



October 9, 2008

Buddy Hill
New Mexico Oil Conservation Division
1625 N. French Drive
Hobbs, New Mexico 88240

RECEIVED
OCT 10 2008

HOBBS OIL

RE: Letter of Violation
Prairie Fire State #2 30-025 - 38823
Section 35, T20S, R35E
Lea County, New Mexico

Dear Mr. Hill:

Edge Petroleum Operating Company, Inc. recently received a Letter of Violation on the Prairie Fire State #2 well. The letter indicates that the pit was inspected on 9/12/2008, and that the inspector found the drilling pit contained fluid and was not fenced on all four sides.

Edge had previously removed all fluid from the pits, but a small amount of rainwater had collected in the pits at the time of inspection. Although the pit was fenced on three sides, we did not have a fence on the drilling rig side of the pit at the time of the inspection.

We emptied the rainwater from the pits and installed a fence on the fourth side of the pit on 10/3/2008. We are in the process of submitting the C-144 and closing the pit in accordance with OCD guidelines.

If you have any additional questions, please contact me by telephone at 713-335-9808, or by email at rprice@edgepet.com.

Sincerely,

Ryan Price
Sr. Petroleum Engineer