

NEW MEXICO ENERGY, MINERALS NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor Joanna Prukop Cabinet Secretary

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

Field Inspection Program "Preserving the Integrity of Our Linvironment"

23-Jan-08

MIRAGE ENERGY INC

PO BOX 760

EUNICE NM 88231

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

SILVER STATE No.001 C-13-18S-36E 30-025-29201-00-00 Inspection *Significant Corrective Inspection No. **Type Inspection** Inspector Violation? Date Non-Compliance? Action Due By: 01/22/2008 Routine/Periodic Mark Whitaker 3/21/2008 iMAW0802238874 Yes No **Violations** Absent Well Identification Signs (Rule 103) Well sign not legible (See Rule 103). Need to replace well sign. First letter of non-compliance. MW

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,

COMPLIANCE OFFICER

Hobbs 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.

EMNRD OIL CONSERVATION DIVISION 1625 N FRENCH DRIVE HOBBS NM 88240 MIRAGE ENERGY INC. PO BOX 760 EUNICE, NM 88231



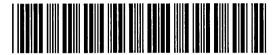
BOATRO9 SU



API Well Number Banner

Report Description

This report shows a Well's API Number in Barcode format for purposes of scanning. The Barcode format is Code 39.



30025039640000

30 25 3964

STATE KR-11 No.001

MNA ENTERPRISES LTD CO



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MNA ENTERPRISES LTD CO 106 W ALABAMA HOBBS NM 88242

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STATE KR-11 No.001				P-11-18S-36E	30-025-03964-00-00	
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
01/22/2008	Routine/Period	lic Mark Whitake	er Yes	No	3/28/2008	iMAW0802238303
Comments	on Inspection:	Location needs attention. Rod pr junk equipment (see Rule 114). N		nk tbg around well. No	eed to remove protect	ors and
LEA OR ST	TATE No.003			P-12-18S-36E 30-025-23096-00-00		.00
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
01/22/2008	Routine/Period	ic Mark Whitake	er Yes	No	3/7/2008	iMAW0802239825
	Violations					
	Violations Absent Well Ident	fication Signs (Rule 103)				

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EMNRD
OIL CONSERVATION DIVISION
1625 N FRENCH DRIVE
HOBBS NM 88240



014H15215335 \$0.419 01/23/2008 Mailed From 88240

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