

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 integrity of Our Lavironment"

18-Dec-09

ERS RESOURCES, LLC

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

IRVING TX 75038

LETTER OF VIOLATION - Inspection

LOV NO. 02-09-117

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 | CECTION |
|------------|--------|---------|
| INSFECTION | DETAIL | SECTION |

ARTESIA METEX UNIT No.003

No.003 H-24-18

H-24-18S-27E **30-015-00938-00-00**

Inspection Date

Type Inspection

Inspector Violation?

*Significant Non-Compliance? Corrective

Inspection No.

12/17/2009 Routine/

Routine/Periodic

Kimberly Wilson Yes

No

Action Due By: 1/17/2010

iKMW0935148116

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 Date

Type Inspection

Inspector

Violation?

*Significant

Corrective Action Due By:

Inspection No.\

12/17/2009 Routine/Periodic

Kimberly Wilson

Yes

Non-Compliance?
No

1/17/2010

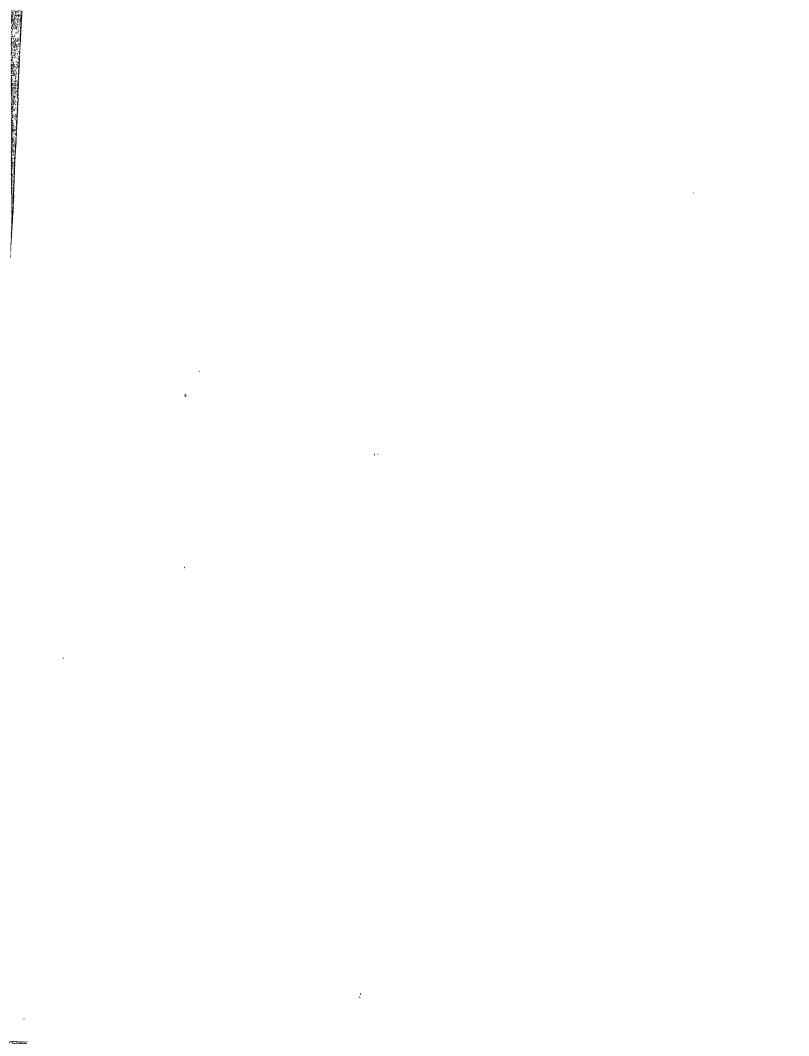
iKMW0935147945

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.001 B-24-18S-27E 30-015-00940-00-00 Inspection *Significant Corrective Type Inspection Inspection No. Inspector Violation? Date Non-Compliance? Action Due By: iKMW0935147286 12/16/2009 Routine/Periodic Kimberly Wilson Yes No 1/1/2010 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 Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 12/16/2009 Routine/Periodic Kimberly Wilson Yes iKMW0935227819 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 Inspection *Significant Corrective Type Inspection Inspection No. Inspector Violation? Date Non-Compliance? Action Due By: 12/16/2009 Routine/Periodic Kimberly Wilson Yes 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 Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 12/16/2009 iKMW0935227739 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.005 L-24-18S-27E 30-015-00945-00-00 *Significant Inspection Corrective Type Inspection Violation? Inspector Inspection No. Date Action Due By: Non-Compliance? iKMW0935148994 12/17/2009 Routine/Periodic Kimberly Wilson Yes 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 Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 12/17/2009 Routine/Periodic Kimberly Wilson 1/17/2010 iKMW0935149358 Yes No **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 11 office no later than January 17, 2010. ARTESIA METEX UNIT No.017 N-24-18S-27E 30-015-00947-00-00 *Significant Inspection Corrective Violation? Type Inspection Inspector Inspection No. Date Non-Compliance? Action Due By: 12/17/2009 Routine/Periodic Kimberly Wilson Yes 1/17/2010 iKMW0935149217 No Comments on Inspection: Idle 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 Violation? Inspector Inspection No. Date Non-Compliance? Action Due By: 12/17/2009 Routine/Periodic Kimberly Wilson Yes No 1/17/2010 iKMW0935133369 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.

| Inspection Date 12/17/2009 | METEX UNIT Type Inspection Routine/Perio | n odic | Inspector Kimberly Wilson | | E-25-18S-27E *Significant Non-Compliance? No | 1/17/2010 | Inspection No. |
|----------------------------------|--|------------------|---------------------------|-------------------|---|--|----------------|
| Comments | on Inspection: | | | | | to beneficial use, TA 7, 2010 for approval. | or |
| ARTESIA I | METEX UNIT | No.026 | | | A-26-18S-27E | 30-015-00962-00- | 00 |
| Inspection Date | Type Inspection | n | Inspector | Violation? | *Significant Non-Compliance? | Corrective Action Due By: | Inspection No. |
| 12/17/2009 | Routine/Perio | | Kimberly Wilson | | Non-compnance: | | iKMW0935131434 |
| | on Inspection: | Idle Well. Viola | ation of NMAC 19.1. | 5.25.8 Ope | rator must return well | to beneficial use, TA 7, 2010 for approval. | |
| ARTESIA I | METEX UNIT | No.035 | | | H-26-18S-27E | 30-015-00963-00- | 00 |
| Inspection | Torre Improvention | _ | Turan anton | Walestan 9 | *Significant | Corrective | Inspection No. |
| Date 12/17/2009 | Type Inspection Routine/Perio | | Inspector Kimberly Wilson | Violation? Yes | Non-Compliance? No | Action Due By: 1/17/2010 | iKMW0935132912 |
| | on Inspection: | | - | | | • | |
| Comments | on Inspection: | | | | | to beneficial use, TA of 17, 2010 for approval | |
| | METEX UNIT | No.051 | | | P-26-18S-27E | 30-015-00966-00- | 00 |
| Inspection Date | Type Inspection | 1 | Inspector | Violation? | *Significant Non-Compliance? | Corrective Action Due By: | Inspection No. |
| 12/17/2009 | Routine/Perio | | Kimberly Wilson | Yes | No | • | iKMW0935135794 |
| Comments | on Inspection: | Idle Well. Viola | ation of NMAC 19.15 | | ator must return well o later than January 1 | to beneficial use, TA | |
| ARTESIA N | METEX UNIT | No.055 | | | B-35-18S-27E | 30-015-00986-00-0 | 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 | | iKMW0935135373 |
| Comments | on Inspection: | | | | ator must return well o later than January 1 | to beneficial use, TA o 7, 2010 for approval. | or |
| ARTESIA N | METEX UNIT | No.056 | | | A-35-18S-27E | 30-015-00987-00-0 | 00 |
| Inspection Date | Type Inspection | • | Inspector | Violation? | *Significant Non-Compliance? | Corrective Action Due By: | Inspection No. |
| 12/17/2009 | Routine/Perio | | Kimberly Wilson | Yes | Non-Computance: No | | KMW0935135606 |
| | on Inspection: | Idle Well. Viola | tion of NMAC 19.15 | .25.8 Oper | | to beneficial use, TA o | |
| ARTESIA M | METEX UNIT | No.057 | | | D-36-18S-27E | 30-015-00990-00-0 | 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 | | KMW0935136102 |
| Comments o | | | | | ator must return well to later than January 20 | o beneficial use, TA o | r |
| ARTESIA N | IETEX UNIT | No.058 | | | C-36-18S-27E | 30-015-00991-00-0 | 00 |
| Inspection | Type Inspection | | Inspector | Violation? | *Significant | Corrective | Inspection No. |
| Date 12/17/2009 | Routine/Period | | Kimberly Wilson | Yes | Non-Compliance? No | Action Due By: 1/17/2010 i | KMW0935136310 |
| | n Inspection: | Idle Well. Viola | tion of NMAC 19.15 | .25.8 Opera | | o beneficial use, TA o | |
| ARTESIA M | IETEX UNIT | | | | I-26-18S-27E | 30-015-01190-00-0 | 0 |
| Inspection | | - · • | _ | | *Significant | Corrective | |
| Date | Type Inspection | | • | Violation? | Non-Compliance? | Action Due By: | Inspection No. |
| 12/17/2009 | Routine/Period | | Kimberly Wilson | Yes | No | | KMW0935134257 |
| Comments o | | | | | ator must return well to later than January 17 | o beneficial use, TA o 7, 2010 for approval. | r |

ARTESIA METEX UNIT No.050 O-26-18S-27E 30-015-01191-00-00 *Significant Inspection Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 12/17/2009 iKMW0935135065 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.029** 30-015-01194-00-00 B-25-18S-27E *Significant Inspection Corrective Type Inspection Inspector Inspection No. Violation? Date Non-Compliance? Action Due By: 12/17/2009 Routine/Periodic Kimberly Wilson Yes 1/17/2010 iKMW0935130686 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.019 O-24-18S-27E 30-015-01195-00-00 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 iKMW0935149690 **Comments on Inspection:** Idle 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 2010. ARTESIA METEX UNIT No.020 P-24-18S-27E 30-015-01196-00-00 Inspection *Significant Corrective. Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 12/16/2009 Routine/Periodic Kimberly Wilson iKMW0935227885 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.007 J-24-18S-27E 30-015-01197-00-00 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 iKMW0935148625 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, ARTESIA METEX UNIT No.004 E-19-18S-28E 30-015-01944-00-00 Inspection *Significant Corrective Type Inspection Date Inspector Violation? Non-Compliance? Inspection No. Action Due By: 12/17/2009 Routine/Periodic Kimberly Wilson Yes No 1/17/2010 iKMW0935150012 Idle well, last produced 3/07. Violation of NMAC 19.15.25.8 Operator must return well to Comments on Inspection: beneficial use, TA or submit P/A procedure to OCD District II office no later than January 17, **ARTESIA METEX UNIT No.061** A-25-18S-27E 30-015-21874-00-00 *Significant Corrective Inspection Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 12/17/2009 Routine/Periodic Kimberly Wilson Yes No 1/17/2010 iKMW0935131008 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.064 H-25-18S-27E 30-015-27192-00-00 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 iKMW0935130292 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.065

Routine/Periodic

F-25-18S-27E

30-015-27193-00-00

Inspection

12/17/2009

Type Inspection Date

Inspector

Violation?

*Significant Non-Compliance?

Corrective Action Due By:

Inspection No.

1. Wilson

Yes

Kimberly Wilson

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.