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"

24-Dec-14

VERNON E. FAULCONER, INC.

1001 E. Southeast Loop 323 TYLER TX 75701

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.

NEW MEXICO 28 STATE No.001					O-28-16S-35E	30-025-26186-00	-00
Inspection Date	Type Inspection		Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
12/22/2014	Routine/Periodic		Mark Whitaker	Yes	No	3/27/2015	iMAW1435640256
	Violations						
	Idle well (Rule 201)						
Comments on Inspection: [d]		ldle Well (Rule	19.15.25.8). No pro	duction repo	rted in over 15 month	s. NEED TO RETUR	RN
		WELL TO AC	TIVE STATUS OR F	PLUG & AB	ANDON. IST NOTIC	Œ.	

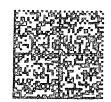
In the event that a satisfactory response is not received to this letter of direction by the "Corrective Action Due By:" date shown above, further enforcement will occur. Such enforcement may include this office applying to the Division for an order summoning you to a hearing before a Divison Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon this well.

Sincerely, Wat Whitelan Cofficer

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



015H14150977 \$0.48 12/24/14 Mailed From 88240

VERNON E. FAULCONER, INC. 1001 E. SOUTHEAST LOOP 323 TYLER, TX 75701