



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

AGHORN OPERATING INC.

PO BOX 12663

ODESSA TX 79768-2663

April 14, 2006

SECOND LETTER OF VIOLATION

Dear Operator:

A reinspection of the below listed wells indicates that the wells remain out of compliance with the 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.

INSPECTION DETAIL SECTION

R T WILSON FEDERAL No. 002

P-24-26S-31E

30-015-05865-00-00

Inspection

Date	Type Inspection	Inspector	Violation?	Corrective Action Due By:	Inspection No.
04/11/2006	Compliance Verification	Chris Beadle	Yes	5/5/2006	iCLB0610141040

Comments on Inspection: No requirements of letter sent to operator have been met. No C-141 for release of produced fluids or work plan to address the release received. The standing fluids at the wellhead have been addressed by what appears to be adding clean soils on top of contamination and spread around the wellhead area. Wellhead area remains contaminated.

R T WILSON FEDERAL No. 003

H-24-26S-31E

30-015-05866-00-00

Inspection

Date	Type Inspection	Inspector	Violation?	Corrective Action Due By:	Inspection No.
04/11/2006	Compliance Verification	Chris Beadle	Yes	5/5/2006	iCLB0610141366

Comments on Inspection: No requirements of letter sent to operator have been met. No C-141 for release of produced fluids or work plan to address the release received. The standing fluids at the wellhead have been addressed by what appears to be adding clean soils on top of contamination. Wellhead remains heavily contaminated with saturation of the clean soils becoming evident.

EDDY AGA STATE No. 001

D-36-26S-31E

30-015-05896-00-00

Inspection

Date	Type Inspection	Inspector	Violation?	Corrective Action Due By:	Inspection No.
04/11/2006	Compliance Verification	Chris Beadle	Yes	5/5/2006	iCLB0610141366

Comments on Inspection: No requirements of letter sent to operator have been met. Clean soils that were placed on contamination are now contaminated by leaching from contamination that remains in place.

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