State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez Governor

David Martin Cabinet Secretary

Brett F. Woods, Ph.D. Deputy Cabinet Secretary David R. Catanach, Division Director Oil Conservation Division



September 3, 2015

Mike Hanson Coleman Oil & Gas Inc PO Drawer 3337 Farmington NM 87499

Re: Well Name: J W Goddard #3, UL_K_Sec_11_Twn_26_N-Rge_12_W,

API # 30-045-05937

Dear Mr. Hanson:

The 2015 Bradenhead test on the above well indicates a failure. In order to comply with Rule 19.15.16.11, prevent waste and protect fresh water, you are hereby directed to initiate remedial activity before **90 days from letter date**. Initial Surface Casing psi of 138 was reported. Initial Production Casing psi of 72 was reported. The Surface Casing was opened for 30 minutes and the Production Casing did not drop.

Gas samples were taken by Coleman and the analysis were received in this office along with a wellbore schematic. The analysis shows that the bradenhead and production casing are the same, indicating communication.

Reference: RBDMS MPK1524629320 on future correspondence for this issue.

Notify the Aztec OCD 24 hours before work is initiated.

If you have any questions, please call me at 505-334-6178, ext. 123.

Sincerely yours,

Monica Kuehling

Deputy Oil and Gas Inspector

District III - Aztec

CC: Well File

