

NEW MEXICO ENERGY, MINERALS NATURAL RESOURCES DEPARTMENT

Governor Jennifer A. Salisbury Cabinet Secretary

Lori Wrotenbery Director Oil Conservation Division

Field Inspection Program "Preserving the Integrity of Our Environment"

29-Oct-01

GPIIENERGY 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	022
--------	--------	------	------	-----

D-29-16S-31E

30-015-04905-00-00

Inspection Date 10/19/2001

Type Inspection Routine/Periodic Inspector

Violation? Yes

*Significant Non-Compliance?

Corrective Action Due By:

Inspection No.

Comments on Inspection:

Idle Well. Violation Rule 201.

Mike Bratcher

NORTH SQUARE LAKE UNIT 058

L-29-16S-31E

30-015-04918-00-00

Inspection Date

Type Inspection

Inspector

Mike Bratcher

Violation?

*Significant Non-Compliance?

Corrective Action Due By:

Inspection No.

10/19/2001 Routine/Periodic

No

11/29/01 MLB013028408

11/29/01 MLB013028315

Comments on Inspection:

Idle Well. Violation Rule 201. - OK Closed Comp mod

Yes

NORTH SQUARE LAKE UNIT 020

B-30-16S-31E

30-015-04936-00-00

Inspection

Type Inspection Date

Inspector

Violation?

*Significant Non-Compliance?

Corrective Action Due By:

Inspection No.

11/29/01 MLB013028283 Routine/Periodic ke Bratcher Yes Nι 10/19/2001

Comments on Inspection:

Idle Well. Violation Rule 201.

NORTH SQUARE LAKE UNIT 003

J-19-16S-31E

30-015-20183-00-00

Inspection Date

Type Inspection

Inspector

Violation?

*Significant Non-Compliance?

Corrective Action Due By:

Inspection No.

10/19/2001

Routine/Periodic

Mike Bratcher

Yes

No

11/29/01 MLB013028267

Comments on Inspection:

Idle Well. Violation Rule 201. -OK Closed Comp more

NORTH SQUARE LAKE UNIT 072

4-30-16S-31E

30-015-20554-00-00

Inspection Date

Type Inspection

Inspector

Violation?

*Significant Non-Compliance? Corrective

Inspection No.

Routine/Periodic 10/19/2001

Mike Bratcher

Yes

No

Action Due By:

11/29/01 MLB013028201

Comments on Inspection:

Well sign lists well name as Loe #9. Violation Rule 103. OK closed camp mod

NORTH SQUARE LAKE UNIT 033

2-30-16S-31E

30-015-20701-00-00

Inspection

Type Inspection Date

Inspector

Violation?

*Significant Non-Compliance?

Corrective Action Due By:

Inspection No.

10/19/2001

Routine/Periodic

Mike Bratcher

Yes

No

11/29/01 MLB013028219

Comments on Inspection:

Idle Well. Violation Rule 201.

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.

101/2001 Routine/Periodic Bratcher Yes 11/2/2001 MLB012744996 No Comments on Inspection: Well sign lists wrong well name. (Johnson A Fed #3) Violation Rule 103. B-33-16S-31E **NORTH SOUARE LAKE UNIT 111** 30-015-04979-00-00 Inspection *Significant Corrective Violation? Type Inspection Inspector Inspection No. Non-Compliance? Action Due By: Date Yes 1/2/2002 MLB012744886 10/01/2001 Routine/Periodic Mike Bratcher No Comments on Inspection: Abandoned well. Violation Rule 201. Wells to be properly abandoned. L-36-16S-31E **HUSTATE 002** 30-015-05018-00-00 *Significant Corrective Inspection Type Inspection Inspector Violation? Inspection No. Non-Compliance? **Action Due By:** Date 10/2/2001 MLB012744675 10/01/2001 Routine/Periodic Mike Bratcher Yes No il /2/2001 Well sign illegible. Violation Rule 103 requiring well signs to contain specific information and Comments on Inspection: be legible from a distance of 50 ft. C-34-16S-31E **NORTH SQUARE LAKE UNIT 114** 30-015-10271-00-00 *Significant Corrective Inspection Violation? Type Inspection Inspector Inspection No. Date Non-Compliance? Action Due By: 10/01/2001 Routine/Periodic Mike Bratcher Yes Nο 11/2/2001 MLB012744799 Comments on Inspection: Well sign has wrong operator, wrong well name and wrong location numbers. Violation Rule 103. 11/2/2001 MLB012753042 10/02/2001 Routine/Periodic Mike Bratcher Yes No Comments on Inspection: Oil leak at well head. Violation Rule 116 and Rule 13B. B-34-16S-31E **NORTH SQUARE LAKE UNIT 115** 30-015-10273-00-00 *Significant Corrective Inspection Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 11/2/2001 MLB012744838 10/01/2001 Routine/Periodic Mike Bratcher Yes No Comments on Inspection: No Well Sign. Violation Rule 103. O-31-16S-31E **NORTH SQUARE LAKE UNIT 162** 30-015-24457-00-00 Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 10/01/2001 Routine/Periodic Mike Bratcher Yes No 11/2/2001 MLB012745240 Comments on Inspection: Well sign lists wrong well name. (Grier Fed #18) Violation Rule 103. **NORTH SQUARE LAKE UNIT 078** O-30-16S-31E 30-015-24458-00-00 Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Non-Compliance? Date Action Due By: 10/01/2001 Routine/Periodic Mike Bratcher Yes No 11/2/2001 MLB012745170 Comments on Inspection: Well sign lists wrong well name. (Grier Fed #19) Violation Rule 103.

Violation?

C-31-16S-31E

30-015-24580-00-00

Corrective

Action Due By:

Inspection No.

*Significant

Non-Compliance?

NORTH SQUARE LAKE UNIT 124

Type Inspection

Inspector

Inspection

Date