

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Oil Conservation Division

Field Inspection Program
"Preserving the Integrity of Our Environment"

28-Apr-04

BIRD CREEK LLC 7134 S. YALE AVE SUITE 600 TULSA OK 74136

NOTICE 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.

| | | INS | PECTION | DETAIL | SECTION | | |
|--------------------------|--------------------------|---|----------------|----------------------|--|---------------------------|----------------|
| EAST LOV Inspection Date | ING SWD Type Inspection | No.001 | | 3S-28E Violation? | 30-015-26764-00-0 *Significant Non-Compliance? | Corrective Action Due By: | Inspection No. |
| 04/27/2004 | Routine/Perio | odic Mike | Stubblefield | Yes | No | 5/27/2004 | iMCS0411837421 |
| Comments | on Inspection: | Inspected SWD & relater release. The impacted are battery. Violation Rule 1 attached. | as were the di | iked area ar | nd location to the south a | nd east of the tan | k |

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,

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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.