7006 3450 0001 4287 2416



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Oil Conservation Division

Response Required - Deadline Enclosed

14-May-08

MACK ENERGY CORP

PO Box 960 11352 Lovington Hwy Artesia NM 88211 LOV NO. 02-08-085

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.

			INSPECTI	ON DETAIL	L SECTION		
GILA STATE No.001 Inspection Date Type Inspection			Inspector	Violation?	H-17-18S-24E *Significant Non-Compliance?	30-015-33977-00 Corrective Action Due By:	Inspection No.
05/14/2008	File and Com	pliance Review	Gerry Guye	Yes	No	5/29/2008	iGEG0813538558
documents have been received. SAN JUAN STATE COM No.001				iolation of Rul	n of Rule 1105. P-17-18S-24E 30-015-33978-00-00		
Inspection Date	Type Inspection	1	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
05/14/2008	File and Comp	pliance Review	Gerry Guye	Yes	No	5/29/2008	iGEG0813538782
			le indicates this v been received. Vi		and cased in 2005, he 1105.	owever no completio	n

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 Offic

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.