



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

February 22, 2007

Tucumcari Exploration
Mr. Julian Hamilton-Barns
GSC Solicitors
31-32 Ely Place
London England
EC1N6TD
United Kingdom

LETTER OF VIOLATION

John David #1 API 30-037-20053, and
John David #2 API 30-037-20054

Dear Operator:

Oil Conservation Division (OCD) inspectors conducting site inspections, on November 29, 2006, found the following violation(s) of OCD rules:

John David #1 well – The drilling pit liner at this well location is shredded and has obviously not been “. . . maintained so as to prevent the contamination of fresh water, and protect public health and the environment . . .” as required by Oil Conservation Division Rule 19.15.2.50 NMAC.

John David #2 well – The fence around the drilling pit at this well location is in obvious disrepair, with some of it lying flat to the ground. OCD Rule 50.C.(2).(f) requires that fences around pits be “. . . maintained in good repair . . .”.

Corrective Action Date: March 5, 2007.

Notify the undersigned at the OCD district office at 1220 S. St. Francis, Santa Fe, NM 87505 in writing by the “Corrective Action Due” date identified above regarding your plans to bring the identified site(s) into compliance. Please include the date you intend to take corrective action so the OCD can witness the activity and/or arrange to re-inspect the site.

If the OCD does not receive an adequate written response to this letter by the “Corrective Action Due” date identified above, or if you do not correct the violations in a timely manner, the OCD will take

Tucumcari Exploration

Case 14005

OCD Exhibit F

Oil Conser
Phone: (505)

Obs, New Mexico 88240
www.emnrd.state.nm.us

enforcement action. Enforcement action may include, but is not limited to, applying for an order assessing civil penalties.

Thank you for your prompt attention to this matter.

Sincerely:

Edwin E. Martin
NMOCD District 4 Supervisor

Copy: Mr. Kenneth E. Davison via email
Ms. Rebecca S. McElroy via email
Mr. Jose A. Esquivel