

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop Cabinet Secretary Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Field Inspection Frogram
"Preserving the Integray of Our Fuvironment"

19-Jul-05

ERS RESOURCES, LLC

1001 FM 1929

VOSS TX 76888

NOTICE OF VIOLATION - Inspection

Dear Operator:

The following inspection(s) indicate that the well, equipment, location or operational status of the well(s) failed to meet standards of the New Mexico Oil Conservation Division as described in the detail section below. 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 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 on the date(s) indicated.

Please notify the proper district office of the Division, in writing, of the date corrective actions are scheduled to be made so that arrangements can be made to reinspect the well and/or facility.

| | | | INSPECTIO | ON DETAIL | L SECTION | | |
|---------------------------------|-----------------------------|---------------|--|----------------|---|--|----------------------|
| ARTESIA Inspection | METEX UNIT Type Inspection | | Inspector | Violation? | K-24-18S-27E *Significant Non-Compliance? | 30-015-00941-00- Corrective Action Due By: | 00 Inspection No. |
| 07/19/2005 | Pre-Operation | l | Gerry Guye | Yes | No | 10/22/2005 | iGEG0520036910 |
| Comments | on Inspection: | • • | epresentative or equending reschedule. | ipment to acco | mplish MIT test. Well | must be shut in and | |
| ARTESIA I Inspection Date | METEX UNIT Type Inspection | | Inspector | Violation? | M-24-18S-27E *Significant Non-Compliance? | 30-015-00942-00- Corrective Action Due By: | 00 Inspection No. |
| 07/19/2005 | Pre-Operation | l | Gerry Guye | Yes | No | 10/22/2005 | iGEG0520037025 |
| Comments | on Inspection: | | epresentative or equending reschedule. | ipment to acco | mplish MIT test. Well | must be shut in sand | |
| ARTESIA I Inspection Date | METEX UNIT Type Inspection | | Inspector | Violation? | I-24-18S-27E *Significant Non-Compliance? | 30-015-00944-00- Corrective Action Due By: | 00 Inspection No. |
| 07/19/2005 | Pre-Operation | | Gerry Guye | Yes | No | 10/22/2005 | iGEG0520037101 |
| Comments | on Inspection: | No Company Re | presentative or equ | ipment to acco | mplish MIT test. Well | must be shut in and | |

remain shut in pending reschedule.

| ARTESIA Inspection | METEX UNIT | ` No.040 | | | H-25-18S-27E | 30-015-00954-00- | 00 |
|---------------------------|-----------------|---|--|--------------------|---------------------------------|------------------------------------|---------------------------------|
| Date | Type Inspection | . | Inspector | Violation? | *Significant Non-Compliance? | Corrective Action Due By: | Inspection No. |
| 07/19/2005 | Pre-Operation | n. | Gerry Guye | Yes | No | 10/22/2005 | iGEG052003716 |
| Comments | on Inspection: | | presentative or equending reschedule. | ipment to acco | amplish MIT test. Well | must be shut in and | |
| Inspection | METEX UNIT | | | \$12-1-42 0 | O-25-18S-27E *Significant | 30-015-00956-00-(Corrective | |
| Date | Type Inspection | | Inspector | Violation? | Non-Compliance? | Action Due By: | Inspection No. |
| 07/19/2005 | Pre-Operation | | Gerry Guye | Yes | No | | iGEG052003720 |
| Соштемя | on Inspection: | | presentative or equending reschedule. | ipment to accor | mplish MIT test. Well | must be saut in and | |
| • | METEX UNIT | No.045 |) | | L-25-18S-27E | 30-015-00959-00-0 |)0 |
| Inspection Date | Type Inspection | | Inspector | Violation? | *Significant Non-Compliance? | Corrective Action Due By: | Inspection No. |
| 07/19/2005 | Pre-Operation | . | Gerry Guye | Yes | No | 10/22/2005 | iGEG0520037247 |
| Comments (| on Inspection: | No Company Re | presentative or equi inding reschedule. | ipment to accor | mplish MIT test. Well | must be shut in and | |
| | METEX UNIT | No.052 | | | M-25-18S-27E | 30- 01 5-09 960-00-0 | 00 |
| Inspection Date | Type Inspection | | Inspector | Violation? | *Significant Non-Compliance? | Corrective Action Due By: | Inspection No. |
| 7/19/2005 | Pre-Operation | | Gerry Guye | Yes | No | • | iGEG0520037308 |
| Comments o | n Inspection: | | presentative or equi | pment to accou | mplish MIT test. Well: | | |
| ARTESIA M | IETEX UNIT | No.035 | | | H-26-18S-27E | 30-015-00963-00-0 | 0 |
| Inspection Date | Type Inspection | | Inspector | Violation? | *Significant Non-Compliance? | Corrective Action Due By: | Inspection No. |
| 7/19/2005 | Pre-Operation | • | Gerry Guye | Yes | No | | iGEG052003 7 473 |
| | n Inspection: | | oresentative or equi | pment to accor | mplish MIT test. Well 1 | must be shut in and | |
| Inspection | IETEX UNIT | No.056 | Inspector | Violation? | A-35-18S-27E *Significant | 30-015-00987-00-0 Corrective | Inspection No. |
| Date)7/19/2005 | Pre-Operation | | Gerry Guye | Yes | Non-Compliance? | Action Due By: 10/22/2005 | iGEG052003 7 533 |
| | n Inspection: | No Company Representation remain shut in per- | resentative or equi | | mplish MIT test. Well t | . 7 | 101 0002003 7 333 |
| RTESIA M | IETEX UNIT | | | | C-36-18S-27E | 30-015-00991-00-0 | 0 |
| Inspection | Type Inspection | | Inspector | Violation? | *Significant | Corrective | Inspection No. |
| Date 7/19/2005 | Pre-Operation | | Gerry Guye | Yes | Non-Compliance? No | Action Due By: 10/22/2005 | GEG0520037584 |
| | n Inspection: | No Company Representation remain shut in per | resentative or equi | | mplish MITT test. Well r | | GEG0320037384 |
| RTESIA M | ETEX UNIT | No.020 | | | P-24-18S-27E | 30- 015-01196-0 0-0 | 0 (4) |
| Inspection Date | Type Inspection | | Inspector | Violation? | *Significant Non-Compliance? | Corrective Action Due By: | Inspection No. |
| 7/19/2005 | Pre-Operation | | Gerry Guye | Yes | No | 10/2 2/ 2005 i | GEG052003 7 708 |
| Comments of | - | No Company Rep remain shut in per | 177 | pment to accor | mplish MIT test. Well r | must be shut in and | |
| RTESIA M | ETEX UNIT | No.012 | | | K-19-18S-28E *Significant | 30-015-01964-00-0 Corrective | |
| Date | Type Inspection | | Inspector | Violation? | Non-Compliance? | Action Due By: | Inspection No. |
| | Pre-Operation | | Gerry Guye | Yes | No | | GEG0520037762 |
| Comments or | | No Company Rep remain shut in per | | pment to accor | aplish MIT test. Well r | must be shut in and | |

| ARTESIA I Inspection Date | METEX UNIT Type Inspection | | Inspector | Violation? | E-30-18S-28E *Significant Non-Compliance? | 30-015-02136-00-00 Corrective Action Due By: | Inspection No. |
|---------------------------------|-----------------------------|------------------------------|--|------------------|---|--|---------------------------------------|
| 07/19/2005 | Pre-Operation | | Gerry Guye | Yes | No | 10/22/2005 i | GEG0520 0 45470 |
| Comments | on Inspection: | No Company Reshut in pending | | uipment to accor | mplish test. Well must | be shut in and remain | · · · · · · · · · · · · · · · · · · · |
| ARTESIA N Inspection Date | METEX UNIT | | Inspector | Violation? | C-30-18S-28E *Significant Non-Compliance? | 30-015-02140-00-00 Corrective Action Due By: | Inspection No. |
| 07/19/2005 | Pre-Operation | r and the | Gerry Guye | Yes | No | 10/22/2005 i | GEG0520037844 |
| Comments of | on Inspection: | | presentative or eq ending reschedule. | | mplish MIT test. Well | must be shut in and | |
| ARTESIA N Inspection Date | AETEX UNIT | No.049 | Inspector | Violation? | K-30-18S-28E *Significant Non-Compliance? | 30-015-02141-00-00 Corrective Action Due By: | Inspection No. |
| 07/19/2005 | Pre-Operation | | Gerry Guye | Yes | No | 10/22/2005 i | GEG0514050141 |
| Comments o | n Inspection: | | presentative or equ | ipment to accor | nplish MIT test. Well 1 | must be shut in and | |

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 Divison 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.

Sincerely,

Artesia OCD District Office

te: 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.



NEW MEXICO ENERGY, MINERALS NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop Cabinet Secretary Mark E. Fesmire, P.E.

Dimector

Oil Conservation Division

Underground Injection Control Program

"Protecting Our Underground Sources of Drinking Water"

24-May-2005

Copy of original

225298

ERS RESOURCES, LLC PO BOX 1502 CARLSBAD NM 88221-1502

Dear Sirs:

Our records indicate that the following well(s) are due for the type of mechanical integrity test indicated. If the required test is a pressure test, please have the necessary equipment on location and ready to commence the test at the specified time. For all types of tests, please have a representative on location to operate any valves or other equipment as necessary. Your representative should meet our inspector at the meeting place indicated below for the entire inspection group.

Scheduled Inspections / MITs

| N | Meeting Place for this Inspection Group: Artesia Metex Ut #12 | | | | | | | |
|--------------------------------------|---|----------|----------------------|--|--|--|--|--|
| Scheduled Date: 7/19/2005 8:30:00 AM | | | | | | | | |
| UL S-T-R | API Well No. | Well No. | Type Insp/MIT | | | | | |
| Property Name: ARTESIA METE | X UNIT | | | | | | | |
| I 24 18S 27E | 30-015 -0 0944-00-00 | 008 | Pressure Test | | | | | |
| K 24 18S 27E | 30 - 015 -0 0941 -00 -00 | 006 | Pressure Test | | | | | |
| M 24 18S 27E | 30-015- 00 942- 0 0-00 | 016 | Pressure Test | | | | | |
| P 24 18S 27E | 30-015- 0 1196 -00 -00 | 020 | Pressure Test | | | | | |
| H 25 18S 27E | 30 - 015- 0 0954 -00 -00 | 040 | Pressure Test | | | | | |
| L 25 18S 27E | 30-015 -00 959- 00 -00 | 045 | Pressure Test | | | | | |
| M 25 18S 27E | 3 0- 01 5-00 960- 00 -00 | 052 | Pressure Test | | | | | |
| O 25 18S 27E | 30-015 -00 956 -00 -00 | 054 | Pressure Test | | | | | |
| H 26 18S 27E | 30-015- 00 963- 00 -00 | 035 | Pressure Test | | | | | |
| A 35 18S 27E | 30-015- 00 987-0 0 -00 | 056 | Pressure Test | | | | | |
| C 36 18S 27E | 30-015- 0 0991-0 0 -00 | 058 | Pressure Test | | | | | |
| K 19 18S 28E | 30-015- 0 1964-0 0 -00 | 012 | Pressure Test | | | | | |
| C 30 18S 28E | 30-015- 02 140-0 0 -00 | 032 | Pressure Test | | | | | |
| E 30 18S 28E | 30-015 -02 136-0 0 -00 | 041 | Pressure Test | | | | | |
| K 30 18S 28E | 30-015-02141-00-00 | 049 | Pressure Test | | | | | |