



April 5, 2007



Oil Conservation Division 1301 W. Grand Artesia, NM 88210

Attn: Ron Harvey

LOV NO. 028207 Letter of Violation Re:

Pecos 32 State #2

C-32-T19S-R27E

30-015-32472

Sir:

In response to your letter dated 3/27/07 (copy attached), the well sign at the above location has been replaced to indicate Marbob Energy Corporation as operator, per your request. This location is now ready for re-inspection.

If you have any questions or require further information, please don't hesitate to contact me. Thank you for your help in this matter.

Sincerely,

Diàna J. Briggs

Production Analyst



NEW MEXICO ENERGY, MINERALS NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E. Director Oil Conservation Division

MAK 3 0 2007

27-Mar-07

MARBOB ENERGY CORP

PO Box 227

Artesia NM 88211

LOV NO. 028207

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

Yes

PECOS 32 STATE No.002

C-32-19S-27E

No

30-015-32472-00-00

Inspection

Type Inspection

Inspector

*Significant Violation? Non-Compliance? Corrective

Date 03/27/2007

Routine/Periodic

Ron Harvey

Action Due By: 4/27/2007

Inspection No. iREH0708635463

Violations

Absent Well Identification Signs (Rule 103)

Comments on Inspection:

oK. All Equipment and Location in Good Shape. Well file states Marbob as operator but well sign

states Pogo Production. Violation of Rule 103. Photo taken.