PPC OPERATING COMPANY LLC

PETROLEUM

November 17, 2016

New Mexico Energy, Minerals and Natural Resources Department Attn: Daniel Sanchez – OCD Compliance & Enforcement Manager 1220 S. St. Francis Dr. Santa Fe, NM 87505

PLANTATION

Re: Notice of Violation – Financial Assurance Requirements Notice of Violation – 19.15.5.9 NMAC Requirements PPC Operating Company LLC OGRID # 288774

This letter is to inform you that we are beginning operations to workover the following wells:

30-025-32098

W H Rhodes B Fed NCT 1 #24 W H Rhodes B Fed NCT 1 #21 W H Rhodes B Fed NCT 1 #28 W H Rhodes B Fed NCT 1 #29 W H Rhodes B Fed NCT 1 #20 Rhodes NCT Coop Fed Com 1 #3

Rhodes NCT Coop Fed Com 1 #1 Rhodes Yates Unit #17 Rhodes Yates Coop Fed Com 5 #1 Rhodes Yates Coop Fed Com 4 #1 W H Rhodes A Fed #7 Mary E Wills A Federal #3

At this time, workover operations will include:

Pulling and inspecting rods & pumps; Replacing tubing and/or pumps as needed; Having a chemical company treat wells; Returning to production.

If any wells are found to have casing issues, it will be determined at that time if the well should be permanently plugged and abandoned.

We are also going to be inspecting several of our shut-in injection wells for return to use. We also have a few wells that we will be permanently plugging. Sundry notices will be submitted prior.

We thank you for your patience in this effort and we continue to ask for additional time to bring these wells back into production as it is advantageous for the state of New Mexico and our company. Please let me know if you need any further data or additional information.

Sincerely,

rabenny Jana Spraberry

Office Administrator

cc:

Denise Gallegos OCD Bond Administrator 1220 S. St. Francis Dr. Santa Fe, NM 87505 Maxey Brown NM OCD District Supervisor 1625 N. French Dr. Hobbs, NM 88240

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These sundry notices are for the first two wells we are going to work on. As I get more proposals I will submit sundry notices on those. Basically we are just cleaning out wellbores and replacing bad joints of tubing.

Please note: These are federal leases but the BLM in Carlsbad advised they only wanted subsequent sundries unless we ran into issues that would require extensive downhole work such as casing issues or the need for the well to be permanently plugged.