

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director



HOBBS OCD

Response Required – Deadline Enclosed

Field Inspection Program
"Preserving the Integrity of Our Environment"

07-May-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

Yes

HUMBLE L STATE No.003

I-32-24S-37E

30-025-11312-00-00

Inspection

Type Inspection

*Significant

Corrective

Date

Type Inspection

Inspector Violation?

"Significant
Non-Compliance?

Action Due By:

05/06/2008

Routine/Periodic

Buddy Hill

No

8/9/2008

Inspection No. iLWH0812754741

! Violations

Absent Well Identification Signs (Rule 103)

Comments on Inspection:

No Well Sign (Rule 103). NEEDS WELL SIGN AT WELL..FIRST NOTICE

7/22/08.

Actions Were

Done

Comp

Compliance Resolved. Manwhitele