State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

David Martin

Cabinet Secretary-Designate

HOE3S OCD

Jami Bailey, Division Director

Oil Conservation Division

Brett F. Woods, Ph.D. Deputy Cabinet Secretary JUN 17 2013

/ED Letter of Violet

RECEIVED <u>Letter of Violation</u>

10 Day Response Required

Merit Energy Company, LLC 13727 Noel Road STE 500 Dallas, TX 75240

June 17, 2013

Attn: Matt Ogden:

RE: STATUS OF WELL API# 30-025-28274

STATE A A/C 2, WELL #65, UNIT E, SEC9-T22S-R36E

RETURN WELL TO PRODUCTION OR PLUG AND ABANDON

Dear Mr. Ogden:

After further review of the well referenced above, the 2 options allowed by the State of New Mexico to bring this well into compliance are listed below:

- Repair the well and place the well on active status.
- Plug and abandon this well according to Rule 19.15.25.8

Operator must respond within 10 days of receipt of this letter. A NOI applicable to one of the options above will be required.

If you have any questions, please contact E.L. Gonzales, District Supervisor, at the Hobbs OCD District 1 Office @ 575-393-6161 x102.

Sylvia A. Dickey

Sincerely

Field Compliance Officer

EMNRD
OIL CONSERVATION DIVISION
1625 N FRENCH DRIVE
HOBBS NM 88240



015H14150977 BY SO A 6 S O A 6

MERIT ENERGY COMPANY LLC ATTN: MATT OGDEN 13727 NOEL ROAD STE 500 DALLAS, TX 75240