

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

July 2, 2007

HANSON ENERGY
PO BOX 1348
ARTESIA NM 88210

Re: **LETTERS OF VIOLATION – 02-130-07 and 02-149-07**

Dear Operator:

In response to the C103's sent to our office regarding the wells listed in the LOV's dated May 29th 2007 and June 4th 2007.

BERRY FEDERAL No.029

F-23-17S-27E 30-015-00472-00-00

Extension granted until 9/14/2007. Production has not been reported since 1/1/2005. That is over 2 years and 6 months ago. Please show proof that you have been attempting to secure a compressor during this time and indicate when this compressor will be installed, or you may T&A the well or submit paperwork to P&A the well by the extension expiration date.

BERRY FEDERAL No.030

O-23-17S-27E 30-015-21510-00-00

Extension granted until 9/14/2007. Production has not been reported since 1/1/2005. That is over 2 years and 6 months ago. Please show proof that you have been attempting to secure a compressor during this time and indicate when this compressor will be installed, or you may T&A the well or submit paperwork to P&A the well by the extension expiration date.

BERRY FEDERAL No.034

G-23-17S-27E 30-015-31113-00-00

Extension granted until 9/14/2007. Production has not been reported since 1/1/2005. That is over 2 years and 6 months ago. Please show proof that you have been attempting to secure a compressor during this time and indicate when this compressor will be installed, or you may T&A the well or submit paperwork to P&A the well by the extension expiration date.

SAUNDERS A No.002

B-13-17S-27E 30-015-01247-00-00

Compliance issue resolved.

SAUNDERS A No.007

B-13-17S-27E 30-015-01244-00-00

Compliance issue resolved.

SAUNDERS A No.011

B-13-17S-27E 30-015-24123-00-00

Extension granted until 9/14/2007. Production has not been reported since 9/1/1988. Bring the well back into production or submit paperwork to P&A the well by the extension expiration date.

SAUNDERS B No.003

A-13-17S-27E 30-015-22725-00-00

Extension granted until 9/14/2007. Production has not been reported since 9/1/2005. Please show proof that this compressor is under repair or submit paperwork to P&A the well by the extension expiration date.

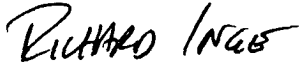
SPURCK STATE No.009

F-24-17S-27E

30-015-30997-00-00

Extension granged until 9/22/2007. Recompletion of this well must begin by this date or a plan to P&A thie well submitted to the OCD Artesia office by this date.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard Ince". The signature is written in a cursive, slightly slanted style.

Artesia OCD District Office