State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

David Martin Cabinet Secretary

Brett F. Woods, Ph.D. Deputy Cabinet Secretary Jami Bailey, Division Director Oil Conservation Division



*Response Required - Deadline

Field Inspection Program "Preserving the Integrity of Our Environment"

12-Mar-14

HOBBS OCD

MEWBOURNE OIL CO

PO Box 5270 Hobbs NM 88241 MAR 1 2 2014

Dear Operator:

RECEIVED

LETTER OF VIOLATION -

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 re-inspect the well and/or facility.

INSPECTION DETAIL SECTION

QUERECHO PLAINS QA SAND UNIT No.002

F-23-18S-32E

30-025-24888-00-

Inspection Date

Type Inspection

Violation?

*Significant Corrective Non-Compliance?

Action Due By:

03/12/2014

File and Compliance

Sylvia Dickey

Yes

No

6/14/2014

Inspection No.

iSAD1407052049 **Comments on Inspection:**

AFTER FURTHER REVIEW OF ORDERS AND DOCUMENTATION, THE BHT PERFORMED ON 2/20/2014 HAD A TUBING PRESSURE OF 1750# AT TIME OF TEST. PER WFX-680 785# (1996) APPROVED INJECTION PRESSURE IS 785 PSI (1996). IF OPERATOR HAS ADDITIONAL INFORMATION JUSTIFYING PRESSURE OF 1750# PLEASE EMAIL TO SYLVIA.DICKEY@ STATE.NM.US. OTHERWISE WELL IS IN VIOLATION OF "INJECTION PRESSURE OVER LIMIT" -

"NMOCD RULE 19.15.26.10"

QUERECHO PLAINS QA SAND UNIT No.022

H-28-18S-32E

30-025-28493-00-

Inspection

03/12/2014

Date Type Inspection

Inspector Sylvia Dickey Violation? Yes *Significant Non-Compliance? No Corrective Action Due By: 6/15/2014

Inspection No.

iSAD1407126387

Comments on Inspection:

Bradenhead

AFTER FURTHER REVIEW OF ORDERS AND DOCUMENTATION, THE BHT PERFORMED ON 2/20/2014 HAD A TUBING PRESSURE OF 1750# AT TIME OF TEST. PER R-10151 (1994) APPROVED INJECTION PRESSURE IS 777 PSI. IF OPERATOR HAS ADDITIONAL INFORMATION JUSTIFYING PRESSURE OF 1750# PLEASE EMAIL TO SYLVIA.DICKEY@ STATE.NM.US. OTHERWISE WELL IS IN VIOLATION OF "INJECTION PRESSURE OVER LIMIT" - "NMOCD RULE 19.15.26.10"

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

Sincerely.

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.

KZ

EMNRD
OIL CONSERVATION DIVISION
1625 N FRENCH DRIVE
HOBBS NM 88240



015H14150977 \$0.48 \$0.48 03/12/14 Mailed From 88240

MEWBOURNE OIL CO. P.O. BOX 5270 HOBBS, NM 88240