation may be followed by an application for an order to Show Cause why the bond should not be forfeited, the well pluggedand civil pentalties assessed. Please notify this office at least 24 hours prior to any repair and/or plugging, subsequent mechanical integrity test, or to request TA status for the well(s).

IDLE WELL INSPECTION DETAIL SECTION

FROEHLICH FEDERAL 001 H-24-18S-21E ~~30-015-23552-00-0~~ Inspection No. iPCH0313448929

Inspection Date: 5/14/2003 1:35:25 PM

Corrective Action Due by: 8/15/2003

Type Inspection Inspector

Violation?

*Significant Non-Compliance?

Routine/Periodic

Phil Hawkins

Yes

No

Comments on Inspection: LAST PRODUCTION 6/1997 VIOLATION RULE # 201

SUN TEXAS STATE 001 J-24-18S-21E 30-015-23672-00-0 Inspection No. iPCH0313449395

Inspection Date: 5/14/2003 1:43:12 PM

Corrective Action Due by: 8/15/2003

Type Inspection

Inspector

Violation?

*Significant Non-Compliance?

Routine/Periodic

Phil Hawkins

Yes

No

Comments on Inspection: LAST PRODUCTION 6/1997, VIOLATION OF RULE #201

Thank you for your prompt attention to this matter and your efforts in helping to protect our environment and the infra-structure of the oil and gas industry.

Sincerely,

A handwritten signature in cursive script that reads "Phil Hawkins". The signature is written in dark ink and is positioned above the typed name.

Artesia OCD District Office

* Significant Non-Compliance events are reported directly to the U.S. Environmental Protection Agency, Region VI, Dallas, Texas.