

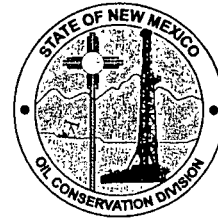
State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John H. Bemis
Cabinet Secretary

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

Jami Bailey, Division Director
Oil Conservation Division



Letter of Violation
IMMEDIATE DIRECTIVE
RESPONSE REQUIRED BY APRIL 22, 2013

Novy Oil & Gas, Inc.
P.O. Box 559
Goddard, KS 67052

Attn: Michael Novy

RE: DIRECT VIOLATIONS OF (NMOCD) NEW MEXICO
OIL CONSERVATION DIVISION RULES & REGULATIONS
STATE 6, WELL #1, LOCATED IN UNIT G, SEC. 6-T10S-R34E

HOBBS OCD
APR 04 2013
RECEIVED

Mr. Michael Novy:

Please consider this letter as notification, informing Novy Oil & Gas Inc. of compliance violations regarding the well referenced above.

On April 4, 2013, the NMOCD District I Office performed a visual inspection of your well noted above. As a result, the well is out of compliance and the violations are clearly defined and justified below. It is at your best interest that you review the violations noted below and contact our office within the time noted above.

It is imperative that you communicate with the District I office and discuss the intentions and efforts to bring this well back into compliance.

If the OCD District I Supervisor does not hear from you by April 22, 2013, the OCD will commence the process to justify an application for hearing. This hearing will be in regards to the wells out of compliance and in reference to 19.15.25.8 NMAC. This process could lead and allow the OCD to plug the well and forfeit any financial assurance if Novy Oil & Gas Inc. does not comply with NMOCD's request.

State 6, Well #1 – Presently Shut In 30 Months and on the “Inactive Shut In List”

VIOLATION 10/2010:

- Last Date of Production 10/2010; Operator Submitted NOI-G103 to Perform Remedial Work, Approved 1/2011;
As of April 2013, NOVY OIL & GAS has made no attempt to work on this well, or inform the NMOCD of potential changes or future use of well.

Direct Violation of NMOCD Rule 19.15.25.8 “Wells to be Properly Abandoned”

APR 04 2013

April 4, 2013

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VIOLATION 5/8/2007:

- On May 8, 2007 Novy Oil & Gas Inc. contacted Maxey Brown of the NMOCD Hobbs office, informing him that a sign had been ordered, in reference to violation letter dated April 11, 2007. *As of April 4, 2013 no sign is on the location.*

Direct Violation of NMOCD Rule 19.15.16.8 "Sign on Wells"

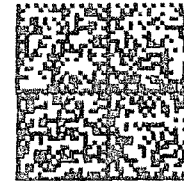
Please contact Elidio L. Gonzales, District I Supervisor, at 575-393-6161 x102, or email elidiolgonzales@state.nm.us, by April 22, 2013.

Sincerely,

A handwritten signature in black ink, appearing to read 'Elidio L. Gonzales', written over the printed name and title.

District I Supervisor
NMOCD District I Office

EMNRD
OIL CONSERVATION DIVISION
1625 N FRENCH DRIVE
HOBBS NM 88240



HASLER	015H14150977	US POSTAGE
	\$0.46	
	04/04/13	
	Mailed From 88240	

NOVY OIL & GAS INC.
ATTN: MICHAEL NOVY
P.O. BOX 559
GODDARD, KS 67052