

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 Unvironment"

01-May-08

ORBIT PETROLEUM INC 1131 EAST BRITTON RD OKLAHOMA CITY, OK 73131

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

DESOTO STATE No.001 D-35-14S-32E 30-025-23248-00-00 Inspection *Significant Corrective **Type Inspection** Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 04/30/2008 Routine/Periodic iMAW0812145170 Mark Whitaker Yes No 6/30/2008 Violations Absent Well Identification Signs (Rule 103) **Comments on Inspection:** Well sign incomplete. No UL, section, township, range, or footages on sign. Staining around tanks where they have leaked. NEED TO INSTALL NEW WELL SIGN WITH ALL INFORMATION AS REQUIRED UNDER RULE 103. 2nd letter of non-compliance. MW **DESOTO STATE No.002** I-34-14S-32E 30-025-26079-00-00 Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 04/30/2008 Routine/Periodic Mark Whitaker Yes No 6/30/2008 iMAW0812144859 Violations Absent Well Identification Signs (Rule 103) Comments on Inspection: Well sign incomplete. Sign does not include UL, Sec, Township, Range, or footages. No pumping unit or power. Well showing production, NEED TO INSTALL WELL SIGN WITH CORRECT INFORMATION AS REQUIRED BY RULE 103. 2nd 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 05/01/2008 Mailed From 88240

ORBIT PETROLEUM INC 1131 EAST BRITTON RD OKLAHOMA CITY, OK 73131