

State of New Mexico  
Energy, Minerals and Natural Resources Department

Susana Martinez  
Governor

John H. Bemis  
Cabinet Secretary

Brett F. Woods, Ph.D.  
Deputy Cabinet Secretary

HOBBS OCD

MAR 26 2013

RECEIVED

Jami Bailey, Division Director  
Oil Conservation Division



*Letter Of Violation*  
**IMMEDIATE DIRECTIVE**

March 25, 2013

CANO PETRO. OF NM, INC.  
6500 N. BELT LINE RD.  
STE. 200  
IRVING, TX 75063

Attn: REGULATORY MANAGER

RE: PLUGGED WELL SITE CLEANUP REQUIREMENTS  
STATE OF NEW MEXICO RULE 19.15.25.10 VIOLATIONS

It has come to our attention that the following attached list of wells, have been plugged for over 13 months. According to OCD Rules and Regulations, and as stated in NMOCD Rule 19.15.25.10, these wells must meet cleanup and location release requirements within a given time frame.

According to NMOCD Rule 19.15.25.10 the following should apply:

As soon as practical, but no later than one year after the completion of plugging operations, the operator shall:

- (1) level the location;
  - (3) remove deadmen and other junk; and
  - (4) take other measures necessary or required by the division to restore the location to a safe and clean condition.
- E. The operator shall close all pits and below-grade tanks pursuant to 19.15.17 NMAC.
- F. Upon completion of plugging and clean up restoration operations as required, the operator shall contact the appropriate division district office to arrange for an inspection of the well and location.

Please note, the Hobbs District I OCD office will require that Cano Petro. of NM, Inc.. communicate with the District I Supervisor, EL Gonzales, within 10 days of receipt of this letter, the commencement of cleanup process of the wells on the following list.

A required form must be received *for each well* that meets the *complete requirements* of said rule. *A Form C103 Specifically for Subsequent Report of Well Plugging* is to be used for your reporting, regarding these wells. *This form is attached for your convenience.*

If you have any questions, please contact EL Gonzales, at the Hobbs District I office @ 575-393-6161 ext. 102.

Sincerely,

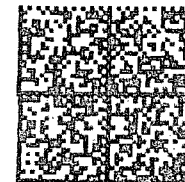
EL Gonzales  
District I OCD Supervisor

Att.

MAR 28 2013

API WELL #	PLUGGING DATE	Well Name	Well #	Operator Name	Type	Stat	County	Land	UL	Sec	Twp	N/S	Rng	W/E	Ft	NS	Ft	EW	Last Insp
30-005-28013-00-00	4/4/2008	CATO SAN ANDRES UNIT	562	CANO PETRO OF NEW MEXICO, INC.	O	H	Chaves	P	M	12	8	S	30	E	130	S	165	W	1/27/2010

EMNRD  
OIL CONSERVATION DIVISION  
1625 N FRENCH DRIVE  
HOBBS NM 88240



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015H14150977  
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Mailed From 88240  
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CANO PETRO. OF NM, INC.  
6500 N. BELT LINE ROAD  
STE. 200  
IRVING, TX 75063