

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 Inspection Program "Preserving the Integrity of Our Environment"

18-Dec-09

ERS RESOURCES, LLC

C/O ORBIT PETROLEUM, INC. 251 O'CONNOR RIDGE BLVD, #265 **IRVING TX 75038**

LOVING. 02-09-117

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

ARTESIA METEX UNIT No.003

H-24-18S-27E

30-015-00938-00-00

Inspection Date

Type Inspection

Inspector

*Significant Violation?

Corrective

12/17/2009

Routine/Periodic

Non-Compliance? No

Action Due By:

Inspection No.

Kimberly Wilson

Yes

1/17/2010

iKMW0935148116

Comments on Inspection:

ldle well, last production 3/07, Violation of NMAC 19.15.25.8 Operator must return well to beneficial use, TA or submit P/A procedure to OCD District II office no later than January 17, 2010.

ARTESIA METEX UNIT No.002

G-24-18S-27E

30-015-00939-00-00

Inspection Date

Type Inspection

Inspector

Violation?

*Significant Corrective Non-Compliance? Action Due By:

Inspection No.

12/17/2009 Routine/Periodic Kimberly Wilson

Yes

No

1/17/2010

iKMW0935147945

Comments on Inspection:

Idle well, last production 11/2006, Violation of NMAC 19.15.25.8 Operator must return well to beneficial use, TA or submit P/A procedure to OCD District II office no later than January 17,

2010.

ARTESIA METEX UNIT No.001 Inspection Type Inspection Inspector Violation? B-24-18S-27E *Significant Non-Compliance? Action Due By:

Comments on Inspection: Produced fluids released at wellhead and running across location, violation of NMAC 19.15.29.

Kimberly Wilson

12/16/2009

Routine/Periodic

12/17/2009 Routine/Periodic

Comments on Inspection:

Operator must submit C-141 to OCD District II office no later than January 1, 2010.

Yes

No

Inspection No.

iKMW0935147286

1/1/2010

12/16/2009 Routine/Periodic Kimberly Wilson Yes No 1/17/2010 IKMW0935227			Remediation an	d/or work plan may t	e required.		r	
Comments on Inspection: Idle Well. Violation of NMAC 19.15.25.8 Operator must return well to beneficial use, TA or submit P/A procedure to OCD District II office no later than January 17, 2010 for approval.	Inspection Date	Type Inspectio	n	•		*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
ARTESIA METEX UNIT No.016 Inspection Date Type Inspection: Inspector Inspector Non-Compliance? ARTESIA METEX UNIT No.016 Inspection Date Type Inspection: Inspector Violation of NMAC 19.15.25.8 Operator must return well to beneficial use, TA or submit P/A procedure to OCD District II office no later than January 17, 2010 for approval. ARTESIA METEX UNIT No.008 Inspection Date Type Inspection: Idle Well. Violation of NMAC 19.15.25.8 Operator must return well to beneficial use, TA or submit P/A procedure to OCD District II office no later than January 17, 2010 for approval. ARTESIA METEX UNIT No.008 Inspection Date Type Inspection: Idle Well. Violation of NMAC 19.15.25.8 Operator must return well to beneficial use, TA or submit P/A procedure to OCD District II office no later than January 17, 2010 for approval. ARTESIA METEX UNIT No.005 Inspection: Idle Well. Violation of NMAC 19.15.25.8 Operator must return well to beneficial use, TA or submit P/A procedure to OCD District II office no later than January 17, 2010 for approval. ARTESIA METEX UNIT No.005 Inspection: Inspection: Inspection: Inspection: Inspection: Inspection: Inspection Non-Compliance: Non-Complia				•				
Inspection Date Type Inspection Date Type Inspection Date	Comments	on Inspection:						or
12/16/2009 Routine/Periodic Kimberly Wilson Yes No 1/17/2010 iKMW0935227				_		*Significant	Corrective	
Comments on Inspection: Idle Well. Violation of NMAC 19.15.25.8 Operator must return well to beneficial use, TA or submit P/A procedure to OCD District II office no later than January 17, 2010 for approval. RRTESIA METEX UNIT No.008 Inspection Type Inspection: Date Type Inspection: Inspection: Omage of Comments on Inspection: Inspection: Date Type Inspection: Inspection: Date Type Inspection: Inspection: Date Type Inspection: Inspection: Inspector Violation? Inspector Violation of NMAC 19.15.25.8 Operator must return well to beneficial use, TA or submit P/A procedure to OCD District II office no later than January 17, 2010 for approval. RRTESIA METEX UNIT No.005 L-24-18S-27E *Significant No.0-Compliance? Type Inspection: Inspection: Inspection: Idle well, last production 12/2005, Violation of NMAC 19.15.25.8 Operator must return well to beneficial use, TA or submit P/A procedure to OCD District II office no later than January 17, 2010 for approval. RRTESIA METEX UNIT No.018 Inspection: Idle well, last production 12/2005, Violation of NMAC 19.15.25.8 Operator must return well to beneficial use, TA or submit P/A procedure to OCD District II office no later than January 17, 2010 for approval. RRTESIA METEX UNIT No.018 Inspection: Inspection: Inspector:				•		-	*	•
ARTESIA METEX UNIT No.008 Inspection Date Type Inspection: Inspector Violation? Violation? No.008 Inspection Date Type Inspection: idle Well . Violation of NMAC 19.15.25.8 Operator must return well to beneficial use, TA or submit P/A procedure to OCD District II office no later than January 17, 2010 for approval. ARTESIA METEX UNIT No.018 Inspection:				•				
Inspection Date Type Inspection Corrective Comments on Inspection Date Type Inspection Comments on Inspe	Comments	on inspection:						or
12/16/2009 Routine/Periodic Kimberly Wilson Yes No 1/17/2010 iKMW0935227 Comments on Inspection: idle Well . Violation of NMAC 19.15.25.8 Operator must return well to beneficial use, TA or submit P/A procedure to OCD District II office no later than January 17, 2010 for approval. ARTESIA METEX UNIT No.005 Inspection Type Inspection: Inspector Violation? Non-Compliance? Action Due By: Inspection Non-Compliance Non-Compliance? Non-Compliance? Action Due By: Inspection Non-Compliance Non-Compliance? Non-C	Inspection			Inspector	Violation?	*Significant	Corrective	Inspection No.
Comments on Inspection: idle Well . Violation of NMAC 19.15.25.8 Operator must return well to beneficial use, TA or submit P/A procedure to OCD District II office no later than January 17, 2010 for approval. ARTESIA METEX UNIT No.005 Inspection Date Type Inspection: Inspector Violation? Non-Compliance? Action Due By: Inspection Non-Compliance Non-Compliance? Idle well, last production 12/2005, Violation of NMAC 19.15.25.8 Operator must return well to beneficial use, TA or submit P/A procedure to OCD District II office no later than January 17, 2010. ARTESIA METEX UNIT No.018 Inspection Date Type Inspection: Inspector Violation? Non-Compliance?		•••		Kimberly Wilson		-	•	iKMW0935227739
Inspection Date Type Inspection Inspector Violation? Violati	Comments	on Inspection:		ation of NMAC 19.1	5.25.8 Ope		to beneficial use, TA	
Comments on Inspection: Idle well, last production 12/2005, Violation of NMAC 19.15.25.8 Operator must return well to beneficial use, TA or submit P/A procedure to OCD District II office no later than January 17, 2010. ARTESIA METEX UNIT No.018 Inspection Date Type Inspection Date Type Inspection: Inspector Unit Inspe	Inspection			Inspector	Violation?	*Significant	Corrective)0 Inspection No.
beneficial use, TA or submit P/A procedure to OCD District II office no later than January 17, 2010. ARTESIA METEX UNIT No.018 Inspection Date Type Inspection Date Type Inspection: Inspector Uiolation? Inspector Violation? Non-Compliance? Non-Compli	12/17/2009	Routine/Perio	dic	Kimberly Wilson	Yes	No	1/17/2010 i	KMW0935148994
Inspection Date Type Inspection Inspector Violation? Violation? Non-Compliance? Action Due By: Inspection No 12/17/2009 Routine/Periodic Kimberly Wilson Yes No 1/17/2010 iKMW09351493 Comments on Inspection: Idle well, last production 11/2006, Violation of NMAC 19.15.25.8 Operator must return well to beneficial use, TA or submit P/A procedure to OCD District II office no later than January 17, 2010. ARTESIA METEX UNIT No.017 Inspection Type Inspection Inspector Violation? Non-Compliance? Action Due By: Inspection No 12/17/2009 Routine/Periodic Kimberly Wilson Yes No 1/17/2010 iKMW09351492 Comments on Inspection: Idle well, last production 3/2007. Violation of NMAC 19.15.25.8 Operator must return well to beneficial use, TA or submit P/A procedure to OCD District II office no later than January 17, 2010. ARTESIA METEX UNIT No.027 Inspection To D-25-18S-27E 30-015-00951-00-00 Inspection To D-25-18S-27E **Significant Corrective**	Comments	on Inspection:	beneficial use, T					
12/17/2009 Routine/Periodic Kimberly Wilson Yes No 1/17/2010 iKMW09351493 Comments on Inspection: Idle well, last production 11/2006, Violation of NMAC 19.15.25.8 Operator must return well to beneficial use, TA or submit P/A procedure to OCD District II office no later than January 17, 2010. ARTESIA METEX UNIT No.017 Inspection Date Type Inspection Date Type Inspection Violation? Non-Compliance? Action Due By: Inspection No. 1/17/2019 Routine/Periodic Kimberly Wilson Yes No 1/17/2010 iKMW09351492 Comments on Inspection: Idle well, last production 3/2007, Violation of NMAC 19.15.25.8 Operator must return well to beneficial use, TA or submit P/A procedure to OCD District II office no later than January 17, 2010. ARTESIA METEX UNIT No.027 Inspection D-25-18S-27E 30-015-00951-00-00 Inspection Corrective	Inspection			_				
Comments on Inspection: Idle well, last production 11/2006, Violation of NMAC 19.15.25.8 Operator must return well to beneficial use, TA or submit P/A procedure to OCD District II office no later than January 17, 2010. ARTESIA METEX UNIT No.017 Inspection Date Type Inspection Inspector Violation? Violation? Non-Compliance? Non-Compliance? Action Due By: Inspection No. 1/17/2010 iKMW09351492 Comments on Inspection: Idle well, last production 3/2007, Violation of NMAC 19.15.25.8 Operator must return well to beneficial use, TA or submit P/A procedure to OCD District II office no later than January 17, 2010. ARTESIA METEX UNIT No.027 Inspection The Months of NMAC 19.15.25.8 Operator must return well to beneficial use, TA or submit P/A procedure to OCD District II office no later than January 17, 2010. ARTESIA METEX UNIT No.027 Inspection The Months of NMAC 19.15.25.8 Operator must return well to beneficial use, TA or submit P/A procedure to OCD District II office no later than January 17, 2010. ARTESIA METEX UNIT No.027 Inspection The Months of NMAC 19.15.25.8 Operator must return well to beneficial use, TA or submit P/A procedure to OCD District II office no later than January 17, 2010. ARTESIA METEX UNIT No.027 Inspection The Months of NMAC 19.15.25.8 Operator must return well to beneficial use, TA or submit P/A procedure to OCD District II office no later than January 17, 2010.		•		•		-	•	-
Inspection Date Type Inspection Inspector Violation? Non-Compliance? Action Due By: Inspection No. 12/17/2009 Routine/Periodic Kimberly Wilson Yes No 1/17/2010 iKMW09351492 Comments on Inspection: Idle well, last production 3/2007, Violation of NMAC 19.15.25.8 Operator must return well to beneficial use, TA or submit P/A procedure to OCD District II office no later than January 17, 2010. ARTESIA METEX UNIT No.027 Inspection D-25-18S-27E Significant Corrective Action Due By: Inspection No. 1/17/2010 iKMW09351492 D-25-18S-27E 30-015-00951-00-00 Inspection *Significant Corrective Corrective			Idle well, last probeneficial use, T	oduction 11/2006, V	iolation of l	NMAC 19.15.25.8 O	perator must return wel	ll to
Date Type Inspection Inspector Violation? Non-Compliance? Action Due By: Inspection No. 12/17/2009 Routine/Periodic Kimberly Wilson Yes No 1/17/2010 iKMW09351492 Comments on Inspection: Idle well, last production 3/2007, Violation of NMAC 19.15.25.8 Operator must return well to beneficial use, TA or submit P/A procedure to OCD District II office no later than January 17, 2010. ARTESIA METEX UNIT No.027 Inspection D-25-18S-27E 30-015-00951-00-00 Inspection *Significant Corrective	ARTESIA N	METEX UNIT	No.017			N-24-18S-27E	30-015-00947-00-0	0
12/17/2009 Routine/Periodic Kimberly Wilson Yes No 1/17/2010 iKMW09351492 Comments on Inspection: Idle well, last production 3/2007, Violation of NMAC 19.15.25.8 Operator must return well to beneficial use, TA or submit P/A procedure to OCD District II office no later than January 17, 2010. ARTESIA METEX UNIT No.027 Inspection D-25-18S-27E Significant Corrective	•	Type Inspection	1	Inspector	Violation?			Inspection No.
Comments on Inspection: Idle well, last production 3/2007. Violation of NMAC 19.15.25.8 Operator must return well to beneficial use, TA or submit P/A procedure to OCD District II office no later than January 17, 2010. ARTESIA METEX UNIT No.027 Inspection D-25-18S-27E *Significant Corrective	12/17/2009	Routine/Perio	dic	Kimberly Wilson	Yes	•	•	KMW0935149217
Inspection *Significant Corrective			Idle well, last probeneficial use, T.	oduction 3/2007. Vio	olation of N	MAC 19.15.25.8 Ope	erator must return well	to
10/17/2000 P . ' /P ' ! ' Y ! I YY!! Y! Y!	Inspection Date			Inspector	Violation?	*Significant	Corrective	0 Inspection No.

Yes

Idle Well. Violation of NMAC 19.15.25.8 Operator must return well to beneficial use, TA or submit P/A procedure to OCD District II office no later than January, 17, 2010 for approval.

No

1/17/2010

iKMW0935133369

Kimberly Wilson

30-015-00952-00-00 ARTESIA METEX UNIT No.036 E-25-18S-27E *Significant Inspection Corrective Inspection No. Type Inspection Inspector Violation? Action Due By: Non-Compliance? Date iKMW0935133997 12/17/2009 Routine/Periodic Kimberly Wilson Yes No 1/17/2010 Comments on Inspection: Idle Well, Violation of NMAC 19.15.25.8 Operator must return well to beneficial use, TA or submit P/A procedure to OCD District II office no later than January 17, 2010 for approval. ARTESIA METEX UNIT No.026 A-26-18S-27E 30-015-00962-00-00 Inspection *Significant Corrective Inspection No. Inspector Violation? Type Inspection Date Non-Compliance? Action Due By: 12/17/2009 Routine/Periodic Kimberly Wilson Yes No 1/17/2010 iKMW0935131434 Comments on Inspection: Idle Well. Violation of NMAC 19.15.25.8 Operator must return well to beneficial use, TA or submit P/A procedure to OCD District II office no later than January 17, 2010 for approval. ARTESIA METEX UNIT No.035 H-26-18S-27E 30-015-00963-00-00 *Significant Inspection Corrective Type Inspection Inspector Violation? Inspection No. Non-Compliance? Action Due By: Date 12/17/2009 Kimberly Wilson Yes 1/17/2010 iKMW0935132912 Routine/Periodic No Comments on Inspection: Idle Well. Violation of NMAC 19.15.25.8 Operator must return well to beneficial use, TA or submit P/A procedure to OCD District II office no later than January 17, 2010 for approval. ARTESIA METEX UNIT No.051 30-015-00966-00-00 P-26-18S-27E *Significant Corrective Inspection Type Inspection Inspector Violation? Inspection No. Non-Compliance? Action Due By: Date 12/17/2009 Routine/Periodic Kimberly Wilson Yes No 1/17/2010 iKMW0935135794 Idle Well. Violation of NMAC 19.15.25.8 Operator must return well to beneficial use, TA or Comments on Inspection: submit P/A procedure to OCD District II office no later than January 17, 2010 for approval. ARTESIA METEX UNIT No.055 B-35-18S-27E 30-015-00986-00-00 *Significant Inspection Corrective Inspection No. Type Inspection Inspector Violation? Date Non-Compliance? Action Due By: Kimberly Wilson iKMW0935135373 12/17/2009 Routine/Periodic Yes No 1/17/2010 Idle Well. Violation of NMAC 19.15.25.8 Operator must return well to beneficial use, TA or Comments on Inspection: submit P/A procedure to OCD District II office no later than January 17, 2010 for approval. ARTESIA METEX UNIT No.056 30-015-00987-00-00 A-35-18S-27E *Significant Inspection Corrective Violation? Type Inspection Inspector Inspection No. Date Non-Compliance? Action Due By: 12/17/2009 Routine/Periodic Kimberly Wilson Yes No 1/17/2010 iKMW0935135606 Comments on Inspection: Idle Well. Violation of NMAC 19.15.25.8 Operator must return well to beneficial use, TA or submit P/A procedure to OCD District II office no later than January 17, 2010. ARTESIA METEX UNIT No.057 D-36-18S-27E 30-015-00990-00-00 Inspection *Significant Corrective Inspection No. Date Type Inspection Inspector Violation? Action Due By: Non-Compliance? iKMW0935136102 12/17/2009 Kimberly Wilson Yes Routine/Periodic No 1/17/2010 Comments on Inspection: Idle Well. Violation of NMAC 19.15.25.8 Operator must return well to beneficial use, TA or submit P/A procedure to OCD District II office no later than January 2010 for approval. ARTESIA METEX UNIT No.058 C-36-18S-27E 30-015-00991-00-00 Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 12/17/2009 Routine/Periodic Kimberly Wilson iKMW0935136310 Yes No 1/17/2010 Comments on Inspection: Idle Well. Violation of NMAC 19.15.25.8 Operator must return well to beneficial use, TA or submit P/A procedure to OCD District II office no later than January 17, 2010 for approval. ARTESIA METEX UNIT No.044 30-015-01190-00-00 I-26-18S-27E Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 12/17/2009 Routine/Periodic Kimberly Wilson iKMW0935134257 Yes No 1/17/2010 Comments on Inspection: Idle Well. Violation of NMAC 19.15.25.8 Operator must return well to beneficial use, TA or submit P/A procedure to OCD District II office no later than January 17, 2010 for approval.

ARTESIA I	METEX UNIT		Inspector	O-26-18S-27E *Significant Non-Compliance?	30-015-01191-00- Corrective Action Due By:	.00 Inspection No.	
12/17/2009	Routine/Perio		Kimberly Wilson	Yes	No	1/17/2010	iKMW0935135065
	on Inspection:	Idle Well. Viola	ation of NMAC 19.1	5.25.8 Ope	rator must return well no later than January 1	to beneficial use, TA	
Inspection Date 12/17/2009	METEX UNIT Type Inspection Routine/Perion on Inspection:	n odic	Inspector Kimberly Wilson ation of NMAC 19.1		B-25-18S-27E *Significant Non-Compliance? No rator must return well	30-015-01194-00- Corrective Action Due By: 1/17/2010 to beneficial use, TA	Inspection No.
		submit P/A proc	edure to OCD Distri	ct II office r	no later than January 1	7, 2010 for approval.	
ARTESIA I Inspection Date 12/17/2009	METEX UNIT Type Inspection Routine/Perio	า	Inspector Kimberly Wilson	Violation? Yes	O-24-18S-27E *Significant Non-Compliance? No	30-015-01195-00- Corrective Action Due By: 1/17/2010	Inspection No. iKMW0935149690
Comments	on Inspection:					perator must return we to later than January 2	
Inspection Date	Type Inspection	1	Inspector	Violation?	P-24-18S-27E *Significant Non-Compliance?	30-015-01196-00- Corrective Action Due By:	Inspection No.
12/16/2009 Comments	Routine/Perio on Inspection:	Idle Well. Viola		5.25.8 Oper	No rator must return well to later than January 1	to beneficial use, TA	iKMW0935227885 or
ADTECIA	ARTICY LINITE		cdure to OCD Distri	- Office ii			00
Inspection Date	METEX UNIT Type Inspection		Inspector	Violation?	J-24-18S-27E *Significant Non-Compliance?	30-015-01197-00- Corrective Action Due By:	Inspection No.
12/17/2009	Routine/Perio	dic	Kimberly Wilson	Yes	No	1/17/2010	iKMW0935148625
Comments	on Inspection:					ator must return well to later than January 1	
Inspection	METEX UNIT		Inchestor	Violation?	E-19-18S-28E *Significant	30-015-01944-00- Corrective	
Date 12/17/2009	Routine/Perio		Inspector	Yes	Non-Compliance? No	Action Due By:	Inspection No. iKMW0935150012
	on Inspection:	Idle well, last pro		on of NMA	C 19.15.25.8 Operato		
ARTESIA N Inspection	METEX UNIT	No.061			A-25-18S-27E *Significant	30-015-21874-00-0	00
Date	Type Inspection		Inspector	Violation?	Non-Compliance?	Action Due By:	Inspection No.
12/17/2009	Routine/Period	dic	Kimberly Wilson	Yes	No	1/17/2010	iKMW0935131008
Comments					ator must return well to later than January 17	to beneficial use, TA of 7, 2010 for approval.	or
	METEX UNIT	No.064			H-25-18S-27E	30-015-27192-00-0	00
Inspection Date	Type Inspection		Inspector	Violation?	*Significant Non-Compliance?	Corrective	Inspection No.
12/17/2009	Routine/Period		Kimberly Wilson	Yes	Non-Computance: No	Action Due By: 1/17/2010	iKMW0935130292
	n Inspection:	Idle Well. Violat	ion of NMAC 19.15	.25.8 Opera		o beneficial use, TA o	

ARTESIA METEX UNIT No.065

F-25-18S-27E

30-015-27193-00-00

Inspection -*Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 12/17/2009 Routine/Periodic Kimberly Wilson Yes No 1/17/2010 iKMW0935133673

Comments on Inspection: Idle Well. Violation of NMAC 19.15.25.8 Operator must return well to beneficial use, TA or

n. Wilson

submit P/A procedure to OCD District II office no later than January 17, 2010 for approval.

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.

Samblery

Sincerely

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