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"

16**-**Jun-14

HOBBS OCD

JUN 17 2014

RECEIVED

CIMAREX ENERGY CO. 600 N MARIENFELD STREET SUITE 600 MIDLAND TX 79701

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.

| | | | INSPECTIO | V DETAIL | SECTION | | |
|--|---|--------------------------|---|-------------------------|--|---|-----------------------|
| CAUDILL NORTH 4 FEE No.001 Inspection Date Type Inspection | | | Inspector | Violation? | M-4-15S-36E *Significant Non-Compliance? | 30-025-37781-00 Corrective Action Due By: | -00 Inspection No. |
| 06/11/2014 | Routine/Peri- Violations Surface Damage | | Mark Whitaker | Yes | No | 9/14/2014 | iMAW1416246381 |
| Comments | on Inspection: | that should be OTHER DEE | ince well was plugged. e removed. NEED TO BRIS. PLEASE SUBM Đ-SO-A-FINAL-INSPE | REMOVE A IT C103 FOI | LL VESSELS, PIPIN R RELEASE WHEN | G, POWER POLES WORK HAS BEEN | |

| <u>In the event that a s</u> | atisfactory response is not received to this letter of direction by | the "Corrective Action Due By:" date show | n | | | | |
|---|--|--|------|--|--|--|--|
| above, further enfo | ement will occur. Such enforcement may include this office applying to the Division for an order | | | | | | |
| summoning you to. plug and abandon t | hearing before a Divison Examiner in Santa Fe to show cause | why you should not be ordered to permanent | ntly | | | | |
| | 1 | | | | | | |
| | | <u></u> | | | | | |

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COMPLIANCE OFFICER

Hobbs OCD District Office

Sincerely,

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



CIMAREX ENERGY CO. OF COLORADO 600 N. MARIENFIELD ST SUITE 600 MIDLAND, TX 79701