

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop Cabinet Secretary Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Field Inspection Program

"Preserving the Integrity of Our Environment"

14-Jan-09

LATIGO PETROLEUM, INC.

PO BOX 10340

MIDLAND TX 79702

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.

SAY. OK TO KELEASE.

SBY 7/1/2009 INSPECTION DETAIL SECTION

F B GIST No.001 A-31-11S-33E 30-025-23114-00-00

Inspection Date

Type Inspection

Inspector

*Significant
Violation? *Son-Compliance?

Corrective

Action Due By: Inspection No.

01/13/2009

Compliance Verification

Maxey Brown

Yes

No

4/18/2009

iMGB0901348184

Comments on Inspection:

DO NOT RELEASE! CHECKED LOCATION AS PER DONNA MULL-OCD. MARKER INCORRECT. HAS BEEN SWAPPED WITH THE F B GIST#2 WELL. NEED TO CORRECT

MARKER. THIS IS 1ST LETTER OF NON-COMPLIANCE. MGB.

F B GIST No.002

Inspection
Date Type Inspection

7/1/2009

H-3

H-31-11S-33E **30-0** *Significant

30-025-23242-00-00 Corrective

Inspection No.

01/13/2009 Comp

Compliance Verification

Maxey Brown

Yes

Non-Compliance?

Action Due By: 4/18/2009

iMGB0901347183

Comments on Inspection:

DO NOT RELEASE! CHECKED AS PER DONNA MULL. MARKER INCORRECT. WRONG API, WRONG WELL#, WRONG FOOTAGE. MARKER SWAPPED WITH F B GIST #1 WELL. BATTERY SITE NORTH OF WELL STILL HAS STAIRS AND WALKWAY ON GROUND, ELEC CONDUIT STICKING UP, AREA HAS SITE FOR TANKS ELEVATED, NEEDS TO BE RETURNED TO NATURAL CONTOUR. ALSO NEED TO REMOVE ELECTRIC STUB POLE WEST OF WELL. THIS IS 1ST LETTER OF NON-COMPLIANCE.

MGB.

Oil Conservation Division * 1625 N French Drive * Hobbs, New Mexico 8840
Phone 505-393-6161 * Fax 505-393-0720 * http://www.emprd.state.nm.us