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 Oil Conservation Division

David Catanach, Director



Response Required - Deadline Enclosed

Field Inspection Program "Preserving the Integrity of Our Environment"

25-Mar-15

MATADOR PRODUCTION COMPANY

One Lincoln Centre 5400 LBJ Freeway, Ste 1500

Dallas TX 75240-5240

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.

AUSTIN MONTEITH No.001 K-8-14S-36E 30-025-26271-00-00 Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: Routine/Periodic Mark Whitaker 03/25/2015 Yes No 4/30/2015 iMAW1508441145 Violations Absent Well Identification Signs (Rule 103) Comments on Inspection: No well sign (Rule 19.15.16.8). NEED TO INSTALL WELL SIGN. **AUSTIN 18 STATE COM. No.001** 30-025-27518-00-00 J-18-14S-36E Corrective Inspection *Significant Type Inspection Inspector Violation? Inspection No. Non-Compliance? Date Action Due By: 03/25/2015 Routine/Periodic Mark Whitaker Yes No 6/28/2015 iMAW1508442023 Violations

INSPECTION DETAIL SECTION

Absent Well Identification Signs (Rule 103)

General Housekeeping (Rule 114)

Idle well (Rule 201)

Comments on Inspection: Operator of record not on well sign (Rule 19.15.16.8). Netting on produced water tank down. No

productiion reported in over 24 months. NEED TO CORRECT WELL SIGN. NEED TO INSTALL NETTING ON OPEN TOP PRODUCED WATER PIT. NEED TO RETURN WELL

TO PRODUCTION, REQUEST T/A STATUS, OR PLUG AND ABANDON.

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

Sincerely

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

103/25/15

Mailed From 88240

MATADOR PRODUCTION COMPANY ONE LINCOLN CENTRE 5400 LBJ FREEWAY, STE 1500 DALLAS, TX 75240-5240