

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 laspection Program "Fresering the briggly of Our Controlnem"

BASS ENTERPRISES PRODUCTION CO.

Conservation Division on the date(s) indicated

PO Box 2760 MIDLAND TX 79702 February 2, 2006

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

LETTER OF VIOLATION - Inspection

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.

violation. This determination is based on an inspection of your well or facility by an inspector employed by the Oil

INSPECTION DETAIL SECTION

POKER LAKE UNIT No. 133

C-20-24S-31E

30-015-25507-00-00

Inspection

Date 2/1/2006 Routine/Periodic

Type Inspection

Inspector Chris Beadle Violation? Yes

*Significant Non-Compliance? No

Corrective Action Due By: 5/5/2006

Inspection No. iCLB0603243397

Comments on Inspection: OCD Rule 202 of the New Mexico Administrative Code requires that wells be properly abandoned. OCD records show that an APD issued to this API number was cancelled. A built up caliche well location with cellar and apparent surface casing was found at the position given for the cancelled APD. This well, even if not completed, must be properly abandoned.

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.

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.