

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

01-Feb-07

THORNTON OPERATING CORPORATION

P. O. BOX 33525 FORT WORTH TX 76162 LOV NO. 020407

LETTER 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.

INSPECTION DETAIL SECTION

STEVENS FEDERAL No.003

I-28-13S-29E

30-005-62868-00-00

Inspection

Type Inspection

*Significant Violation? Non-Complianc Corrective

Date 02/01/2007

Bradenhead

Gerry Guye

Inspector

lation? Non-Compliance?
Yes No

Action Due By: 2/16/2007

Inspection No. iGEG0703236491

Comments on Inspection:

No Company Representative to witness annual MIT test. Well is currently holding 42 psi on the tubing and has no pump to initiate injection. Records in this office indicate no injection since July 2006. Well may not be used pending an aproved annual MIT test. Operator must contact OCD

regarding this well.

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

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

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.