State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

HOBBS OCD

David Martin

Cabinet Secretary-Designate

MAY 01 2013

Jami Bailey, Division Director Oil Conservation Division



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

RECEIVED

Response Required - Deadline Enclosed

Field Inspection Program "Preserving the Integrity of Our Environment"

01-May-13

TEXLAND PETROLEUM-HOBBS, LLC 777 MAINSTREET, SUITE 3200 FORT WORTH TX 76102

LETTER OF VIOLATION -

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

STATE A 29 No.008

K-29-18S-38E

30-025-23048-00-

Inspection Date

Type Inspection

Inspector

*Significant Violation?

Corrective

05/01/2013 Bradenhead

Non-Compliance?

Action Due By: Inspection No.

Sylvia Dickey

Yes

No

8/4/2013 iSAD1312148488

Comments on Inspection:

NOTE FINAL TA STATUS APPROVED 8/16/2012; TA STATUS EXPIRED 3/28/2013 ***OPERATOR NEEDS TO PLUG AND ABANDON WELL OR PLACE

WELL BACK ON ACTIVE STATUS***

STATE 1-29 No.005

Inspection Date

Type Inspection Bradenhead

Inspector

Violation?

*Significant Non-Compliance? No

O-29-18S-38E

30-025-23173-00-Corrective Action Due By:

Inspection No. iSAD1312149005

05/01/2013 Sylvia Dickey Yes 8/4/2013 ***NOTE WELL HAS BEEN SHUT IN FOR 53 MONTHS. WELL NEEDS TO BE Comments on Inspection:

TA'D, P&A'D OR PLACED BACK ON ACTIVE STATUS***

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

Sinderely

Hobbs OCD District Office

COMPLIANCE OFFICER

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

\$0.46

\$0.46

05/01/13

Mailed From 88240

Texland Petroleum-Hobbs LLC ATT: Vicki Smith 777 Main St, Suite 3200 Fort Worth, TX 76102