State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

David Martin

Cabinet Secretary-Designate

Brett F. Woods, Ph.D.

Deputy Cabinet Secretary

Jami Bailey, Division Director Oil Conservation Division



Response Required - Deadline Enclosed

Field Inspection Program "Preserving the Integrity of Our Environment"

26-Jul-13

HOBBS OCD

JUL 2 9 2013

CAMERON OIL & GAS INC

PO BOX 1456

ROSWELL NM 88202-1456

RECEIVED

LETTER OF VIOLATION - Inspection

Dear Operator:

The following inspection(s) indicate that the well, equipment, location or operational status of the well(s) failed to meet standards of the New Mexico Oil Conservation Division as described in the detail section below. To comply with standards imposed by Rules and Regulations of the Division, corrective action must be taken immediately and the situation brought into compliance. The detail section 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 on the date(s) indicated.

Please notify the proper district office of the Division, in writing, of the date corrective actions are scheduled to be made so that arrangements can be made to reinspect the well and/or facility.

INSPECTION DETAIL SECTION

GOLDEN STATE No.001

N-12-18S-36E

30-025-29154-00-00

Inspection Date

Type Inspection

Inspector

*Significant Non-Compliance? Corrective

07/26/2013

Routine/Periodic

Violation? Yes

Action Due By:

Inspection No.

Mark Whitaker

No

8/30/2013

iMAW1320743984

Violations

Surface Damage/Restoration

Comments on Inspection:

Well plugged in March of 2012. NMOCD Rule 19.15.25.10 requires that not later than one year after completion of plugging operations, cleanup should be completed. Form C103 specifically for subsequent report of well plugging shall be filed and submitted to this office so a final inspection can be made and the bond associated with said well can be released. NEED TO READY

LOCATION FOR INSPECTION AND SUBMIT C103. 1st notice.

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 Divison Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon this well.

Sincerely,

COMPLIANCE OFFICER

Hobbs OCD District Office

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.

EMNRD
OIL CONSERVATION DIVISION
1625 N FRENCH DRIVE
HOBBS NM 88240



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\$0.46

07/26/13

Mailed From 88240

US POSTAGE

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