

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

David Catanach, Director
Oil Conservation Division



Response Required - Deadline Enclosed

Field Inspection Program
"Preserving the Integrity of Our Environment"

21-Sep-15

NEARBURG PRODUCING CO
3300 N. A STREET, BLDG 2, SUITE 120
MIDLAND TX 79707

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

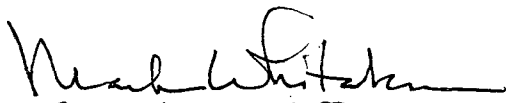
SIMMS 35 STATE No.003				N-35-20S-35E	30-025-35510-00-00		
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.	
09/17/2015	Routine/Periodic	Mark Whitaker	Yes	No	10/30/2015	iMAW1526048262	
Violations							
Idle well (Rule 201)							
Comments on Inspection:		Idle well (Rule 19.15.25.8). TA status has expired. No production reported in over 120 months. NEED TO RETURN WELL TO ACTIVE STATUS OR SUBMIT C103 TO PLUG AND ABANDON WELL. 1ST NOTICE.					

SIMMS 35 STATE		No.004	C-35-20S-35E	30-025-35712-00-00			
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.	
09/17/2015	Routine/Periodic	Mark Whitaker	Yes	No	10/30/2015	iMAW1526049482	
Violations							
Idle well (Rule 201)							
Comments on Inspection:		Idle well (Rule 19.15.25.8). TA status has expired. No production reported in over 157 months. NEED TO RETURN WELL TO ACTIVE STATUS OR SUBMIT C103 TO PLUG AND ABANDON WELL. 1ST NOTICE.					

SEP 23 2015

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,

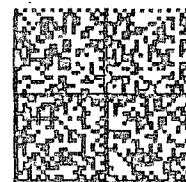

Compliance Officer

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



HASLER

FIRST-CLASS MAIL

\$000.48⁵

09/21/2015 ZIP 88240
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US POSTAGE

NEARBURG PRODUCING CO
3300 N. A STREET, BLDG 2
SUITE 120
MIDLAND, TX 79707