



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Oil Conservation Division

08-Apr-04

SANDLOTT ENERGY (JACKIE BREWER DBA)

PO BOX 711

LOVINGTON NM 88260-0000

NOTICE OF VIOLATION - Inactive Well(s)

Dear Operator:

A review of our records and recent inspection(s) indicate that the subject well(s) has been shut-in for an extended period of time. Rule 201 of the Rules and Regulation of the Oil Conservation Division provides that a well may be shut-in no longer than sixty days after suspension of drilling operations, upon determining that the well is no longer usable (e.g., a dry hole), or one year after last production. To comply with guidelines as established in the Rules and Regulations, corrective actions must be taken immediately and the well(s) brought into compliance.

The detail section below indicates preliminary findings and/or probable nature of the violation.

The following options are available:

1. Immediately restore the well(s) to production, injection or disposal as applicable.
2. Request 'Temporary Abandoned' status pursuant to Rule 203, which requires that you set a plug and conduct a mechanical integrity test.
3. Submit a proposal to 'Plug and Abandon' the well(s) pursuant to Rule 202, proceed with plugging procedures on a timely basis after the proposal has been evaluated, amended and/or approved.

In the event that a satisfactory response is not received to this letter of direction by the "Corrective Action Due By:" date shown 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. Such a hearing may result in imposition of CIVIL PENALTIES for your violation of OCD rules.

IDLE WELL INSPECTION DETAIL SECTION

HUMBLE THOMAS STATE 001		B-9-18S-28E	30-015-02107-00-00	Inspection No. iMLB0409942894
Inspection Date: 4/8/2004 11:54:50 AM		Corrective Action Due by: 7/12/2004		
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	
Routine/Periodic	Mike Bratcher	Yes	No	
Comments on Inspection: No Motor on Pumping Unit. Last reported production was 7/2002. Well is in violation of Rule 201.				
LEVERS A STATE 002		B-8-18S-28E	30-015-26895-00-00	Inspection No. iMLB0409943907
Inspection Date: 4/8/2004 12:11:38 PM		Corrective Action Due by: 7/12/2004		
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	
Compliance Verification	Mike Bratcher	Yes	No	
Comments on Inspection: No Action Taken To bring Well into Compliance. No well sign. Area at well head is heavily contaminated. Last production reported was 7/2002. Well is now in violation of Rule 201.				

**Jackie Brewer D/B/A
Sandlott Energy
De Novo Case 14074
OCD Exhibit No. 15**

Thank you for your prompt attention to this matter and your efforts in helping to protect our environment and the infrastructure of the oil and gas industry.

Sincerely,



Artesia OCD District Office

* Significant Non-Compliance events are reported directly to the U.S. Environmental Protection Agency, Region VI, Dallas, Texas.