NEW MEXICO ENERGY, MINERALS NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON Governor Jennifer A. Salisbury Cabinet Secretary

Lori Wrotenbery Director Oil Conservation Division

Field Inspection Program "Preserving the Integrity of Our Environment"

31-Jan-02

ARCO PERMIAN

PO Box 1089 HOUSTON, TX 77079-

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.

Please be advised that failure to comply with this directive will result in an application for an order to Show Cause why the Bond should not be forfeited, the well plugged and civil penalties assessed.

INSPECTION DETAIL SECTION

EMPIRE ABO UNIT 233

G-6-18S-28E

30-015-22490-00-00

Inspection Date

Type Inspection

Inspector

Violation?

*Significant Non-Compliance? Corrective

01/30/2002

Routine/Periodic

Mike Bratcher

Yes

Inspection No.

No

Action Due By:

Comments on Inspection:

3/4/2002 iMLB02030540

3/4/2002 iMLB02030546

No Well Sign. Violation Rule 10

Idle well Violation Rule 201.

EMPIRE ABO UNIT 231

J-6-18S-28E

30-015-22491-00-00

Inspection

01/30/2002

Date

Type Inspection Routine/Periodic Inspector

Violation? Yes

*Significant Non-Compliance? No

Corrective Action Due By:

Inspection No.

Comments on Inspection:

Mike Bratcher

well Violation Rule 201.