STATE OF NEW ML CO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION ARTESIA DISTRICT OFFICE

GARY E. JOHNSON GOVERNOR JENNIFER SALISBURY
CABINET SECRETARY

AUGUST 20, 1998

BLISS ENERGY CORP. P.O. BOX 1817 HOBBS, NEW MEXICO

RE: D-17-19-28
BLISS ENERGY CORP.
WARREN STATE #1

ATTENTION MR. PAUL BLISS,

A FIELD INSPECTION ON JULY 31, 1998 AT THE WARREN STATE TANK BATTERY FOUND THE SURFACE PIT TO HAVE OIL IN IT. THIS SURFACE PIT IS NOT FENCED AND HAS NO NETTING COVERING IT. THIS PIT IS NOW IN VIOLATION OF RULE 313. PLEASE REMOVE THE OIL FROM THIS PIT. PLEASE FENCE THE PIT ALSO. DO SO AS SOON AS POSSIBLE AND LET ME KNOW WHEN THE PIT CAN BE REINSPECTED FOR COMPLIANCE TO R-313.

SINCERELY,

Mike Stubblefield

MIKE STUBBLEFIELD FIELD REP. 2 N.M.O.C.D.