

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Betty Rivera
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

Field Inspection Program
"Preserving the Integrity of Our Environment"

06-Nov-02

G P II ENERGY INC
PO Box 48
Orla TX 79770-

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

BURNHAM GRAYBURG SAN ANDRES UNIT 002

G-2-17S-30E30-015-04057-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
11/05/2002	Routine/Periodic	Mike Bratcher	Yes	No	12/6/2002	iMLB0230946377
Comments on Inspection: Leak at well head has allowed oil to pool up and run out across location. Violation rule 13 and Rule 116.						

TRAVIS D FEDERAL 020

H-18-18S-29E

30-015-24441-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
11/05/2002	Routine/Periodic	Mike Bratcher	Yes	No	12/6/2002	iMLB0230956129
Comments on Inspection: Leak at well head. Oil has pooled and run out across location. Violation Rule 13 and Rule 116.						