

NEW MEXICO ENERGY, MINERALS NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

CAN CELLED - WRONG WELL MISSED FOUTHERES.

RUHARD INGE WAS # 006.0K.

6/11/07 3:30pm.

04-Jun-07

DEVON ENERGY PRODUCTION COMPANY, LP

PO Box 250

Artesia NM 88210

LOV NO. 02-153-07

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

LOGAN 35 FEDERAL No.001

I-35-17S-27E

30-015-30407-00-00

Inspection

Type Inspection

Inspector

*Significant Violation?

Corrective

Date

Routine/Periodic

Non-Compliance?

Action Due By:

Inspection No.

05/11/2007

Richard Inge

No

6/22/2007

iREI0713148110

Comments on Inspection:

No APD on file. APD cancelled by BLM after request for extension expired on 9/22/2001. No

Yes

completion report filed. No production reported. Active pumpiack on location.

Operator has 10 days to file all missing paperwork to the Artesia District Office.

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

RICHARD INGUE

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.