

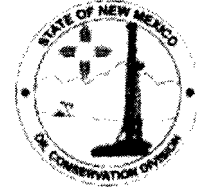
State of New Mexico  
Energy, Minerals and Natural Resources Department

Susana Martinez  
Governor

Ken McQueen  
Cabinet Secretary

Matthias Sayer  
Deputy Cabinet Secretary

David Catanach  
Division Director



**\*Response Required - Deadline Enclosed\***

26-Jun-17

**TOM R CONE**  
1304 W BROADWAY PL  
HOBBS NM 88240-

**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 this 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 19.15.25.13, which requires that you set a plug and conduct a mechanical integrity test.
3. Submit a proposal to 'Plug and Abandon' the well(s) pursuant to Rule 19.15.25.9, 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***

<b>CONE 22 FEDERAL 001</b>	<b>M-22-18S-29E</b>	<b>30-015-03457-00-00</b>	<b>Inspection No. iGC1717343468</b>
<b>Inspection Date:</b>	<b>6/22/2017 12:04:27 PM</b>	<b>Corrective Action Due by: 9/25/2017</b>	
<b>Type Inspection</b>	<b>Inspector</b>	<b>Violation?</b>	<b>*Significant Non-Compliance?</b>
Routine/Periodic	Gilbert Cordero	Yes	No
<b>Comments on Inspection:</b>	Violation of rule 19.15.25.8. LAST REPORTED PRODUCTION 10-1-09. NO MOTOR ON PJ. FRESH OIL ON POLISHED ROD. FRESH OIL AROUND TB		
<b>NORTH SHUGART QUEEN UNIT 008</b>	<b>I-20-18S-31E</b>	<b>30-015-05586-00-00</b>	<b>Inspection No. iGC1717035523</b>

Inspection Date: 6/19/2017 9:52:02 AM  
Type Inspection  
Routine/Periodic  
Comments on Inspection: Violation of rule 19.15.25.8. LAST REPORTED PRODUCTION 9-1-09. NO PJ, RODS LEFT IN WELL  
Inspector: Gilbert Cordero  
H-20-18S-31E  
30-015-05588-00-00  
Violation? Yes  
Corrective Action Due by: 9/22/2017  
\*Significant Non-Compliance? No  
Inspection No. iGC1717030380

**NORTH SHUGART QUEEN  
UNIT 003**

Inspection Date: 6/19/2017 8:26:17 AM  
Type Inspection  
Routine/Periodic  
Comments on Inspection: Violation of rule 19.15.25.8. LAST REPORTED PRODUCTION 9-1-09. PJ WITH NO MOTOR. OLD TANK ON LOCATION  
Inspector: Gilbert Cordero  
F-21-18S-31E  
30-015-05593-00-00  
Violation? Yes  
Corrective Action Due by: 9/22/2017  
\*Significant Non-Compliance? No  
Inspection No. iGC1717031074

**NORTH SHUGART QUEEN  
UNIT 005**

Inspection Date: 6/19/2017 8:37:53 AM  
Type Inspection  
Routine/Periodic  
Comments on Inspection: Violation of rule 19.15.25.8. LAST REPORTED PRODUCTION 10-1-09. NO PJ, RODS LEFT IN WELL  
Inspector: Gilbert Cordero  
C-21-18S-31E  
30-015-05597-00-00  
Violation? Yes  
Corrective Action Due by: 9/22/2017  
\*Significant Non-Compliance? No  
Inspection No. iGC1717031431

**NORTH SHUGART QUEEN  
UNIT 001**

Inspection Date: 6/19/2017 8:43:49 AM  
Type Inspection  
Routine/Periodic  
Comments on Inspection: Violation of rule 19.15.25.8. LAST REPORTED PRODUCTION 9-1-09. NO PJ, RODS LEFT IN WELL, TANK ON LOCATION  
Inspector: Gilbert Cordero  
K-21-18S-31E  
30-015-05598-00-00  
Violation? Yes  
Corrective Action Due by: 9/22/2017  
\*Significant Non-Compliance? No  
Inspection No. iGC1717033757

**NORTH SHUGART QUEEN  
UNIT 006**

Inspection Date: 6/19/2017 9:22:35 AM  
Type Inspection  
Routine/Periodic  
Comments on Inspection: Violation of rule 19.15.25.8. LAST REPORTED PRODUCTION 9-1-09. NO MOTOR ON PJ, WELL, LEAK AT WELL HEAD  
Inspector: Gilbert Cordero  
N-21-18S-31E  
30-015-05600-00-00  
Violation? Yes  
Corrective Action Due by: 9/22/2017  
\*Significant Non-Compliance? No  
Inspection No. iGC1717034057

**NORTH SHUGART QUEEN  
UNIT 011**

Inspection Date: 6/19/2017 9:27:36 AM  
Type Inspection  
Routine/Periodic  
Comments on Inspection: Violation of rule 19.15.25.8. LAST REPORTED PRODUCTION 9-1-09. NO PJ, RODS LEFT IN WELL, LEAK AT WELL HEAD  
Inspector: Gilbert Cordero  
G-5-19S-31E  
30-015-05739-00-00  
Violation? Yes  
Corrective Action Due by: 9/24/2017  
\*Significant Non-Compliance? No  
Inspection No. iGC1717245990

**DONNELLY PAN AMERICAN  
001Y**

Inspection Date: 6/21/2017 12:46:29 PM  
Type Inspection  
Routine/Periodic  
Comments on Inspection: Violation of rule 19.15.25.8. WELL IS PUMPING BUT SHOWING NO PRODUCTION  
Inspector: Gilbert Cordero

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,

*Gilbert Cordero*  
Staff Mgr

Artesia OCD District Office

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