

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



June 22, 2017

OGRID No.: 155471

GRAND BANKS ENERGY CO
10 DESTA DR STE 300E
MIDLAND, TX 79705

Via Certified Mail: 7017 0660 0000 6426 3217

Dear Operator:

19.15.7.24 NMAC requires operators to file C-115s (Operator's Monthly Report) electronically on or before the 15th day of the second month following the month of production. To date, we have not received your electronically submitted C-115 for **December 2016**.

Despite attempts by the Oil Conservation Division ("OCD") to notify you of your non-compliance with 19.15.7.24 NMAC, no reports have been received by the OCD. You are hereby notified that, **effective immediately, the OCD has revoked your authorization to transport from or inject into all wells you operate.**

In addition to the State Land Office, the New Mexico Taxation and Revenue Department, and the Bureau of Land Management, we may also take steps to notify purchasers and transporters of this revocation. Any unauthorized transportation or injection will be in violation of the Oil and Gas Act ("the Act"), and the OCD will take legal action against you and anyone else knowingly participating in violations of the Act.

Immediate action is now required if you wish to restore your transportation and injection authority. If you wish to have your authority reinstated and all required C-115s are current, please submit a written request to the address below or contact Marlene.Salvidrez@state.nm.us for review. In your request, please verify you have filed all missing C-115 reports and are currently in compliance with 19.15.5.9 NMAC. Operators who are not compliant with 19.15.5.9 NMAC or are otherwise subject to a compliance order, will require additional review.

Sincerely,

Marlene Salvidrez

Marlene Salvidrez
Management Analyst/C-115 Enforcement

Ec: Aubrey Dunn, adunn@slo.state.nm.us
Tom Zelenka, tzelenka@blm.gov - Joseph Galluzzi, jgalluzz@blm.gov
Judy Vigil, judy.vigil@state.nm.us
Daniel Sanchez, daniel.sanchez@state.nm.us