

015-35086

PRIMERO OPERATING, INC

PO Box 1433, Roswell, NM 88202-1433
505.622.1001

NOV 06 2007
OCD-ARTESIA

November 3, 2007

NMOCD
1301 W. Grand
Artesia, NM 88210

Ray

Re: Ford Federal #001
API 30-015-35086
Letter of Violation 10/11/07

Gentlemen:

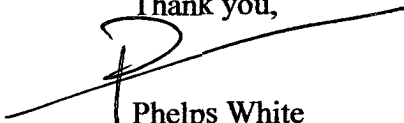
Mr. Ron Harvey visited my location in October of '07, his observations included that the drilling pit was open and full. I was on the location November 4th and observed that the pits are not full at this time. Summer '07 seemed to be unnaturally wet and every time the pits got dry wet weather would pass through and water would accumulate in the pits. I do acknowledge that the pits are still open over 6 months after completion and will take care of the matter as soon as possible.

Please be advised that Primero Operating, Inc. is currently in the process of evaluating the pit closure for the subject well. We plan to close the pits on the subject well and also the #002 well which is one location north.

We have consulted with Ocotillo Environmental in Hobbs to direct us in the best way to close the pits and are awaiting their recommendations. I will also seek advice from the BLM this week. I will endeavor to begin closure in November '07 depending on equipment availability and will notify you when the pits are ready for inspection.

If you need more information, please let me know. I can be reached on my cell phone at 505 626 7660.

Thank you,


Phelps White
President