NEW MEXICO ENERGY, MINERALS NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor Joanna Cabinet Secretary Mark E. Fesmire. Director Oil Conservation

21-Feb-08

TIPTON OIL & GAS ACQUISITIONS, INC.

P.O. BOX 1597 LOVINGTON NM 88260

ORBIT PETROLEUM, INC. 1131 E. BRITTON RD OKLAHOMA CITY OK 73131 LOV NO. 02-08-032

LETTER 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

TWIN LAKES SAN ANDRES UNIT No.054

No

30-005-00349-00-00

Inspection Date

02/21/2008

Type Inspection Pre-Operation (MIT Inspector

*Significant Violation? Non-Compliance?

Corrective Action Due By:

Inspection No.

02/21/2008

Richard Inge

Yes

3/5/2008

iREI0805234557

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

DOUBLE L QUEEN UNIT No.0011

L-31-14S-30E

30-005-20307-00-00 Corrective

Inspection Date Type Inspection

Inspector Richard Inge Violation? Yes

*Significant Non-Compliance?

Action Due By: 3/5/2008

Inspection No. iREI0805232527

Pre-Operation (MIT Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

DOUBLE L QUEEN UNIT No.002H

E-31-14S-30E

30-005-20308-00-00 Corrective

Inspection Date

Type Inspection Inspector Violation?

*Significant Non-Compliance? No

Action Due By:

Inspection No.

Richard Inge

Yes

3/5/2008

iREI0805232620

Comments on Inspection:

Violation of NMOCD Rule 19.15.9 704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.035

Pre-Operation (MIT

K-36-8S-28E *Significant 30-005-60026-00-00 Corrective

Inspection Date 02/21/2008

02/21/2008

Type Inspection Pre-Operation (MIT Inspector Richard Inge Violation? Yes

Non-Compliance?

Action Due By:

Inspection No. iREI0805232294

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.034

L-36-8S-28E

30-005-60033-00-00

Inspection Date

Type Inspection Inspector Violation?

*Significant Non-Compliance? No

Corrective Action Due By: 3/5/2008

Inspection No.

iREI0805234257

02/21/2008 Pre-Operation (MIT Comments on Inspection:

Yes Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.017

C-36-8S-28E

30-005-60039-00-00

Corrective

Inspection Date 02/21/2008

Type Inspection Pre-Operation (MIT Inspector Richard Inge

Richard Inge

Violation? Yes

Non-Compliance? No

*Significant

Action Due By: 3/5/2008

Inspection No. iREI0805233917

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

DOUBLE L QUEEN UNIT No.001K

A-1-15S-29E

30-005-60078-00-00 Corrective

Inspection Date 02/21/2008

Type Inspection

Inspector Richard Inge Violation? Yes

*Significant Non-Compliance? No

Action Due By: 3/5/2008

Inspection No. iREI0805232574

Pre-Operation (MIT Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

DOUBLE L QUEEN UNIT No.004G

G-36-14S-29E

*Significant

Non-Compliance?

No

30-005-60080-00-00

Inspection Date 02/21/2008

Type Inspection

Inspector

Violation?

Corrective Action Due By: Inspection No.

Pre-Operation (MIT Richard Inge Yes

3/5/2008

iREI0805232956

Violation of NMOCD Rule 19.15.9 704.A (5), which states in part "... The injection well Comments on Inspection:

operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

DOUBLE L QUEEN UNIT No.001H

N-25-14S-29E

30-005-60127-00-00

Inspection Date

02/21/2008

Type Inspection Pre-Operation (MIT Inspector Violation?

*Significant Non-Compliance?

Corrective Action Due By:

Inspection No.

Comments on Inspection:

Richard Inge Yes

iREI0805232461

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed.'

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.074

K-1-9S-28E

30-005-60248-00-00

Inspection Date

Type Inspection

Inspector

Violation?

*Significant Non-Compliance?

Corrective Action Due By:

Inspection No.

02/21/2008 Pre-Operation (MIT

Richard Inge

Yes

No

3/5/2008

iREI0805234893

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.046

O-36-8S-28E

30-005-60291-00-00

Inspection Date 02/21/2008

Type Inspection Pre-Operation (MIT Inspector Richard Inge Violation? Yes

*Significant Non-Compliance?

Corrective Action Due By: 3/5/2008

Inspection No. iREI0805234388

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed.'

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.055

*Significant

C-1-9S-28E

30-005-60297-00-00 Corrective

Inspection Date 02/21/2008

Type Inspection Pre-Operation (MIT Inspector Richard Inge Violation? Yes

Non-Compliance? No

Action Due By: 3/5/2008

Inspection No. iREI0805234602

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

E-36-8S-28E

30-005-60334-00-00

Inspection *Significant Corrective Date Type Inspection Inspector Violation? Non-Compliance? Action Due By: Inspection No. Richard Inge iREI0805234105 02/21/2008 Pre-Operation (MIT Yes No 3/5/2008

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.027

G-36-8S-28E **30-005-60521-00-00**

*Significant Corrective

Date Type Inspection Inspector Violation? Non-Compliance? Action Due By: Inspection No. 02/21/2008 Pre-Operation (MIT Richard Inge Yes No 3/5/2008 iREI0805234159

Comments on Inspection:

Inspection

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.013

M-30-8S-29E **30-005-60558-00-00**

Inspection *Significant Corrective Date Inspector Type Inspection Violation? Non-Compliance? Action Due By: Inspection No. 02/21/2008 Pre-Operation (MIT Richard Inge Yes No 3/5/2008 iREI0805233825

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "...The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.019

A-36-8S-28E **30-005-60560-00-00**

Inspection *Significant Corrective Date Type Inspection Inspector Violation? Non-Compliance? Action Due By: Inspection No. 02/21/2008 Pre-Operation (MIT Richard Inge Yes iREI0805233957 No 3/5/2008

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "...The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.011

DateType InspectionInspectorViolation?Non-Compliance?Action Due By:Inspection No.02/21/2008Pre-Operation (MITRichard IngeYesNo3/5/2008iREI0805233777

Comments on Inspection:

Inspection

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "...The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

I-25-8S-28E

30-005-60579-00-00 Action Due By:

Inspection Date Type Inspection

Inspector

Violation?

*Significant Non-Compliance? Corrective

02/21/2008

Pre-Operation (MIT

Richard Inge

Yes

3/5/2008 No

Inspection No. iREI0805233602

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection

on this well will require that this well be shut-in on the Corrective Action due date.

KUCHEMANN No.002

E-30-8S-29E *Significant 30-005-60580-00-00 Corrective

Inspection Date

Type Inspection Inspector Pre-Operation (MIT Richard Inge Violation? Yes

Non-Compliance? No

Action Due By: 3/5/2008

Inspection No. iREI0805233002

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection

on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.006

K-30-8S-29E

30-005-60596-00-00

Inspection Date

02/21/2008

Type Inspection

Violation?

Significant Non-Compliance? No

Corrective Action Due By: 3/5/2008

Inspection No. iREI0805233672

02/21/2008 Pre-Operation (MIT Comments on Inspection:

Yes Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Inspector

Richard Inge

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.009

M-25-8S-28E

30-005-60598-00-00

Inspection Date

02/21/2008

Inspection

Date

02/21/2008

Type Inspection Inspector Pre-Operation (MIT Richard Inge Violation? Yes

*Significant Non-Compliance? No

Corrective Action Due By: 3/5/2008

Inspection No. iREI0805233720

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed.'

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.002

K-25-8S-28E

30-005-60648-00-00 Corrective

Type Inspection

Inspector Richard Inge Violation? Yes

*Significant Non-Compliance? No

Action Due By: 3/5/2008

Inspection No. iREI0805236097

Pre-Operation (MIT Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Pre-Operation (MIT

C-31-8S-29E

30-005-60658-00-00 Corrective

Inspection Date 02/21/2008

Type Inspection

Inspector

Violation?

*Significant Non-Compliance?

Action Due By:

Inspection No.

Comments on Inspection:

Richard Inge

Yes

No 3/5/2008 iREI0805234003

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well

operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.040

K-31-8S-29E *Significant 30-005-60696-00-00 Corrective

Inspection Date

02/21/2008

Type Inspection Pre-Operation (MIT Inspector Richard Inge Violation? Yes

Non-Compliance?

Action Due By: 3/5/2008

Inspection No. iREI0805234299

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.091

B-12-9S-28E

30-005-60790-00-00

Inspection Date

02/21/2008

Inspection

Date

Type Inspection

Inspector Richard Inge Violation? Yes

*Significant Non-Compliance? Nο

Corrective Action Due By: 3/5/2008

Inspection No. iREI0805235140

Pre-Operation (MIT Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.086

Type Inspection

Violation?

P-1-9S-28E 30-005-60794-00-00 *Significant Corrective

Action Due By: Inspection No.

Pre-Operation (MIT 02/21/2008

Richard Inge

Inspector

Yes No 3/5/2008

iREI0805235061

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.032

G-31-8S-29E

30-005-60795-00-00

Inspection Date 02/21/2008

Type Inspection Pre-Operation (MIT

Inspector Richard Inge Violation? Yes

*Significant Non-Compliance?

Non-Compliance?

Corrective Action Due By: 3/5/2008

Inspection No. iREI0805234213

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

O-31-8S-29E

30-005-60796-00-00

Inspection Type Inspection Date

Inspector

*Significant Violation? Non-Compliance? Corrective

Pre-Operation (MIT 02/21/2008

Richard Inge

Yes

Action Due By: No 3/5/2008

Inspection No. iREI0805234436

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.059

C-6-9S-29E *Significant 30-005-60807-00-00 Corrective

Inspection Date 02/21/2008

Type Inspection Pre-Operation (MIT

Inspector Richard Inge

Violation? Yes

Non-Compliance? Action Due By: 3/5/2008

Inspection No. iREI0805234688

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed.

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.076

I-1-9S-28E

30-005-60809-00-00

Inspection Date

Type Inspection

Violation? Richard Inge

*Significant Non-Compliance? No

Corrective Action Due By: 3/5/2008

Inspection No.

iREI0805234931

02/21/2008 Pre-Operation (MIT Comments on Inspection:

Yes Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.043

Type Inspection

L-32-8S-29E

*Significant

30-005-60829-00-00 Corrective

Pre-Operation (MIT 02/21/2008

Comments on Inspection:

Inspection

Date

Inspector Richard Inge

Inspector

Violation? Non-Compliance? Yes No

Action Due By: 3/5/2008

Inspection No. iREI0805234346

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well

operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.070

G-6-9S-29E

30-005-60885-00-00

Inspection Date Type Inspection 02/21/2008 Pre-Operation (MIT

Inspector Richard Inge Violation? Yes

*Significant Non-Compliance?

Corrective Action Due By: 3/5/2008

Inspection No. iREI0805234854

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Pre-Operation (MIT

02/21/2008

A-6-9S-29E

No

30-005-60920-00-00

3/5/2008

*Significant Corrective Inspection Date

Richard Inge

Type Inspection Inspector Violation? Non-Compliance?

Action Due By:

Inspection No. iREI0805234728

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well Comments on Inspection:

operator shall advise the division of the date and time any initial, five-year or special tests

Yes

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.052

M-32-8S-29E *Significant

30-005-60961-00-00 Corrective

Inspection Date Type Inspection Inspector Violation? Non-Compliance? Action Due By: Inspection No. 02/21/2008 Pre-Operation (MIT Richard Inge iREI0805234514 Yes

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well Comments on Inspection:

operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.023

A-31-8S-29E 30-005-60965-00-00

Inspection *Significant Corrective Type Inspection Date

Inspector Violation? Non-Compliance? Action Due By: Inspection No.

Pre-Operation (MIT Richard Inge 3/5/2008 iREI0805234048 02/21/2008 Yes No Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well Comments on Inspection:

operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection

on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.081

I-6-9S-29E 30-005-60993-00-00 *Significant Corrective

Inspection Date Type Inspection Inspector Violation? Non-Compliance? Action Due By: Inspection No. 02/21/2008 Pre-Operation (MIT Richard Inge Yes 3/5/2008 iREI0805235011 No

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection

on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.078

K-6-9S-29E 30-005-60995-00-00

Inspection *Significant Corrective Action Due By: Date Type Inspection Inspector Violation? Non-Compliance? Inspection No. 02/21/2008 Pre-Operation (MIT Richard Inge iREI0805234974 Yes No 3/5/2008

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Pre-Operation (MIT

O-6-9S-29E

30-005-61006-00-00

Inspection Date 02/21/2008

Type Inspection

Inspector Richard Inge Violation? Yes

*Significant Non-Compliance? No

Corrective Action Due By: 3/5/2008

Inspection No. iREI0805235100

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.068

E-6-9S-29E *Significant 30-005-61007-00-00 Corrective

Inspection Date 02/21/2008

Inspector Type Inspection Pre-Operation (MIT Richard Inge

Violation? Yes

Non-Compliance?

Action Due By:

Inspection No. iREI0805234810

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.103

G-7-9S-29E

30-005-61075-00-00 Corrective

Inspection Date 02/21/2008

Type Inspection Inspector Richard Inge Pre-Operation (MIT

*Significant Violation? Non-Compliance?

Action Due By: 3/5/2008

Inspection No. iREI0805235304

Comments on Inspection:

Yes Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.107

K-7-9S-29E

30-005-61104-00-00 Corrective

Inspection Date

Type Inspection 02/21/2008 Pre-Operation (MIT Inspector Richard Inge Violation? Yes

*Significant Non-Compliance? No

Nο

Action Due By: 3/5/2008

Inspection No. iREI0805235383

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.100

E-7-9S-29E

30-005-61105-00-00

Inspection Date

02/21/2008

Type Inspection Pre-Operation (MIT

Inspector Richard Inge Violation? Yes

*Significant Non-Compliance? Nο

Corrective Action Due By: 3/5/2008

Inspection No. iREI0805235239

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

A-7-9S-29E

30-005-61107-00-00 Corrective

Inspection Date 02/21/2008

Type Inspection Pre-Operation (MIT Inspector

Violation? Non-Compliance?

Action Due By: Inspection No.

Comments on Inspection:

Richard Inge

Yes

No

*Significant

iREI0805235192 3/5/2008

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.057

A-1-9S-28E *Significant 30-005-61135-00-00 Corrective

Inspection Date 02/21/2008

Type Inspection Pre-Operation (MIT Inspector Richard Inge Violation? Yes

Non-Compliance? No

Action Due By: 3/5/2008

Inspection No. iREI0805234650

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.111

M-7-9S-29E

30-005-61453-00-00

Inspection Date

02/21/2008

Type Inspection Pre-Operation (MIT

Inspector Richard Inge Violation? Yes

*Significant Non-Compliance? No

Corrective Action Due By: 3/5/2008

Inspection No. iREI0805235468

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.113

O-7-9S-29E

30-005-61604-00-00

Inspection Date 02/21/2008

Inspection

Date

02/21/2008

Type Inspection Pre-Operation (MIT

Inspector Richard Inge Violation? Yes

*Significant Non-Compliance?

Corrective Action Due By:

Inspection No. iREI0805235500

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed.'

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.119

F-18-9S-29E

30-005-61623-00-00 Corrective

Pre-Operation (MIT

Type Inspection

Inspector Richard Inge Violation? Yes

*Significant Non-Compliance? No

Action Due By: 3/5/2008

Inspection No. iREI0805235574

Comments on Inspection:

Violation of NMOCD Rule 19.15.9,704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection

on this well will require that this well be shut-in on the Corrective Action due date.

B-18-9S-29E

. 30-005-61736-00-00

*Significant Corrective Violation? Action Due By: Inspection No. Date Type Inspection Inspector Non-Compliance? iREI0805235540 02/21/2008 Pre-Operation (MIT Richard Inge Yes No 3/5/2008

Comments on Inspection:

Violation of NMOCD Rule 19.15 9 704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.109

J-12-9S-28E 30-005-61772-00-00 *Significant Corrective

Inspection Corrective Date Type Inspection Inspector Violation? Non-Compliance? Action Due By: Inspection No. 02/21/2008 Pre-Operation (MIT Richard Inge iREI0805235432 Yes No 3/5/2008

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "...The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.105

H-12-9S-28E 30-005-62068-00-00

Inspection *Significant Corrective

DateType InspectionInspectorViolation?Non-Compliance?Action Due By:Inspection No.02/21/2008Pre-Operation (MITRichard IngeYesNo3/5/2008iREI0805235342

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "...The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.001

F-25-8S-28E 30-005-62070-00-00

Inspection *Significant Corrective Date Type Inspection Inspector Violation? Non-Compliance? Action Due By: Inspection No. 02/21/2008 Pre-Operation (MIT Richard Inge Yes iREI0805236013 3/5/2008 No

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "...The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

O'BRIEN P No.001 C-28-8S-29E 30-005-62192-00-00

Corrective Inspection *Significant Type Inspection Date Inspector Violation? Non-Compliance? Action Due By: Inspection No. 02/21/2008 Pre-Operation (MIT Richard Inge iREI0805231565 Yes No 3/5/2008

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "...The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

C-5-9S-29E

30-005-62563-00-00

*Significant Corrective Inspection Date Type Inspection Inspector Violation? Non-Compliance?

Action Due By:

Inspection No. iREI0805234770 Pre-Operation (MIT 02/21/2008 Richard Inge Yes No 3/5/2008

Comments on Inspection:

Violation of NMOCD Rule 19.15 9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.015

O-30-8S-29E *Significant 30-005-62565-00-00 Corrective

Date Type Inspection 02/21/2008 Pre-Operation (MIT Inspector Violation? Richard Inge

Non-Compliance? No

Action Due By: 3/5/2008

Inspection No. iREI0805233871

Comments on Inspection:

Yes Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

NORTHEAST SOUARE LAKE PREMIER UNIT No.008

M-2-16S-31E

30-015-04785-00-00

Inspection Date

Inspection

Type Inspection

Violation? Richard Inge

*Significant Non-Compliance? No

Corrective Action Due By: 3/5/2008

Inspection No. iREI0805233158

02/21/2008 Pre-Operation (MIT Comments on Inspection:

Yes Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed,"

Inspector

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

NORTHEAST SOUARE LAKE PREMIER UNIT No.005

P-3-16S-31E

30-015-04788-00-00

Corrective

Inspection Date 02/21/2008

Type Inspection Inspector Pre-Operation (MIT Richard Inge Violation? Yes

*Significant Non-Compliance? No

Action Due By: 3/5/2008

Inspection No. iREI0805233101

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

NORTHEAST SQUARE LAKE PREMIER UNIT No.003

K-3-16S-31E

30-015-04794-00-00 Corrective

Inspection Date

02/21/2008

Type Inspection Pre-Operation (MIT

Inspector Richard Inge Violation? Yes

*Significant Non-Compliance? No

Action Due By: 3/5/2008

Inspection No. iREI0805233050

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

NORTHEAST SQUARE LAKE PREMIER UNIT No.012

A-9-16S-31E

Nο

30-015-04831-00-00 Corrective

Type Inspection Date

Inspector Richard Inge

*Significant Violation? Non-Compliance? Yes

Action Due By: 3/5/2008

Inspection No. iREI0805232363

Comments on Inspection:

Violation of NMOCD Rule 19.15.9 704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

NORTHEAST SQUARE LAKE PREMIER UNIT No.021

G-10-16S-31E

30-015-04837-00-00

Inspection Date

02/21/2008

02/21/2008

Type Inspection Pre-Operation (MIT

Pre-Operation (MIT

Inspector Richard Inge

*Significant Violation? Non-Compliance? Yes No

Corrective Action Due By: 3/5/2008

Inspection No. iREI0805233210

iREI0805232190

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

NORTHEAST SQUARE LAKE PREMIER UNIT No.025

I-10-16S-31E

30-015-04845-00-00

Inspection Date 02/21/2008

Type Inspection Pre-Operation (MIT Inspector Richard Inge Violation? Yes

*Significant Non-Compliance? No 3/5/2008

Corrective Action Due By: Inspection No.

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

In the event that a satisfactory response is not received to this letter of direction by the "Corrective Action Due By:" date shown above, further enforcement will occur. Such enforcement may include this office applying to the Division for an order summoning you to a hearing before a Divison Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon this well. Such a hearing may result in imposition of CIVIL PENALTIES for your violation of OCD rules.

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.