NEW MEXICO ENERGY, MINERALS NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor Joanna Cabinet Secretary Mark E. Fesmire. Director Oil Conservation

21-Feb-08

TIPTON OIL & GAS ACQUISITIONS, INC. P.O. BOX 1597 **LOVINGTON NM 88260**

ORBIT PETROLEUM, INC. 1131 E. BRITTON RD OKLAHOMA CITY OK 73131 LOVNO. 02-08-032

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

TWIN LAKES SAN ANDRES UNIT No.054

D-1-9S-28E *Significant 30-005-00349-00-00 Corrective

Inspection Date Type Inspection

Inspector

Violation? Non-Compliance? No

Action Due By:

02/21/2008 Pre-Operation (MIT Comments on Inspection:

Richard Inge

Yes

3/5/2008

Inspection No. iREI0805234557

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

DOUBLE L QUEEN UNIT No.0011

L-31-14S-30E

30-005-20307-00-00

Inspection Date **Type Inspection** 02/21/2008 Pre-Operation (MIT

Inspector Richard Inge Violation? Yes

*Significant Non-Compliance? No

Corrective Action Due By: 3/5/2008

Inspection No. iREI0805232527

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

DOUBLE L OUEEN UNIT No.002H

E-31-14S-30E

30-005-20308-00-00

Inspection Date

Type Inspection

Inspector

Inspector

Richard Inge

*Significant Non-Compliance? Violation?

Corrective Action Due By:

02/21/2008 Pre-Operation (MIT

Richard Inge

Yes

Inspection No. iREI0805232620

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well

No

3/5/2008

operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed.

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.035

K-36-8S-28E

*Significant

30-005-60026-00-00 Corrective

Inspection Date 02/21/2008

Type Inspection Pre-Operation (MIT Violation? Yes

Non-Compliance? No

Action Due By: 3/5/2008

Inspection No. iREI0805232294

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.034

30-005-60033-00-00 L-36-8S-28E

*Significant Corrective

Date 02/21/2008

Inspection

Type Inspection Pre-Operation (MIT Inspector Richard Inge Violation? Yes

Non-Compliance? Action Due By: No 3/5/2008

Inspection No. iREI0805234257

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.017

C-36-8S-28E

30-005-60039-00-00

Inspection Date 02/21/2008

Type Inspection Pre-Operation (MIT

Inspector Violation? Richard Inge

*Significant Non-Compliance? No

Corrective Action Due By: 3/5/2008

Inspection No. iREI0805233917

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed.'

Yes

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

DOUBLE L QUEEN UNIT No.001K

A-1-15S-29E

30-005-60078-00-00

Inspection Date 02/21/2008

Type Inspection Pre-Operation (MIT Inspector Richard Inge Violation? Yes

*Significant Non-Compliance? No

Corrective Action Due By: 3/5/2008

Inspection No. iREI0805232574

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

DOUBLE L QUEEN UNIT No.004G

G-36-14S-29E

30-005-60080-00-00

Date 02/21/2008

Inspection

Type Inspection Pre-Operation (MIT

Inspector Violation? Richard Inge Yes

*Significant Non-Compliance? No

Corrective Action Due By: 3/5/2008

Inspection No. iREI0805232956

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed.'

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

DOUBLE L QUEEN UNIT No.001H

N-25-14S-29E

*Significant

30-005-60127-00-00 Corrective

Inspection Date 02/21/2008

Type Inspection Pre-Operation (MIT

Inspector Richard Inge Violation? Non-Compliance? Yes No

Action Due By: 3/5/2008

Inspection No. iREI0805232461

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.074

K-1-9S-28E

30-005-60248-00-00

Corrective

Inspection Date 02/21/2008

Type Inspection Pre-Operation (MIT Inspector Richard Inge Violation? Yes

Non-Compliance? No

*Significant

Action Due By: 3/5/2008

Inspection No. iREI0805234893

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.046

O-36-8S-28E

30-005-60291-00-00

Inspection Date

Type Inspection 02/21/2008 Pre-Operation (MIT Inspector Richard Inge Violation? Yes

*Significant Non-Compliance? No

Corrective Action Due By:

Inspection No. iREI0805234388

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.055

C-1-9S-28E

30-005-60297-00-00

Inspection Date

Type Inspection Pre-Operation (MIT Inspector Richard Inge Violation? Yes

*Significant Non-Compliance? No

Corrective Action Due By: 3/5/2008

Inspection No. iREI0805234602

02/21/2008 Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

E-36-8S-28E

30-005-60334-00-00

*Significant Corrective Inspection Inspector Violation? Non-Compliance? Inspection No. Date Type Inspection Action Due By: Pre-Operation (MIT Richard Inge 3/5/2008 iREI0805234105 02/21/2008 Yes No

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.027

G-36-8S-28E 30-005-60521-00-00

*Significant Corrective Inspection Date Type Inspection Inspector Violation? Non-Compliance? Action Due By: Inspection No. iREI0805234159 02/21/2008 Pre-Operation (MIT Richard Inge Yes No 3/5/2008

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection

on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.013

M-30-8S-29E 30-005-60558-00-00 *Significant Corrective

Inspection Violation? Inspection No. Date Type Inspection Inspector Non-Compliance? Action Due By: 02/21/2008 iREI0805233825 Pre-Operation (MIT Richard Inge 3/5/2008 Yes No

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.019

A-36-8S-28E 30-005-60560-00-00

Inspection *Significant Corrective Type Inspection Inspector Violation? Non-Compliance? Action Due By: Inspection No. Date 02/21/2008 Pre-Operation (MIT Richard Inge Yes iREI0805233957 No

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.011

O-25-8S-28E 30-005-60563-00-00 *Significant Corrective

Inspection Date Type Inspection Inspector Violation? Non-Compliance? Action Due By: Inspection No. 02/21/2008 Pre-Operation (MIT Richard Inge Yes Nο 3/5/2008 iREI0805233777

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

I-25-8S-28E

30-005-60579-00-00 Corrective

Inspection Date

02/21/2008

Type Inspection Pre-Operation (MIT Inspector

Violation?

*Significant Non-Compliance?

Action Due By:

Inspection No.

Comments on Inspection:

Richard Inge

Yes

No

3/5/2008

iREI0805233602

Violation of NMOCD Rule 19,15,9,704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

KUCHEMANN No.002

E-30-8S-29E

30-005-60580-00-00

Inspection Date

Type Inspection 02/21/2008 Pre-Operation (MIT

Inspector Richard Inge Violation? Yes

*Significant Corrective Non-Compliance? Action Due By: 3/5/2008 No

Inspection No. iREI0805233002

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.006

Pre-Operation (MIT

K-30-8S-29E

30-005-60596-00-00

Inspection Date **Type Inspection**

Inspector Richard Inge

Violation? Yes

*Significant Non-Compliance? No

Corrective Action Due By: 3/5/2008

Inspection No. iREI0805233672

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.009

M-25-8S-28E

30-005-60598-00-00

Inspection Date

02/21/2008

Type Inspection 02/21/2008 Pre-Operation (MIT Inspector Richard Inge Violation? Yes

*Significant Non-Compliance?

Corrective Action Due By:

Inspection No. iREI0805233720

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.002

K-25-8S-28E *Significant 30-005-60648-00-00

Inspection Date

Type Inspection 02/21/2008 Pre-Operation (MIT

Inspector Richard Inge Violation? Yes

Non-Compliance? No

Corrective **Action Due By:** 3/5/2008

Inspection No. iREI0805236097

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

C-31-8S-29E

30-005-60658-00-00

Inspection Type Inspection Date 02/21/2008

Pre-Operation (MIT

Inspector Richard Inge Violation? Yes

*Significant Non-Compliance? No

Corrective Action Due By: 3/5/2008

Inspection No. 1REI0805234003

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.040

K-31-8S-29E *Significant 30-005-60696-00-00

Corrective

Inspection Date 02/21/2008

Type Inspection Pre-Operation (MIT Inspector Richard Inge Violation? Yes

Non-Compliance? Action Due By: 3/5/2008 No

Inspection No. iREI0805234299

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.091

B-12-9S-28E *Significant 30-005-60790-00-00 Corrective

Inspection Date Type Inspection 02/21/2008 Pre-Operation (MIT

Inspector Richard Inge

Violation? Yes

Non-Compliance? Action Due By: 3/5/2008 No

Inspection No. iREI0805235140

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.086

P-1-9S-28E

30-005-60794-00-00

Inspection Date 02/21/2008

Type Inspection Inspector Pre-Operation (MIT Richard Inge Violation? Yes

*Significant Non-Compliance? No

Corrective Action Due By: 3/5/2008

Inspection No. iREI0805235061

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.032

G-31-8S-29E

30-005-60795-00-00

Inspection Date

Type Inspection

Inspector Richard Inge Violation? Yes

*Significant Non-Compliance? No

Corrective Action Due By: 3/5/2008

Inspection No. iREI0805234213

02/21/2008 Pre-Operation (MIT Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

O-31-8S-29E

30-005-60796-00-00

Inspection Date

02/21/2008

Type Inspection Pre-Operation (MIT Inspector Richard Inge Violation?

*Significant Non-Compliance?

Corrective Action Due By:

Inspection No. iREI0805234436

Comments on Inspection:

Yes

No

3/5/2008

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.059

C-6-9S-29E *Significant

30-005-60807-00-00 Corrective

Type Inspection Date 02/21/2008

Inspection

Inspector Pre-Operation (MIT Richard Inge Violation? Yes

Non-Compliance? Action Due By: No 3/5/2008

Inspection No. iREI0805234688

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.076

I-1-9S-28E Significant

30-005-60809-00-00 Corrective

Inspection Date Type Inspection 02/21/2008 Pre-Operation (MIT

Inspector Richard Inge Violation? Yes

Non-Compliance? No

Action Due By: Inspection No. 3/5/2008 iREI0805234931

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.043

L-32-8S-29E

30-005-60829-00-00

Inspection Date

Type Inspection 02/21/2008 Pre-Operation (MIT

Violation? Inspector Richard Inge Yes

*Significant Non-Compliance? No

Corrective Action Due By: 3/5/2008

Inspection No. iREI0805234346

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.070

G-6-9S-29E

30-005-60885-00-00

Inspection Date

02/21/2008

Type Inspection Pre-Operation (MIT

Inspector Richard Inge Violation? Yes

*Significant Non-Compliance? No

Corrective Action Due By: 3/5/2008

Inspection No. iRE10805234854

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

A-6-9S-29E

30-005-60920-00-00

Inspection Date 02/21/2008

Type Inspection Pre-Operation (MIT Inspector

Violation?

*Significant Non-Compliance?

Corrective Action Due By:

Inspection No.

Comments on Inspection:

Richard Inge

Yes

No

3/5/2008

iREI0805234728

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.052

M-32-8S-29E

No

30-005-60961-00-00

Inspection Date 02/21/2008

Type Inspection Pre-Operation (MIT Inspector

Violation?

*Significant Corrective Non-Compliance? Action Due By:

Inspection No.

Comments on Inspection:

Richard Inge

Yes

3/5/2008

iREI0805234514

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.023

A-31-8S-29E

30-005-60965-00-00

Corrective

Inspection Date 02/21/2008

Type Inspection Pre-Operation (MIT Inspector Richard Inge Violation? Yes

*Significant Non-Compliance?

Action Due By: 3/5/2008

Inspection No. iREI0805234048

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.081

1-6-9S-29E

30-005-60993-00-00 Corrective

Inspection Date

Type Inspection 02/21/2008 Pre-Operation (MIT

Inspector Richard Inge Violation? Yes

*Significant Non-Compliance?

Action Due By: 3/5/2008

Inspection No. iREI0805235011

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.078

K-6-9S-29E

30-005-60995-00-00 Corrective

Inspection Date 02/21/2008

Type Inspection Pre-Operation (MIT Inspector Richard Inge Violation? Yes

*Significant Non-Compliance? No

Action Due By: 3/5/2008

Inspection No. iREI0805234974

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed,"

O-6-9S-29E

No

30-005-61006-00-00 Corrective

Inspection Date 02/21/2008

Type Inspection Pre-Operation (MIT Inspector

*Significant Violation? Non-Compliance?

Action Due By:

Inspection No.

Comments on Inspection:

Richard Inge

Yes

3/5/2008

1REI0805235100

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well

operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.068

E-6-9S-29E

30-005-61007-00-00

Inspection Date 02/21/2008

Type Inspection Inspector Pre-Operation (MIT

*Significant Violation? Non-Compliance?

Corrective Action Due By:

Inspection No.

Richard Inge

No

*Significant

3/5/2008

iREI0805234810

Comments on Inspection:

Yes Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.103

Pre-Operation (MIT

G-7-9S-29E

30-005-61075-00-00

Inspection Date Type Inspection

Inspector Richard Inge

Violation? Non-Compliance? Yes No

Corrective Action Due By: 3/5/2008

Inspection No. iREI0805235304

Comments on Inspection:

02/21/2008

Inspection

Date

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.107

Type Inspection

K-7-9S-29E

No

30-005-61104-00-00

3/5/2008

*Significant Corrective Non-Compliance? Action Due By:

Inspection No. iREI0805235383

02/21/2008 Pre-Operation (MIT Comments on Inspection:

Yes Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

Violation?

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.100

Pre-Operation (MIT

E-7-9S-29E

30-005-61105-00-00

Inspection Date Type Inspection

Inspector Richard Inge

Inspector

Richard Inge

Violation? Yes

*Significant Non-Compliance? No

Corrective Action Due By: 3/5/2008

Inspection No. iREI0805235239

Comments on Inspection:

02/21/2008

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

A-7-9S-29E

30-005-61107-00-00

Date Type Inspection 02/21/2008 Pre-Operation (MIT

Inspector Richard Inge

*Significant Violation? Non-Compliance? No

Corrective Action Due By:

Inspection

Yes

3/5/2008

Inspection No. iREI0805235192

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well Comments on Inspection: operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed.

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.057

A-1-9S-28E *Significant Non-Compliance?

No

30-005-61135-00-00

Inspection Date 02/21/2008

Type Inspection Pre-Operation (MIT Violation? Yes

Corrective Action Due By:

Inspection No. iREI0805234650

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.111

Pre-Operation (MIT

M-7-9S-29E *Significant 30-005-61453-00-00

Corrective

Inspection **Type Inspection** Date

Inspector Richard Inge

Inspector

Richard Inge

Violation? Yes

Non-Compliance? Action Due By: No 3/5/2008

Inspection No. iREI0805235468

Comments on Inspection:

02/21/2008

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.113

O-7-9S-29E *Significant

30-005-61604-00-00

Inspection Type Inspection Date 02/21/2008 Pre-Operation (MIT

Inspector Richard Inge Violation? Yes

Non-Compliance? No

Corrective Action Due By: 3/5/2008

Inspection No. iREI0805235500

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.119

F-18-9S-29E

30-005-61623-00-00

Inspection Date 02/21/2008

Type Inspection Pre-Operation (MIT

Inspector Richard Inge Violation? Yes

*Significant Non-Compliance?

Corrective Action Due By:

Inspection No. iREI0805235574

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

B-18-9S-29E

30-005-61736-00-00

Inspection Date 02/21/2008

Type Inspection Pre-Operation (MIT Inspector

Violation?

*Significant Non-Compliance?

Corrective Action Due By:

Inspection No.

Comments on Inspection:

Richard Inge

iREI0805235540

Yes

3/5/2008

Violation of NMOCD Rule 19.15 9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.109

J-12-9S-28E

30-005-61772-00-00 Corrective

Inspection Date

02/21/2008

Inspection

Date

Type Inspection 02/21/2008 Pre-Operation (MIT Inspector Richard Inge Violation?

*Significant Non-Compliance?

Action Due By: 3/5/2008

Inspection No. iREI0805235432

Comments on Inspection:

Yes No Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.105

Pre-Operation (MIT

H-12-9S-28E

30-005-62068-00-00 Corrective

Inspection Date Type Inspection

Inspector Richard Inge

Richard Inge

Violation? Yes

*Significant Non-Compliance? No

Action Due By: 3/5/2008

Inspection No. iREI0805235342

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.001

Type Inspection

F-25-8S-28E

30-005-62070-00-00

*Significant Inspector Violation?

Non-Compliance?

Corrective Action Due By: 3/5/2008

Inspection No. iREI0805236013

02/21/2008 Pre-Operation (MIT Comments on Inspection:

Yes Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

O'BRIEN P No.001

C-28-8S-29E

30-005-62192-00-00

Inspection Date

Type Inspection

Inspector Richard Inge Violation? Yes

*Significant Non-Compliance? No

Corrective Action Due By: 3/5/2008

Inspection No. iREI0805231565

02/21/2008 Pre-Operation (MIT Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

C-5-9S-29E

30-005-62563-00-00

Inspection Date 02/21/2008

Type Inspection Pre-Operation (MIT Inspector

Violation?

*Significant Non-Compliance?

Corrective Action Due By: 3/5/2008

Inspection No.

Comments on Inspection:

Richard Inge

Yes

No

iREI0805234770

Violation of NMOCD Rule 19.15.9 704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed.

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.015

Pre-Operation (MIT

O-30-8S-29E

30-005-62565-00-00 Corrective

Inspection Date 02/21/2008

Type Inspection

Inspector Richard Inge Violation? Yes

*Significant Non-Compliance? No

Action Due By: 3/5/2008

Inspection No. iREI0805233871

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

NORTHEAST SQUARE LAKE PREMIER UNIT No.008

M-2-16S-31E

30-015-04785-00-00 Corrective

3/5/2008

Inspection Date

Type Inspection

Inspector Richard Inge Violation? Yes

*Significant Non-Compliance? Action Due By:

No

Inspection No. iREI0805233158

02/21/2008 Pre-Operation (MIT Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

NORTHEAST SQUARE LAKE PREMIER UNIT No.005

P-3-16S-31E

30-015-04788-00-00

Inspection Date 02/21/2008

Type Inspection Pre-Operation (MIT Inspector Richard Inge Violation? Yes

*Significant Non-Compliance? No

Corrective Action Due By:

Inspection No. iREI0805233101

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

NORTHEAST SQUARE LAKE PREMIER UNIT No.003

K-3-16S-31E

30-015-04794-00-00

Inspection

Inspector

Violation?

*Significant

Corrective

Date Type Inspection 02/21/2008 Pre-Operation (MIT

Richard Inge

Non-Compliance? Yes No

Action Due By: 3/5/2008

Inspection No. iREI0805233050

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

NORTHEAST SQUARE LAKE PREMIER UNIT No.012

A-9-16S-31E

30-015-04831-00-00 Corrective

Inspection
Date Ty

02/21/2008

Type Inspection
Pre-Operation (MIT

Inspector Richard Inge Violation? Yes *Significant Non-Compliance? No

Action Due By: 3/5/2008

Inspection No. iREI0805232363

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "...The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

NORTHEAST SQUARE LAKE PREMIER UNIT No.021

G-10-16S-31E

30-015-04837-00-00

Inspection Date 02/21/2008

Type Inspection
Pre-Operation (MIT

Inspector Richard Inge Violation? Yes *Significant Non-Compliance? No

Corrective Action Due By: 3/5/2008

Inspection No. iREI0805233210

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "...The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

NORTHEAST SQUARE LAKE PREMIER UNIT No.025

I-10-16S-31E

No

30-015-04845-00-00

Inspection Date

02/21/2008

Type Inspection
Pre-Operation (MIT

Inspector

Richard Inge

Violation? Yes *Significant Corrective Non-Compliance? Action Due By:

Inspection No. iREI0805232190

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

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

KILHARD NAS

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.