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 Jami Bailey, Division Director Oil Conservation Division



Response Required - Deadline Enclosed

Field Inspection Program "Preserving the Integrity of Our Environment"

12-Jun-14

HOBBS OCD

MACK ENERGY CORP PO BOX 960 11344 LOVINGTON HWY ARTESIA NM 88211 JUN 12 2014

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

DOLPHIN STATE No.002					J-16-16S-33E	30-025-31114-00-00	
Inspection Date	Type Inspectio	n	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
06/10/2014	Routine/Periodic		Mark Whitaker	Yes	No	7/11/2014	iMAW1416140591
	Violations						
	Absent Well Identification Signs (Rule 103)						
	Failure to submit proper documentation (Rul						
Comments	on Inspection:		(Rule 19.15.16.8). NE			perator is also requir	ed to

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



MACK ENERGY CORP PO BOX 960 ARTESIA, NM 88211-0960