



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jeanifer A. Salisbury

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

Field Inspection Program
"Preserving the Integrity of Our Environment"

10-Oct-01

G P II ENERGY INC

PO BOX 50682

MIDLAND, TX 79710-

Dear Operator:

The following inspection(s) indicate one or more violations as described in the detail section below. The inspection(s) indicates that the well, equipment, location or operational status failed to meet standards of the New Mexico Oil Conservation Division. 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 below 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.

Please notify the proper district office of the Division 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

NORTH SQUARE LAKE UNIT 148		I-32-16S-31E	30-015-04956-00-00	<i>Closed 1/16/02</i>		
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
10/09/2001	Routine/Periodic	Mike Bratcher	Yes	No	11/12/2001	MLB012833070

Comments on Inspection: Well sign lists well name as Tidewater St. #1. Violation Rule 103.

NORTH SQUARE LAKE UNIT 149		L-33-16S-31E	30-015-04969-00-00	<i>Closed 1/16/02</i>		
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
10/09/2001	Routine/Periodic	Mike Bratcher	Yes	No	11/12/2001	MLB012825202

Comments on Inspection: Well sign has Kennedy Fed. #5 as well name. Violation Rule 103.

NORTH SQUARE LAKE UNIT 167		N-33-16S-31E	30-015-04983-00-00			
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.

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10/09/2001 Routine/Periodic Mike Bratcher Yes No 1/10/2002 MLB012833150

Comments on Inspection: Flow line disconnected. Idle well. Violation Rule 201.

10/09/2001 Routine/Periodic Mike Bratcher Yes No

Closed 1/16/02
11/12/2001 MLB012833189
per van

Comments on Inspection: Well sign lists well name as Texas Trading #7. Violation Rule 103.

NORTH SQUARE LAKE UNIT 141 H-34-16S-31E 30-015-04985-00-00

Closed 1/16/02
per van

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
10/09/2001	Routine/Periodic	Mike Bratcher	Yes	No	11/12/2001	MLB012833222

Comments on Inspection: Well sign is in violation Rule 103.

Thank you for your prompt attention to this matter and your efforts in helping to protect our environment and the infrastructure of the oil and gas industry.

Sincerely,

Oil Conservation Division, District II

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.