0001 4145 1140 7008



NEW MEXICO ENERGY, MINERALS NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON Governor

Joanna Prukop Cabinet Secretary Mark E. Fesmire, P.E. Director

Oil Conservation Division

Response Required - Deadline Enclosed

Field Dispection Program "Preserving the Integrity of Over 1 secondard"

11-May-09

ECHO PRODUCTION INC PO BOX 1210 GRAHAM TX 76450

LOV NO. 02-09-021

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

ANGELL RANCH 36 STATE No.002

I-36-19S-27E

30-015-34281-00-00

Inspection Date

Type Inspection

Inspector

Violation?

*Significant Non-Compliance?

Corrective Action Due By:

Inspection No.

04/16/2009

Routine/Periodic

Kimberly Wilson

Yes

No

6/12/2009

iKMW0910633728

Comments on Inspection:

Well head needs to be cut off & P/A marker installed no later than June 12, 2009, violation of

19.15.25 [NMAC]

It was noted during physical inspection that the deadman anchors have not been removed and

location clean-up not done.

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. M. Wilse

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