State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

Ken McQueen Cabinet Secretary

Heather Riley, Division Director Oil Conservation Division



Matthias Sayer
Deputy Cabinet Secretary

September 12, 2018

Southland Royalty Company, LLC

Attn: Eric Kittinger
400 West 7th Street
Fort Worth, TX 76102-6102

Re: 2018 Bradenhead Test

Well: McCord #13, UL N Sec 22 Twn 30N Rge 13W, API # 30-045-09315

Dear Mr. Kittinger,

The 2018 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 submit a plan of action before **October 12, 2018,** and to initiate remedial activity before **December 11, 2018.** Initial Surface Casing psi was 72. Initial Production Casing psi was 168. Five minute shut in pressure was 2. The bradenhead failed to blow down during a 30 minute test.

The gas analysis and wellbore schematic have been received. After reviewing the results of the gas analysis, the gas appears to be the same on the bradenhead and production casing, which indicates communication.

Southland Royalty Company, LLC will need to determine where the gas is coming from.

Reference: RBDMS MPK1821434810 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