8-28-2003

Dear Sus

In Reference to your letter Concurring INJECTION Welle OVER Pressured. These Wills Have Bein TEMporaniey (5Mg) IN) To Bring THEM WITHIN Prissure Limis, We Will Continue To WORK WHATHEM TO MOINTANE Compliance (JL Keel 8 610 MAX FRIESS MA OUZ ENCLOSED 15 COPY OF LETTER Also ENCLOSED IS HE WEST 8 # 224 Currently TAKING WATER APPROX. 80 BARRELS Per DAY ALSO ENCLOSED IN FAX We ARE CUrrently Working on Schiduling Work For HE WESTB 063 THAK YOU FOR Your Help IN THIS MAPTER CHAIS FLORES



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

Field Inspection Program
"Preserving the Integrity of One Environment"

14-Aug-03

MERIT ENERGY CO

PO Box 69

STE 1500

DALLAS, TX 75251-0000

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	ON DETAIL	. SECTION		Augustinian (Company)
J L KEEL I Inspection Date	B 010 Type Inspection	1	B-8	-17S-31E Violation?	30-015-05110-00-00 *Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
08/08/2003	Compliance 1	Verification	Gerry Guye	Yes	No	8/25/2003	iGEG0322335007
MAX FRIE	on Inspection: SS MA 002	•	essure or Division ap		imit. Well must be SHUT- use in injection pressure. Ru 30-015-05469-00-00	ale 201 complian	nce SHILI IN TEMP
Inspection Date	Type Inspection	ı	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
08/08/2003	Compliance V	/erification	Gerry Guye	Yes	No	9/15/2003	iGEG0322335365
Comments	n Inspection:	•	-IN pending reduction	~ .	are indicates well is over pro r Division approval of incre		ins /W TEM