NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor Joanna Prukop Cabinet Secretary Lori Wrotenbery Director Oil Conservation Division

i End Jewascusm Protectim Sussessing the Integrity of Gar Christmanica

05-Feb-03

RAY WESTALL PO BOX 4 LOCO HILLS, NM 88255-

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.

INSPECTION DETAIL SECTION

| LUSK B 001 | | | P-16-19S-31E | 30-015-27090-00-(|)0 | |
|--|------------------|------------|--------------|-------------------|----------------|----------------|
| Inspection | - | | | *Significant | Corrective | |
| Date | Type Inspection | Inspector | Violation? | Non-Compliance? | Action Due By: | Inspection No. |
| 02/04/2003 | Routine/Periodic | Gerry Guye | Yes | No | 3/7/2003 | iGEG0303543375 |
| Comments on Inspection: Violation of Rule 103(No Well Sign.) | | | | | | |

In the event that a satisfactory response is not received to this letter of direction on or before "Corrective Action Due By:", date above further enforcement will occur. Such enforcement may include this office applying to the Division for an order summoning you to a hearing before a Division Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon this well(s). Such a hearing may result in imposition of **Civil Penalties** for your violation of OCD Rules

Sincerely,

Artesia OCD District Office

Note: Information in Detail Section comes directly from field inspector data entries - not all blanks will contain data. *Significant Non-Compliance events are reported directly to the EPA, Region VI, Dallas, Texas.

Oil Conservation Division * 1301 W. Grand * Artesia, New Mexico 88210 Phone: 505-748-1283 * Fax: 505-748-9720 * http://www.emnrd.state.nm.us

| Submit 3 Copies To Appropriate District 1 | \ | Of New Merals, and M | 1exico Natural Reso | urces | St | Revised I | Form C-103 March 25, 1999 |
|--|--------------------|-------------------------------|---------------------------------|-------------|--------------------|------------------------|---------------------------------------|
| 1625 N. French Drive., Hobbs, NM 8824 3 2002 | | ISERVATI | ON DIVISIO | N | ' | Well API No. 30-015 | -27090 |
| District III Bistrict III District III Di | | | | | | | |
| District IV 2040 South Pacheco, Santa Fe, NM 5 5 LE 02 60 | | 6. State Oil and Gas V8351 | s Lease No. | | | | |
| SUNDRY NO TICES AND R | | 7. Lease Name Or I | Jnit Agreement | | | | |
| (DO NOT USE THIS FORM FOR PROPOSALS TO | | | | | ; | Name: | |
| DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.) 1. Type Of Well: Oil Well X Gas Well Other | | | | | | Lusk B | |
| Name Of Operator Ray Westall Operating | <u> </u> | | | | | 8. Well No. 001 | ···· ·· ·· |
| Address Of Operator | | | | | | 9. Pool Name Or W | |
| P.O. Box 4 - Loco Hills, Well Location | New Me | xico 88255 | | | | Hackberry | Deleware |
| Unit Letter P : 800' Feet From The | South | Line And | 560' Feet From | | East Eddy | Line | |
| Section 16 Township 19S | Range Elevation | | MPM Count or DR, RKB, RT, GI | | | | |
| 11. Check The Appr | opriate Bo | k To Indicate N | lature Of Notice, F | teport Or O | Dther frid | a | · · · · · · · · · · · · · · · · · · · |
| NOTICE OF INTENTION TO: Remedial Work Plug And Abandon |) | Remedial Wor | SUBSEQUEN k | <u> </u> | T OF: Alter Cas | ng [| |
| Temporarily Abandon Change Plans |] | Commence Dr | illing OPNS. | | Plug and | Abandonment | |
| Pull Or Alter Casing Multiple Completion |] | Casing Test ar | nd Cement Job | | | | |
| Other |] | Other: | | | | [| |
| 12. Describe proposed or completed o; erations. (Clearly s proposed work). SEE RULE 1103. For Multiple Com | | | | | | | any |
| 02/12/02 - Cleaned out well, placed on production. | | | | | | | |
| 02/13/02 - Production Test: | Oil: | Gas: | Water | | | | |
| | 5 bbls. | тятм | 46 bbl | s. | | | |
| I hereby ceptify that the information above is true and comp | lete to the h | est of my know | ledge and belief. | | | | |
| Thereby cearry that a printermation above is the and comp | \wedge | | | | | | |

| Signature TRUCK | 1 Jathans | Title | Production Secretary | Date | 02/15/02 |
|--------------------------------|-----------|-------|----------------------|-------|----------------|
| Type Or Print Name: Rene | Mathews | | Telephon | e No. | (505) 677-2370 |
| (THIS SPACE FOR \$TATE USE) | 192 | | 1.00 Las 1 | P | FEB 1 9 2002 |
| APPROVED BY | JAN | Title | Sund 140 | Date | |
| Conditions Of Approval If Any: | | - | | | |