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7009 0820 0001 4133 2431

# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

**\*Response Required - Deadline Enclosed\***

*Field Inspection Program*

*Preventing Environmental Degradation*

28-Sep-09

LOV NO. 02-09-082

ERS RESOURCES, LLC

C/O ORBIT PETROLEUM, INC. 251 O'CONNOR RIDGE BLVD, #265

IRVING TX 75038

**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**

ARTESIA METEX UNIT No.030

A-25-18S-27E

30-015-01193-00-00

| Inspection Date | Type Inspection | Inspector      | Violation? | *Significant Non-Compliance? | Corrective Action Due By: | Inspection No. |
|-----------------|-----------------|----------------|------------|------------------------------|---------------------------|----------------|
| 09/24/2009      | Phone call      | Darold J. Gray | Yes        | No                           | 10/9/2009                 | iDJG0926764210 |

**Comments on Inspection:** Responded to Rancher complaint about an oil release. Hydrocarbon impact area extends from well flowline to a low area measuring approx. 10' x 60'. Flow path extends downhill, approx. 100' towards a water storage area. Dead vegetation exists along flowpath. You are found to be in violation of the following rules:


19.15.2.8 GENERAL OPERATIONS/WASTE PROHIBITED:

19.15.29.8 RELEASE NOTIFICATION:

You are required by state law to file a form C-141, and a C-103, including a work plan, with this office by 10/9/2009.

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.