

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Response Required - Deadline Enclosed

Field Inspection Program
"Preserving the Integrals of Our Luvironment"

18-Dec-09

LOVNO. 02-09-117

ERS RESOURCES, LLC

C/O ORBIT PETROLEUM, INC. 251 O'CONNOR RIDGE BLVD, #265 IRVING TX 75038

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

ARTESIA METEX UNIT No.003 H-24-18S-27E 30-015-00938-00-00 Inspection *Significant Corrective Type Inspection Violation? Inspection No. Inspector Date Non-Compliance? Action Due By: 12/17/2009 Routine/Periodic Kimberly Wilson iKMW0935148116 Yes No 1/17/2010 **Comments on Inspection:** Idle well, last production 3/07. Violation of NMAC 19.15.25.8 Operator must return well to

beneficial use, TA or submit P/A procedure to OCD District II office no later than January 17,

2010.

ARTESIA METEX UNIT No.002 G-24-18S-27E 30-015-00939-00-00

Inspection *Significant Corrective Inspection No. Type Inspection Date Inspector Violation? Non-Compliance? Action Due By: 12/17/2009 Routine/Periodic Kimberly Wilson Yes iKMW0935147945 1/17/2010

Comments on Inspection: Idle well, last production 11/2006, Violation of NMAC 19.15.25.8 Operator must return well to

beneficial use, TA or submit P/A procedure to OCD District II office no later than January 17,

2010.

30-015-00940-00-00 ARTESIA METEX UNIT No.001 B-24-18S-27E *Significant Inspection Corrective Inspection No. Type Inspection Inspector Violation? Date Non-Compliance? Action Due By: 12/16/2009 Routine/Periodic Kimberly Wilson iKMW0935147286 Yes Comments on Inspection: Produced fluids released at wellhead and running across location, violation of NMAC 19.15.29. Operator must submit C-141 to OCD District II office no later than January 1, 2010. Remediation and/or work plan may be required. **ARTESIA METEX UNIT No.006** K-24-18S-27E 30-015-00941-00-00 *Significant Inspection Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 12/16/2009 Routine/Periodic Kimberly Wilson iKMW0935227819 Yes No 1/17/2010 **Comments on Inspection:** Idle Well. Violation of NMAC 19.15.25.8 Operator must return well to beneficial use, TA or submit P/A procedure to OCD District II office no later than January 17, 2010 for approval. ARTESIA METEX UNIT No.016 M-24-18S-27E 30-015-00942-00-00 Corrective Inspection *Significant Type Inspection Inspector Violation? Non-Compliance? Action Due By: Inspection No. Date 12/16/2009 Routine/Periodic Kimberly Wilson Yes No 1/17/2010 iKMW0935227945 Comments on Inspection: Idle Well. Violation of NMAC 19.15.25.8 Operator must return well to beneficial use, TA or submit P/A procedure to OCD District II office no later than January 17, 2010 for approval. ARTESIA METEX UNIT No.008 I-24-18S-27E 30-015-00944-00-00 *Significant Corrective Inspection Inspector Type Inspection Violation? Inspection No. Date Non-Compliance? Action Due By: 12/16/2009 Routine/Periodic Kimberly Wilson Yes No iKMW0935227739 1/17/2010 idle Well. Violation of NMAC 19.15.25.8 Operator must return well to beneficial use, TA or Comments on Inspection: submit P/A procedure to OCD District II office no later than January 17, 2010 for approval. ARTESIA METEX UNIT No.005 L-24-18S-27E 30-015-00945-00-00 Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 12/17/2009 Routine/Periodic Kimberly Wilson iKMW0935148994 Yes No 1/17/2010 Comments on Inspection: Idle well, last production 12/2005, Violation of NMAC 19.15.25.8 Operator must return well to beneficial use, TA or submit P/A procedure to OCD District II office no later than January 17, 2010. ARTESIA METEX UNIT No.018 N-24-18S-27E 30-015-00946-00-00 *Significant Inspection Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 12/17/2009 Kimberly Wilson iKMW0935149358 Routine/Periodic Yes No 1/17/2010 Comments on Inspection: Idle well, last production 11/2006, Violation of NMAC 19.15.25.8 Operator must return well to beneficial use, TA or submit P/A procedure to OCD District II office no later than January 17, 2010. ARTESIA METEX UNIT No.017 N-24-18S-27E 30-015-00947-00-00 Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 12/17/2009 Routine/Periodic Kimberly Wilson Yes No 1/17/2010 iKMW0935149217 Comments on Inspection: ldle well, last production 3/2007, Violation of NMAC 19.15.25.8 Operator must return well to beneficial use, TA or submit P/A procedure to OCD District II office no later than January 17, 2010. ARTESIA METEX UNIT No.027 D-25-18S-27E 30-015-00951-00-00 Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 12/17/2009 Routine/Periodic Kimberly Wilson Yes iKMW0935133369 1/17/2010 Comments on Inspection: Idle Well. Violation of NMAC 19.15.25.8 Operator must return well to beneficial use, TA or submit P/A procedure to OCD District II office no later than January, 17, 2010 for approval.

ARTESIA METEX UNIT No.036 30-015-00952-00-00 E-25-18S-27E *Significant Corrective Inspection Inspection No. Type Inspection Inspector Violation? Date Non-Compliance? Action Due By: Routine/Periodic Kimberly Wilson Yes 1/17/2010 iKMW0935133997 12/17/2009 Comments on Inspection: Idle Well, Violation of NMAC 19.15.25.8 Operator must return well to beneficial use, TA or submit P/A procedure to OCD District II office no later than January 17, 2010 for approval. A-26-18S-27E 30-015-00962-00-00 **ARTESIA METEX UNIT No.026** *Significant Corrective Inspection Type Inspection Inspector Inspection No. Violation? Non-Compliance? Action Due By: Date iKMW0935131434 12/17/2009 Routine/Periodic Kimberly Wilson Yes No 1/17/2010 Comments on Inspection: Idle Well. Violation of NMAC 19.15.25.8 Operator must return well to beneficial use, TA or submit P/A procedure to OCD District II office no later than January 17, 2010 for approval. ARTESIA METEX UNIT No.035 H-26-18S-27E 30-015-00963-00-00 Inspection *Significant Corrective Inspection No. Type Inspection Violation? Inspector Date Non-Compliance? Action Due By: iKMW0935132912 12/17/2009 Routine/Periodic Kimberly Wilson Yes No 1/17/2010 Comments on Inspection: Idle Well. Violation of NMAC 19.15.25.8 Operator must return well to beneficial use, TA or submit P/A procedure to OCD District II office no later than January 17, 2010 for approval. 30-015-00966-00-00 **ARTESIA METEX UNIT No.051** P-26-18S-27E Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Non-Compliance? Action Due By: Date 12/17/2009 Routine/Periodic Kimberly Wilson Yes 1/17/2010 iKMW0935135794 No Comments on Inspection: Idle Well. Violation of NMAC 19.15.25.8 Operator must return well to beneficial use, TA or submit P/A procedure to OCD District II office no later than January 17, 2010 for approval. ARTESIA METEX UNIT No.055 B-35-18S-27E 30-015-00986-00-00 Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 12/17/2009 Routine/Periodic Kimberly Wilson iKMW0935135373 Yes No 1/17/2010 Comments on Inspection: Idle Well. Violation of NMAC 19.15.25.8 Operator must return well to beneficial use, TA or submit P/A procedure to OCD District II office no later than January 17, 2010 for approval. ARTESIA METEX UNIT No.056 A-35-18S-27E 30-015-00987-00-00 Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 12/17/2009 Routine/Periodic Kimberly Wilson iKMW0935135606 Yes No 1/17/2010 **Comments on Inspection:** Idle Well. Violation of NMAC 19.15.25.8 Operator must return well to beneficial use, TA or submit P/A procedure to OCD District II office no later than January 17, 2010. ARTESIA METEX UNIT No.057 D-36-18S-27E 30-015-00990-00-00 Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: Kimberly Wilson iKMW0935136102 12/17/2009 Routine/Periodic No 1/17/2010 Yes Idle Well. Violation of NMAC 19.15.25.8 Operator must return well to beneficial use, TA or Comments on Inspection: submit P/A procedure to OCD District II office no later than January 2010 for approval. **ARTESIA METEX UNIT No.058** C-36-18S-27E 30-015-00991-00-00 Inspection *Significant Corrective Violation? Inspection No. Type Inspection Inspector Date Non-Compliance? Action Due By: Kimberly Wilson iKMW0935136310 12/17/2009 Routine/Periodic Yes Nο 1/17/2010 Comments on Inspection: Idle Well. Violation of NMAC 19.15.25.8 Operator must return well to beneficial use, TA or submit P/A procedure to OCD District II office no later than January 17, 2010 for approval. ARTESIA METEX UNIT No.044 I-26-18S-27E 30-015-01190-00-00 *Significant Inspection Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: Yes iKMW0935134257 12/17/2009 Routine/Periodic Kimberly Wilson 1/17/2010 Idle Well. Violation of NMAC 19.15.25.8 Operator must return well to beneficial use, TA or Comments on Inspection: submit P/A procedure to OCD District II office no later than January 17, 2010 for approval.

	METEX UNIT	No.050			O-26-18S-27E	30-015-01191-00-	00
Inspection Date	Type Inspectio	n	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
12/17/2009	Routine/Perio	odic	Kimberly Wilsor	Yes	No	1/17/2010	iKMW0935135065
Comments	on Inspection:				rator must return well no later than January 1	to beneficial use, TA 7, 2010 for approval.	or
ARTESIA I	METEX UNIT	No.029			B-25-18S-27E	30-015-01194-00-	00
Inspection	Type Inspectio		Inspector	Violation?	*Significant	Corrective	Inspection No.
Date 12/17/2009	Routine/Perio		Kimberly Wilson		Non-Compliance?	Action Due By: 1/17/2010	iKMW0935130686
	on Inspection:		•			to beneficial use, TA	
		submit P/A pro	cedure to OCD Distri	ct II office r	no later than January 1	7, 2010 for approval.	
ARTESIA I	METEX UNIT	No.019			O-24-18S-27E	30-015-01195-00-	00
Inspection Date	Type Inspection	n .	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
12/17/2009	Routine/Perio		Kimberly Wilson		No.	-	iKMW0935149690
	on Inspection:		•			perator must return we	
						o later than January 20	
	METEX UNIT	No.020			P-24-18S-27E	30-015-01196-00-	00
Inspection Date	Type Inspection	1	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
12/16/2009	Routine/Perio		Kimberly Wilson		No	•	iKMW0935227885
	on Inspection:	Idle Well. Viol	ation of NMAC 19.1:	5.25.8 Oper	ator must return well	to beneficial use, TA	
			cedure to OCD Distri	ct II office n	o later than January 1	7, 2010 for approval.	
	METEX UNIT	No.007			J-24-18S-27E	30-015-01197-00-0	00
Inspection Date	Type Inspection	1	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
12/17/2009	Routine/Perio	dic	Kimberly Wilson	Yes	No	•	iKMW0935148625
Comments	on Inspection:					ator must return well to later than January 17	
ARTESIA N	METEX UNIT	No.004			E-19-18S-28E	30-015-01944-00-0	00
Inspection				*** *	*Significant	Corrective	
Date	Type Inspection		Inspector	Violation?	Non-Compliance?	Action Due By:	Inspection No.
12/17/2009	Routine/Perio		Kimberly Wilson	Yes	No		KMW0935150012
Comments	on Inspection:				C 19.15.25.8 Operato CD District II office no	or must return well to be later than January 17	,
ARTESIA M	METEX UNIT	No.061			A-25-18S-27E	30-015-21874-00-0	00
Inspection Date	Type Inspection		Inspector	Violation?	*Significant	Corrective	Inspection No.
12/17/2009	Routine/Period		Kimberly Wilson	Yes	Non-Compliance? No	Action Due By: 1/17/2010 i	KMW0935131008
	n Inspection:	Idle Well. Viola	tion of NMAC 19.15	.25.8 Opera		o beneficial use, TA o	
ADDECTA	Managar Tibire		coare to OCD DISTRIC	th office no			
ARTESIA N Inspection	IETEX UNIT	No.U64			H-25-18S-27E *Significant	30-015-27192-00-0 Corrective	U
Date	Type Inspection		Inspector	Violation?	Non-Compliance?	Action Due By:	Inspection No.
12/17/2009	Routine/Period	lic	Kimberly Wilson	Yes	No	1/17/2010 i	KMW0935130292
		Idle Well. Viola					

ARTESIA METEX UNIT No.065

F-25-18S-27E

30-015-27193-00-00

Inspection Date

12/17/2009

Type Inspection

Routine/Periodic

Inspector

Violation? Non-Compliance?

*Significant Action Due By:

Corrective

Inspection No.

Kimberly Wilson

Yes

n. Wilsen

No

1/17/2010

iKMW0935133673

Comments on Inspection:

Idle Well. Violation of NMAC 19.15.25.8 Operator must return well to beneficial use, TA or

submit P/A procedure to OCD District II office no later than January 17, 2010 for approval.

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.

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