NEW MEXICO ENERGY, MINERALS NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor **Betty Rivera**

Lori Wrotenbery Director Oil Conservation Division

Cabinet Secretary

Field Inspection From am Preversion the integrity of Our Environment?

08-Aug-02

PRAIRIE SUN, INC.

3103 YESO RD

PO BOX 8280

ROSWELL NM 88201-

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.

CONNIE C STATE 002 H-25-19S-28E 30-015-02301-00-00 Inspection *Significant Corrective Date Inspector Violation? Action Due By: Type Inspection Non-Compliance? Inspection No. 08/01/2002 Routine/Periodic Mike Bratcher Yes No 9/2/2002 iMLB0221345967 Well sign lists Sure Energy as operator. Violation Rule 103. Some contamination at wellhead. Comments on Inspection: PJ-Oper.

CONNIE C STATE 017 D-25-19S-28E 30-015-02302-00-00 Inspection *Significant Corrective Date Type Inspection Inspector Violation? Non-Compliance? Action Due By:

08/01/2002 Routine/Periodic Mike Bratcher 9/2/2002 iMLB0221349804 Well sign lists incorrectly lists Sure Energy as operator. Violation Rule 103. Some contamination Comments on Inspection:

at well head.

CONNIE C STATE 001 G-25-19S-28E 30-015-25366-00-00

Inspection *Significant Corrective Date Type Inspection Inspector Violation? Non-Compliance? Action Due By: Inspection No. 08/01/2002 Routine/Periodic Mike Bratcher Yes No 9/5/2002 iMLB0221346694

Comments on Inspection: Well sign does not list correct operator. Violation Rule 103. Other violations on this well have

been turned over to OCD Environmental.