NEW MEXICO ENERGY, MINERALS NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor Joanna Cabinet Secretary Mark E. Fesmire. Director! Oil Conservation

21-Feb-08

TIPTON OIL & GAS ACQUISITIONS, INC. P.O. BOX 1597 LOVINGTON NM 88260

ORBIT PETROLEUM, INC. 1131 E. BRITTON RD OKLAHOMA CITY OK 73131 02-08-032

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

TWIN LAKES SAN ANDRES UNIT No.054

30-005-00349-00-00

Inspection Date 02/21/2008

Type Inspection

Inspector Violation?

*Significant Non-Compliance?

Corrective Action Due By:

Inspection No.

Pre-Operation (MIT Comments on Inspection:

Richard Inge

Yes

No 3/5/2008 iREI0805234557

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

DOUBLE L QUEEN UNIT No.0011

L-31-14S-30E

30-005-20307-00-00

Inspection Date

02/21/2008

Type Inspection Pre-Operation (MIT Inspector Richard Inge Violation? Yes

*Significant Non-Compliance? No

Corrective Action Due By: 3/5/2008

Inspection No. iREI0805232527

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

DOUBLE L OUEEN UNIT No.002H

E-31-14S-30E

30-005-20308-00-00

Inspection Date

02/21/2008

Type Inspection

Pre-Operation (MIT

Inspector

Violation?

*Significant Non-Compliance?

Corrective Action Due By:

Inspection No.

Comments on Inspection:

Richard Inge

Yes

No

3/5/2008

iREI0805232620

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.035

K-36-8S-28E

30-005-60026-00-00

*Significant

Corrective

Inspection No.

Date 02/21/2008

Inspection

Type Inspection Pre-Operation (MIT Inspector Richard Inge Violation? Yes

Non-Compliance? No

Action Due By: 3/5/2008

iREI0805232294

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.034

L-36-8S-28E

30-005-60033-00-00

Inspection Date

Type Inspection

Inspector

*Significant Violation? Non-Compliance?

Corrective Action Due By:

Inspection No.

02/21/2008

Inspection

Date

Pre-Operation (MIT

Richard Inge

Yes

No

3/5/2008

iREI0805234257

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.017

Type Inspection

C-36-8S-28E

30-005-60039-00-00 Corrective

Inspection No.

02/21/2008 Pre-Operation (MIT Inspector Richard Inge Violation? Yes

Non-Compliance? No

*Significant

Action Due By: 3/5/2008

iREI0805233917

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

DOUBLE L QUEEN UNIT No.001K

A-1-15S-29E

30-005-60078-00-00

Inspection Date

Type Inspection

Inspector Richard Inge Violation? Yes

*Significant Non-Compliance? No

Corrective Action Due By: 3/5/2008

Inspection No. iREI0805232574

02/21/2008 Pre-Operation (MIT Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

DOUBLE L QUEEN UNIT No.004G

Pre-Operation (MIT

G-36-14S-29E

30-005-60080-00-00

Inspection Date Type Inspection

Inspector

*Significant Violation? Non-Compliance?

Corrective Action Due By:

Inspection No.

Comments on Inspection:

02/21/2008

Richard Inge

No

3/5/2008

iREI0805232956

Yes Violation of NMOCD Rule 19.15.9.704 A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

DOUBLE L QUEEN UNIT No.001H

N-25-14S-29E

30-005-60127-00-00

*Significant

Corrective

Date Type Inspection 02/21/2008

Inspection

Inspector Pre-Operation (MIT Richard Inge Violation? Yes

Non-Compliance? Action Due By: No 3/5/2008

Inspection No. iREI0805232461

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.074

K-1-9S-28E

No

*Significant

30-005-60248-00-00

Inspection Date

02/21/2008

Type Inspection Inspector

*Significant Violation? Non-Compliance?

Corrective Action Due By: 3/5/2008

Inspection No. iREI0805234893

Pre-Operation (MIT Comments on Inspection:

Yes Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed.'

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.046

O-36-8S-28E

30-005-60291-00-00 Corrective

Inspection Date 02/21/2008

Type Inspection

Inspector Richard Inge

Richard Inge

Violation? Yes

Non-Compliance? No

Action Due By: 3/5/2008

Inspection No. iREI0805234388

Pre-Operation (MIT Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.055

C-1-9S-28E

30-005-60297-00-00

Inspection Date Type Inspection

Inspector Richard Inge Violation? Yes

*Significant Non-Compliance? No

Corrective Action Due By: 3/5/2008

Inspection No. iREI0805234602

Pre-Operation (MIT Comments on Inspection:

02/21/2008

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

E-36-8S-28E

No

30-005-60334-00-00

Inspection Date Type Inspection Pre-Operation (MIT 02/21/2008

Inspector Richard Inge

*Significant Violation? Non-Compliance?

Corrective Action Due By: 3/5/2008

Inspection No. iREI0805234105

Comments on Inspection:

Yes Violation of NMOCD Rule 19.15.9,704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.027

G-36-8S-28E *Significant 30-005-60521-00-00 Corrective

Date Type Inspection 02/21/2008 Pre-Operation (MIT Inspector Richard Inge Violation? Non-Compliance? Yes No

Action Due By: 3/5/2008

Inspection No. iREI0805234159

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.013

Pre-Operation (MIT

M-30-8S-29E

30-005-60558-00-00

Inspection Date 02/21/2008

Inspection

Type Inspection

Violation? Richard Inge Yes

*Significant Non-Compliance? No

*Significant

Corrective Action Due By: 3/5/2008

Inspection No. iREI0805233825

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed.'

Failure to contact the OCD by Corrective Action due date to schedule the required inspection

on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.019

A-36-8S-28E

30-005-60560-00-00 Corrective

Inspection Date

Type Inspection

Inspector Richard Inge

Inspector

Violation? Yes

Non-Compliance? No

Action Due By: Inspection No. 3/5/2008 iREI0805233957

02/21/2008 Pre-Operation (MIT Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.011

Pre-Operation (MIT

O-25-8S-28E

30-005-60563-00-00 Corrective

Inspection Date Type Inspection

Inspector Richard Inge

Violation? Yes

*Significant Non-Compliance? No

Action Due By: 3/5/2008

Inspection No. iREI0805233777

Comments on Inspection:

02/21/2008

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

I-25-8S-28E

30-005-60579-00-00

Inspection
Date Type Inspection
02/21/2008 Pre-Operation (MIT

Inspector Richard Inge *Significant Non-Compliance? No Corrective
Action Due By:
3/5/2008

Inspection No. iREI0805233602

Comments on Inspection:

(MIT Richard Inge Yes No 3/5/2008 Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "...The injection well operator shall advise the division of the date and time any initial, five-year or special tests

Violation?

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

KUCHEMANN No.002

E-30-8S-29E *Significant 30-005-60580-00-00 Corrective

Inspection Date 02/21/2008

Type Inspection Inspector
Pre-Operation (MIT Richard Inge

Violation? Non-Compliance? Yes No Action Due By:

Inspection No. iREI0805233002

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.006

K-30-8S-29E

30-005-60596-00-00

Inspection Date

Type Inspection

Inspector V

*Significant
Violation? Non-Compliance?

Corrective Action Due By:

Inspection No. iREI0805233672

02/21/2008 Pre-Operation (MIT Comments on Inspection: Violat

(MIT Richard Inge Yes No 3/5/2008 Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "...The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.009

M-25-8S-28E

30-005-60598-00-00

3/5/2008

Inspection
Date Type Inspection
02/21/2008 Pre-Operation (MIT

Inspector Richard Inge Violation? Yes *Significant Non-Compliance? Corrective
Action Due By: Inspe

Inspection No. iREI0805233720

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "...The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.002

K-25-8S-28E

30-005-60648-00-00 Corrective

Inspection
Date Type Inspection
02/21/2008 Pre-Operation (MIT

Inspector Richard Inge

Violation? Yes *Significant Non-Compliance? No

Action Due By: 3/5/2008

Inspection No. iREI0805236097

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

C-31-8S-29E

30-005-60658-00-00

Inspection
Date Type Inspection

Type Inspection Inspector
Pre-Operation (MIT Richard Inge

Violation? Yes *Significant Non-Compliance?

No

Corrective Action Due By: 3/5/2008

Inspection No. iREI0805234003

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.040

K-31-8S-29E *Significant 30-005-60696-00-00 Corrective

Inspection Date 02/21/2008

02/21/2008

Type Inspection
Pre-Operation (MIT

Inspector Richard Inge Violation? Non-Compliance?
Yes No

Action Due By: 3/5/2008

Inspection No. iREI0805234299

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "...The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.091

Pre-Operation (MIT

B-12-9S-28E

30-005-60790-00-00

Inspection Date

02/21/2008

Type Inspection

Violation? Yes *Significant Non-Compliance? No Corrective Action Due By: 3/5/2008

Inspection No. iREI0805235140

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.086

P-1-9S-28E

30-005-60794-00-00 Corrective

Inspection Date 02/21/2008

Type Inspection
Pre-Operation (MIT

Inspector Richard Inge

Inspector

Richard Inge

Violation? Yes *Significant Non-Compliance? No

Action Due By: 3/5/2008

Inspection No. iREI0805235061

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.032

30-005-60795-00-00 Corrective

Inspection Date

Type Inspection

Inspector Richard Inge Violation? Yes *Significant Non-Compliance? No

G-31-8S-29E

Action Due By: 3/5/2008

Inspection No. iREI0805234213

02/21/2008 Pre-Operation (MIT Comments on Inspection: Violat

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "...The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

O-31-8S-29E *Significant 30-005-60796-00-00 Corrective

Inspection Date 02/21/2008

Type Inspection
Pre-Operation (MIT

Inspector Richard Inge Violation? Yes Non-Compliance?

Action Due By: 3/5/2008

Inspection No. iREI0805234436

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.059

C-6-9S-29E

30-005-60807-00-00

*Significant

Corrective

Inspection
Date
02/21/2008

Type Inspection
Pre-Operation (MIT

Inspector Richard Inge Violation? Yes Non-Compliance?

Action Due By: 3/5/2008

Inspection No. iREI0805234688

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "...The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.076

I-1-9S-28E

30-005-60809-00-00

Inspection Date

Type Inspection

Inspector

*Significant Violation? Non-Compliance?

Corrective Action Due By: 3/5/2008

Inspection No. iREI0805234931

02/21/2008 Pre-Opera Comments on Inspection:

Pre-Operation (MIT Richard Inge Yes No 3/5/2008 on Inspection: Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "...The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.043

Type Inspection

L-32-8S-29E *Significant 30-005-60829-00-00 Corrective

F----------- N/-

02/21/2008 Pre-Operation (MIT

Inspection

Date

Inspector
MIT Richard Inge

Violation? Yes Non-Compliance?

Action Due By: 3/5/2008 iRE

Inspection No. iREI0805234346

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "...The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.070

G-6-9S-29E

30-005-60885-00-00 Corrective

Inspection
Date Type Inspection

02/21/2008 Pre-Operation (MIT

Inspector Richard Inge Violation? Yes *Significant Non-Compliance? No

Action Due By: 3/5/2008

Inspection No. iREI0805234854

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "...The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

A-6-9S-29E

30-005-60920-00-00 Corrective

Inspection Date

02/21/2008

Type Inspection Pre-Operation (MIT Inspector Richard Inge Violation?

*Significant Non-Compliance?

Action Due By: 3/5/2008

Inspection No. iREI0805234728

Comments on Inspection:

Yes Violation of NMOCD Rule 19.15.9 704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.052

M-32-8S-29E

30-005-60961-00-00

*Significant Corrective

Inspection Date Type Inspection 02/21/2008 Pre-Operation (MIT

Inspector Richard Inge

Inspector

Richard Inge

Violation? Yes

Non-Compliance? Action Due By: 3/5/2008 No

Inspection No. iREI0805234514

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.023

A-31-8S-29E

30-005-60965-00-00

Inspection Date

Type Inspection

Violation?

*Significant Non-Compliance? No

Corrective Action Due By: 3/5/2008

Inspection No.

iREI0805234048

02/21/2008 Pre-Operation (MIT Comments on Inspection:

Yes Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.081

I-6-9S-29E

30-005-60993-00-00 Corrective

Inspection Date 02/21/2008

Type Inspection Pre-Operation (MIT Inspector Richard Inge Violation? Yes

*Significant Non-Compliance? No

Action Due By: 3/5/2008

Inspection No. iREI0805235011

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.078

K-6-9S-29E

30-005-60995-00-00

Inspection Type Inspection Date 02/21/2008 Pre-Operation (MIT

Inspector Richard Inge Violation? Yes

*Significant Non-Compliance? No

Corrective Action Due By: 3/5/2008

Inspection No. iREI0805234974

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

O-6-9S-29E

30-005-61006-00-00

*Significant Corrective Inspection Inspector Violation? Non-Compliance? Action Due By: Inspection No. Date **Type Inspection** iREI0805235100 Pre-Operation (MIT 3/5/2008 02/21/2008 Richard Inge Yes No

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.068

E-6-9S-29E 30-005-61007-00-00 Corrective *Significant

Inspection Date Type Inspection Inspector Violation? Non-Compliance? Action Due By: Inspection No. iREI0805234810 02/21/2008 Pre-Operation (MIT Richard Inge 3/5/2008 Yes

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.103

G-7-9S-29E 30-005-61075-00-00 *Significant Corrective

Inspection No. Date Type Inspection Inspector Violation? Non-Compliance? Action Due By: iREI0805235304 02/21/2008 Pre-Operation (MIT Richard Inge No 3/5/2008 Yes

Comments on Inspection:

Inspection

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.107

K-7-9S-29E 30-005-61104-00-00

*Significant Corrective Inspection Type Inspection Action Due By: Date Inspector Violation? Non-Compliance? Inspection No. Richard Inge iREI0805235383 02/21/2008 Pre-Operation (MIT Yes No 3/5/2008

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.100

E-7-9S-29E 30-005-61105-00-00 *Significant Corrective

Inspection Date Type Inspection Inspector Violation? Non-Compliance? Action Due By: Inspection No. 02/21/2008 Pre-Operation (MIT Richard Inge Yes No 3/5/2008 iREI0805235239

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

A-7-9S-29E

30-005-61107-00-00

Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: Richard Inge iREI0805235192 02/21/2008 Pre-Operation (MIT Yes No 3/5/2008

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well Comments on Inspection: operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.057

A-1-9S-28E

30-005-61135-00-00 *Significant Corrective

Inspection Date Type Inspection Inspector Violation? Non-Compliance? Action Due By: Inspection No. 02/21/2008 Pre-Operation (MIT Richard Inge Yes No 3/5/2008 iREI0805234650

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well Comments on Inspection:

operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.111

M-7-9S-29E 30-005-61453-00-00

Inspection *Significant Corrective Date Inspector Violation? Type Inspection Non-Compliance? Action Due By: Inspection No. 02/21/2008 Pre-Operation (MIT Richard Inge Yes iREI0805235468 No 3/5/2008

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well Comments on Inspection:

operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.113

O-7-9S-29E 30-005-61604-00-00

Inspection *Significant Corrective Date Type Inspection Inspector Violation? Non-Compliance? Action Due By: Inspection No. 02/21/2008 Pre-Operation (MIT Richard Inge Yes iREI0805235500 No

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed.'

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.119

F-18-9S-29E 30-005-61623-00-00

Inspection *Significant Corrective Date Type Inspection Inspector Violation? Non-Compliance? Action Due By: Inspection No. Richard Inge 02/21/2008 Pre-Operation (MIT Yes 3/5/2008 iREI0805235574

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

TWIN LAKES SAN ANDRES UNIT No.118 B-18-9S-29E 30-005-61736-00-00 Inspection *Significant Corrective Inspection No. Date Type Inspection Inspector Violation? Non-Compliance? Action Due By: 1REI0805235540 02/21/2008 Pre-Operation (MIT Richard Inge Yes No 3/5/2008 Comments on Inspection: Violation of NMOCD Rule 19.15 9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed." Failure to contact the OCD by Corrective Action due date to schedule the required inspection. on this well will require that this well be shut-in on the Corrective Action due date. TWIN LAKES SAN ANDRES UNIT No.109 J-12-9S-28E 30-005-61772-00-00 *Significant Inspection Corrective Date Type Inspection Inspector Violation? Non-Compliance? Action Due By: Inspection No. iREI0805235432 02/21/2008 Pre-Operation (MIT Richard Inge Yes No 3/5/2008 Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well Comments on Inspection: operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed." Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date. TWIN LAKES SAN ANDRES UNIT No.105 H-12-9S-28E 30-005-62068-00-00 Inspection *Significant Corrective Date Type Inspection Inspector Violation? Non-Compliance? Action Due By: Inspection No. Richard Inge iREI0805235342 02/21/2008 Pre-Operation (MIT Yes No 3/5/2008 Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well Comments on Inspection: operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed." Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date. TWIN LAKES SAN ANDRES UNIT No.001 F-25-8S-28E 30-005-62070-00-00 Inspection *Significant Corrective Date Type Inspection Inspector Violation? Non-Compliance? Action Due By: Inspection No. iREI0805236013 02/21/2008 Pre-Operation (MIT Richard Inge Yes No 3/5/2008 Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well Comments on Inspection: operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed." Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

O'BRIEN P No.001					C-28-8S-29E	30-005-62192-00-	00 '
Inspection					*Significant	Corrective	1
Date	Type Inspection		Inspector	Violation?	Non-Compliance?	Action Due By:	Inspection No.
02/21/2008	Pre-Operation	(MIT	Richard Inge	Yes	No	3/5/2008	iREI0805231565
Comments on Inspection: Violation of NMOCD Rule 19.15.9.704.A (5), which states in part " The injection well						he injection well	1
operator shall advise the division of the date and time any initial, five-year or special tests							

are to be commenced in order that such tests may be witnessed."

C-5-9S-29E

30-005-62563-00-00

Inspection Date

02/21/2008

Type Inspection Pre-Operation (MIT Inspector

Violation?

*Significant Non-Compliance?

Corrective Action Due By:

Inspection No.

Comments on Inspection:

Richard Inge

Yes

No 3/5/2008

iREI0805234770

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection, on this well will require that this well be shut-in on the Corrective Action due date.

TWIN LAKES SAN ANDRES UNIT No.015

O-30-8S-29E

30-005-62565-00-00 Corrective

Date 02/21/2008

Inspection

Type Inspection Inspector Pre-Operation (MIT Richard Inge Violation?

*Significant Non-Compliance? No

Action Due By:

Inspection No. 'iREI0805233871

Comments on Inspection:

Yes Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

NORTHEAST SQUARE LAKE PREMIER UNIT No.008

M-2-16S-31E

30-015-04785-00-00

Inspection Date

Type Inspection

Violation? Yes

*Significant Non-Compliance? No

Corrective Action Due By: 3/5/2008

Inspection No. iREI0805233158

02/21/2008 Pre-Operation (MIT Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

NORTHEAST SQUARE LAKE PREMIER UNIT No.005

P-3-16S-31E

30-015-04788-00-00

Inspection Date

02/21/2008

02/21/2008

Type Inspection Pre-Operation (MIT

Inspector Richard Inge

Inspector

Richard Inge

Violation? Yes

*Significant Non-Compliance? No

Corrective Action Due By: 3/5/2008

Inspection No. iREI0805233101

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

NORTHEAST SQUARE LAKE PREMIER UNIT No.003

Pre-Operation (MIT

K-3-16S-31E

30-015-04794-00-00 Corrective

Inspection Date **Type Inspection**

Inspector

Richard Inge

Violation?

*Significant Non-Compliance? No

Action Due By: 3/5/2008

Inspection No. iREI0805233050

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced in order that such tests may be witnessed."

Yes

NORTHEAST SQUARE LAKE PREMIER UNIT No.012

A-9-16S-31E

30-015-04831-00-00 Corrective

Inspection Type Inspection Date

Inspector Richard Inge

Violation? Yes

*Significant Non-Compliance? No

Action Due By: 3/5/2008

Inspection No. iREI0805232363

Comments on Inspection:

Pre-Operation (MIT Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

NORTHEAST SQUARE LAKE PREMIER UNIT No.021

G-10-16S-31E

30-015-04837-00-00

Inspection

02/21/2008

Date Type Inspection 02/21/2008 Pre-Operation (MIT Inspector

Violation?

*Significant Corrective Non-Compliance? Action Due By:

Inspection No.

Richard Inge Yes No

3/5/2008

iREI0805233210

Comments on Inspection:

Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection . on this well will require that this well be shut-in on the Corrective Action due date.

NORTHEAST SOUARE LAKE PREMIER UNIT No.025

I-10-16S-31E

30-015-04845-00-00

Inspection

Date Type Inspection

Inspector

Violation?

*Significant Non-Compliance?

Corrective Action Due By:

Inspection No. iREI0805232190

02/21/2008 Pre-Operation (MIT Comments on Inspection:

Richard Inge Yes No 3/5/2008 Violation of NMOCD Rule 19.15.9.704.A (5), which states in part "... The injection well operator shall advise the division of the date and time any initial, five-year or special tests

are to be commenced in order that such tests may be witnessed."

Failure to contact the OCD by Corrective Action due date to schedule the required inspection on this well will require that this well be shut-in on the Corrective Action due date.

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

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.