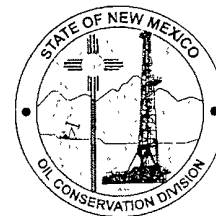


New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Jim Noel
Cabinet Secretary
Karen W. Garcia
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



Response Required – Deadline Enclosed

16-Aug-10

ENDEAVOR ENERGY RESOURCES, LP
110 NORTH MARIENFELD SUITE 200
MIDLAND TX 79701-

LETTER OF VIOLATION - Inactive Well(s)

Dear Operator:

A review of our records and recent inspection(s) indicate that the subject well(s) has been shut-in for an extended period of time. Rule 19.15.25.8 of the Rules and Regulation of the Oil Conservation Division provides that a well may be shut-in no longer than sixty days after suspension of drilling operations, upon determining that the well is no longer usable (e.g., a dry hole), or one year after last production. To comply with guidelines as established in the Rules and Regulations, corrective actions must be taken immediately and the well(s) brought into compliance.

The detail section below indicates preliminary findings and/or probable nature of the violation.

The following options are available:

1. Immediately restore the well(s) to production, injection or disposal as applicable.
2. Request 'Temporary Abandoned' status pursuant to Rule 19.15.25.8, which requires that you set a plug (within 100' of top perforation) and conduct a mechanical integrity test.
3. Submit a proposal to 'Plug and Abandon' the well(s) pursuant to Rule 19.15.25.8, proceed with plugging procedures on a timely basis after the proposal has been evaluated, amended and/or approved.

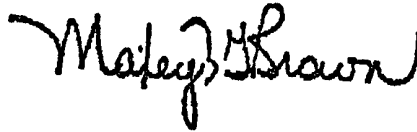
In the event that a satisfactory response is not received to this letter of direction by the "Corrective Action Due By:" date shown above, further enforcement will occur. Such enforcement may include this office applying to the Division for an order summoning you to a hearing before a Division Examiner 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.

IDLE WELL INSPECTION DETAIL SECTION

SWEARINGEN D 001	L-20-5S-33E	30-041-20410-00-00	Inspection No. iMGB1022556217
Inspection Date:	8/13/2010 3:36:53 PM	Corrective Action Due by: 9/16/2010	
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?
Routine/Periodic	Maxey Brown	Yes	No
Comments on Inspection:	NEED TO CLEAN OUT CATTLE GUARD (CATTLE ARE WALKING ARCOSS) . RULE 19.15.10.8. ADDITIONAL INFORMATION-----WELL IS IDLE. NO PRODUCTION REPORTED IN 9 MONTHS? IS THIS A TYPO? LAST PRODUCTION REPORTED SHOULD HAVE BEEN 6-2008. C-103 SUBMITTED 8-20-2008 SHOWED TBG STUCK AND CUT OFF AND 2575' LEFT IN HOLE. WELL WAS NOT CAPABLE OF PRODUCING. ON 11-21-2008 C-103 WAS SUBMITTED AND APPROVED TO P/A WELL. RULE 19.15 25.8, REQUIRES THAT THIS WELL BE PLUGGED. THIS IS 1ST LETTER OF NON-COMPLIANCE. MGB.		

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,

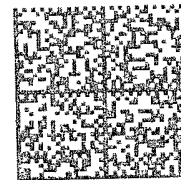
A handwritten signature in black ink, appearing to read "M. J. Brown". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Hobbs OCD District Office

COMPLIANCE OFFICER

* Significant Non-Compliance events are reported directly to the U.S. Environmental Protection Agency, Region VI, Dallas,

EMNRD
OIL CONSERVATION DIVISION
1625 N FRENCH DRIVE
HOBBS NM 88240



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ENDEAVOR ENERGY RESOURCES, LP
110 NORTH MARIENFELD SUITE 200
MIDLAND TX 79701