

NEW MEXICO ENERGY, MINERALS NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor Joanna Prukov Cabinet Secretary

Mark E. Fesmire, P.E. Director Oil Conservation Division

Field Inspection Program "Preserving the Integrity of Our Environment"

16-Nov-07

CAMERON OIL & GAS INC PO BOX 1456 ROSWELL NM 88202-14-56

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 oreliminary 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

BYERS A No.001

Inspection

Date

11/14/2007

Type Inspection Routine/Periodic Inspector

Buddy Hill

Violation?

Yes

30-025-07744-00-00 JI-7-20S-38E Corrective *Significant

2/17/2008

Non-Compliance? Action Due By:

No

Inspection No. iLWH0731857223

Violations

Absent Well Ide: tiffication Signs (Rule 103)

Comments on Inspection:

No Well Sign (Ruic 103). NEEDS WELL SIGN! WELL IS ACTIVE, FIRST NOTICE

12.5.07 - A New Well SISN LAS Been installed

Oil Conservation Division * 1625 N. French Drive * Hobbs, New Mexico 88240 Phone; 505-393-6161 * Fax: 505-393-0720 * http://www.cmnrd state.nm.us