Signature of Bureau of Land Management Authorized Officer

Date

Number

Type of Inspection

RR

99-DE-263 UNITED STATES Certified Mail - Return DEPARTMENT OF THE INTERIOR Receipt Requested P 436 753 098 Identification BUREAU OF LAND MANAGEMENT ID Hand Delivered Received NMLC028785 NOTICE OF INCIDENTS OF NONCOMPLIANCE Unit Hureau of Land Management Office Operator CARLSBAD FIELD OFFICE ENRON OIL & GAS COMPANY Address P O BOX 1778 Address P O BOX 2267 CARLSBAD NM 88220 Telephone MIDLAND TX 79701 Attention 505.887.6544 Inspector MR JOHN R FRICK Attn Addr 3406 MEADOWRIDGE LANE Don Early Site Name MIDLAND TX 79701 Well or Facility Township Range GRAYBURG DEEP Meridian 1/4 1/4 12 THE FOLLOWING VIOLATION WAS FOUND BY BUREAU OF LAND MANAGEMENT INSPECTORS ON THE DATE AND AT THE SITE LISTED ABOVE SWSE Time (24 - hour clock) Violation Gravity of Violation 01/20/1999 43CFR3162.1 43CFR3162.3-4 (C) 13:00 Corrective Action To Be Completed By **MINOR** Date Corrected Assessment for Noncompliance Assessment Reference 02/22/1999 43 CFR 3163.1() WELL TA/SI STATUS WITHOUT AUTHORIZATION, EITHER 1) RETURN WELL TO PRODUCTION 2) PROPERLY TA WELL WITH JUSTIFICATION (ANNUALLY/SUNDRY) OR 3) SUBMIT PLANS FOR ABONDOMENT (SEE Remarks When violation is corrected, sign this notice and return to above address. Company Representative Title Signature Company Comments Date WARNING Incidents of Noncompliance correction and reporting timeframes begin upon receipt of this Notice or 7 business days after the date it is mailed, whichever is earlier. Each violation must be corrected within the prescribed time from receipt of this Notice and reported to the Bureau of Land Management office at the address shown above. Please note that you already may have been assessed for noncompliance (see amount under "Assessment for Noncompliance"). If you do not comply as noted above under "Corrective Action To Be Completed By" you may incur an additional assessment under (43 CFR 3163.1) and may also incur Civil Penalties (43 CFR 3163.2). All self-certified corrections must be postmarked no later than the next business day after the prescribed time for correction. Section 109(d)(1) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Section 109(0,17) of the rederat Off and Oas Koyatty Management Act of 1964, as implemented by the applicable provisions of the operating regulations a Title 43 CFR 3163.2(f)(1), provides that any person who "knowingly or willfully" prepares, maintains, or submits, false, inaccurate, or misleading reports, notices, affidavits, record, data, or other written information required by this part shall be liable for a civil penalty of up to \$25,000 per violation for each day such violation continues, not to exceed a maximum of 20 days. REVIEW AND APPEAL RIGHTS A person contesting a violation shall request a State Director review of the Incidents of Noncompliance. This request must be filed within 20 working days of receipt of the Incidents of Noncompliance with the appropriate State Director (see 43 CFR 3165.3). The State Director review decision may be appealed to the Incidents Appeals, 4015 Wilson Blvd., Arlington VA 22203 (see 43 CFR 3165.4). Contact the above listed Bureau of Land Management office

FOR OFFICE USE ONLY

Assessment

I&E (CRA)

Penalty

Date

Time

100