

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

08-Apr-08

PRIMERO OPERATING INC

PO BOX 1433 ROSWELL,NM 88202-

> LETTER OF VIOLATION Delinquent Regulatory Filings

Dear Operator:

Oil Conservation Division ("OCD") records indicate that you failed to file the required reports identified below, or that your filings were incomplete or inaccurate.

NON-COMPLIANT WELL DETAIL SECTION

C L O'BRIEN No.002

Original Well Type: Gas (Producing) Determination or Violation Date: 4/8/2008 Location: 7-8S-30E **30-005-20897-00-00** Well Status: Plugged (NOT Released)

Delinquent Report or Filing(s): - Other Monitoring and Reporting Violation

Comments: OCD requires form C-103 subsequent report on when and how this well was plugged and abandoned. Please submit this form to the Hobbs OCD office. If you have questions on this matter, please call Donna Mull (575) 393-6161 ext 115. -

CORRECTIVE ACTION ON THIS WELL DUE BY: 5/8/2008

Please file or correct the reports identified above by the corrective action due date indicated. If you fail to file or correct the reports by that date, the OCD will take enforcement action that may include but is not limited to applying for an order assessing civil penalties and/or requiring you to plug and abandon the wells associated with those reports.

Thank you for your prompt attention to this matter and your efforts in helping to protect our environment and the infrastructure of the oil and gas industry.

Sincerely,

Dyad Petroleum

30-005-20897

Primero Operating CL O'Brien #2

OK To release P/A'D

4/2/2008

Maley Hraw MPLIANCE OFFICER