NEW N LXICO ENERGY, MINE ALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

Field Inspection Program
"Preserving the Integrity of Our Environment"

23-Jul-01

PENROC OIL CORP PO BOX 5970 HOBBS, NM 88241-

Dear Sirs:

The following inspection(s) indicate one or more violations as described in the detail section below. The inspection(s) indicates that the well, equipment, location or operational status failed to meet standards of the New Mexico Oil Conservation Division. To comply with guidelines as established in the Division Rules and Regulations, corrective actions must be taken immediately and the situation brought into compliance. The detail section below 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.

Please notify the proper district office of the Division of the date corrective actions are scheduled and arrangements made so the well and/or facilities may be reinspected.

INSPECTION DETAIL SECTION

N E MALJAMAR UNIT 001

4-5-17S-33E

30-025-01295-00-00

Inspection Date

Type Inspection

Inspector

Violation?

*Significant Non-Compliance? Corrective Action Due By:

Inspection No.

07/23/2001

Plugging Witnessed

Johnny Robinson

Yes

No

cuon Due by:

iJDR0120462147

Comments on Inspection:

Checked status of P&A clean-up. Well has been plugged but there are 2x12s and boards used for

the pump jack base left on location.

The 2x12 boards must be removed from the location in order to approve the P&A clean-up prior to 10/23/2001.

Thank you for your prompt attention to this matter and your efforts in helping to protect our environment and the infra-structure of the oil and gas industry.

Sincerely,

Chris Williams District I Supervisor

Note: Information in Detail Section comes directly from field inspector data entries - not all blanks will contain data.

*Significant Non-Compliance events are reported directly to the EPA, Region VI, Dallas, Texas.