NEW MEXICO ENERGY, MINERALS NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor Joanna Prukop Cabinet Secretary

Lori Wrotenbery Director Oil Conservation Division

Field Inspection Program "Preserving the Integrity of Our Environment,

08-May-03

MEWBOURNE OIL CO PO BOX 7698 TYLER, TX 75711-0000

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.

Please be advised that failure to comply with this directive will result in an application for an order to Show Cause why the Bond should not be forfeited, the well plugged and civil penalties assessed.

INSPECTION DETAIL SECTION

BALDRIDGE CANYON 1 STATE 001

E-1-24S-24E

30-015-29861-00-00

Inspection

Type Inspection Date

Inspector

Violation?

Significant Corrective

05/08/2003

Routine/Periodic

Non-Compliance?

Action Due By: Inspection No.

Mike Bratcher

Yes

4/4/2002

iMLB0312843853

Comments on Inspection:

No well sign. Violation Rule 103.

CROOKED CREEK 16 STATE 001

A-16-24S-24E

30-015-32166-00-00

Inspection Date

Type Inspection

Inspector

Mike Bratcher

Violation? Yes

*Significant Non-Compliance? No

No

Corrective Action Due By: 8/11/2003

Inspection No.

iMLB0312846795

05/08/2003 Routine/Periodic Comments on Inspection:

Well sign has been badly damaged and is not legible or mounted. Violation Rule 103.

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

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.