NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

Field Inspection Program
"Preserving the Integrity of Our Environment"

12-Mar-03

EL RAN INC PO BOX 911 LUBBOCK, TX 79408-

Dear Operator:

The following inspection(s) indicate one or more violations as described in the detail section below. The inspection(s) indicates that the well, equipment, location or operational status failed to meet standards of the New Mexico Oil Conservation Division. 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 below 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.

Please notify the proper district office of the Division of the date corrective actions are scheduled to be made so that arrangements can be made to reinspect the well and/or facility

Please be advised that failure to comply with this directive will result in an application for an order to Show Cause why the Bond should not be forfeited, and civil penalties assessed.

INSPECTION DETAIL SECTION

B B STATE 002

N-16-19S-31E

30-015-25878-00-00 *Significant

Inspection Date 03/10/2003

Type Inspection
Routine/Periodic

Inspector

Mike Bratcher

Violation? Yes Non-Compliance?

Corrective Action Due By: 6/13/2003

Inspection No. iMLB0306946728

Comments on Inspection:

P/A marker in place. Marker lists well in Range 34 and in Lea County. Violation Rule 201.

Thank you for your prompt attention to this matter and your efforts in helping to protect our environment and the infra-structure of the oil and gas industry.

Sincerely

Artesia OCD District Office

Mike Broth

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.