

NEW MEXICO ENERGY, MINERALS NATURAL RESOURCES DEPARTMENT

SUSANA MARTINEZ

Governor

Jami Bailey

Director

David Martin Cabinet Secretary - Designate Oil Conservation Division

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

Response Required - Deadline Enclosed

Field Inspection Program "Preserving the Integrity of Our Environment"

20-Jun-13

ENERVEST OPERATING L.L.C. 1001 FANNIN STREET SUITE 800

HOUSTON TX 77002

LETTER OF VIOLATION - Inspection

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

BRITT-	LAU	GHLIN	COM	No.005
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O-5-20S-37E

30-025-05907-00-00

Inspection Date

Type Inspection

Inspector

*Significant Violation?

Corrective

06/19/2013

Routine/Periodic

Mark Whitaker

Non-Compliance? No

Action Due By: 7/31/2013

Inspection No. iMAW1317125065

Violations

Comments on Inspection:

Surface Damage/Restoration

Operator has failed to complete restoration within 1 year of plugging date (Rule 19.15.25.10.D).

Well sign, power disconnect, and conduit protruding from gound west of marker should be removed. Remove transformers, meter base, and meter from power pole if not in use. Two joints of

flowline just off location to the north should also be removed. OPERATOR SHOULD

Yes

COMPLETE RESTORATION AND SUBMIT C103 FORM FOR RELEASE OF LOCATION. LOCATION WILL NOT BE RELEASED UNTIL WORK HAS BEEN COMPLETED AND RE-

INSPECTED. 1st notice.

BRITT-LAUGHLIN COM No.004

A-8-20S-37E

30-025-06005-00-00

Inspection

06/19/2013

Date Type Inspection

Inspector

Mark Whitaker

Violation? Yes *Significant Non-Compliance? No Corrective Action Due By: 7/31/2013

Inspection No.

iMAW1317125594

Violations

lations

Surface Damage/Restoration

Comments on Inspection: Operator

Routine/Periodic

Operator has failed to complete restoration within 1 year of plugging date (Rule 19.15.25.10.D). Please note that three power poles that originate on north side of location will need to be removed when final well on lease is abandoned. OPERATOR SHOULD COMPLETE RESTORATION AND SUBMIT C103 FORM FOR RELEASE OF LOCATION. LOCATION WILL NOT BE RELEASED UNTIL WORK HAS BEEN COMPLETED AND RE-INSPECTED. 1st notice.

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.

Sincerely,

COMPLIANCE OFFICER

Hobbs OCD District Office

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 ENERVEST OPERATING L.L.C 1001 FANNIN STREET SUITE 800 HOUSTON, TX 77002

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06/20/13