

NEW MEXICO ENERGY, MINERALS 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 Environment"

19-Mar-08

MACK ENERGY CORP

PO Box 960 11352 Lovington Hwy Artesia NM 88211

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

WILDCAT STATE No.001

B-35-16S-37E 30-025-38117-00-00

Inspection

Type Inspection Date

*Significant Inspector

Violation? Non-Compliance? Corrective

03/19/2008

Routine/Periodic

Mark Whitaker

No Yes

Action Due By: 5/30/2008

Inspection No. iMAW0807937721

Violations

Surface Damage/Restoration

Comments on Inspection:

No API #I on marker. Wire rope and junk pipe on location. Location not leveled. Do not release location. NEED TO CORRECT MARKER, LEVEL LOCATION AND REMOVE PIPE AND

DEBRIS FROM SITE. 1st 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



014H15215335 \$0.410 03/19/2008 Mailed From 88240

MACK ENERGY CORP P.O. BOX 960 11352 LOVINGTON HWY ARTESIA, NM 88211-0960