

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

10-Dec-09

PRIDE ENERGY COMPANY

P.O. BOX 701602

TULSA, OK 74170-1602

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

BAGLEY 23 STATE No.001

Location: 23-11S-33E

30-025-38669-00-00

Original Well Type: Oil (Producing)

Well Status:

Determination or Violation Date: 12/10/2009

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

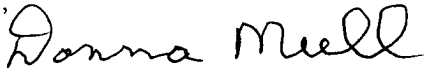
Comments: OCD requires form C-103 subsequent report, on all drilling, casing, cement per Rule 19.15.7.14.B. within 10 days of setting each casing. Also required is notarized deviation test per Rule 19.15.16.14. Per rule 19.15.16.18 and Rule 19.15.16.19 the OCD requires full set of logs, form C-105 (front and back) and form C-104 within 20 days after completion. Please send all items and forms to the Hobbs OCD office. If you have questions on this matter, please call Donna Mull at (575) 393-6161 ext 115 or Email donna.mull@state.nm.us

CORRECTIVE ACTION ON THIS WELL DUE BY: 12/28/2009

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,



Hobbs OCD District Office