

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 Enclosed

Field Inspection Program
"Preserving the Integrity of Our Environment"

12-Jun-14

HOBBS OCD

SUNDOWN ENERGY LP
13455 NOEL RD SUITE 2000
DALLAS TX 75240

JUN 12 2014

RECEIVED

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.

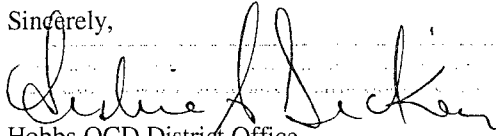
Please notify the proper district office of the Division, in writing, of the date corrective actions are scheduled to be made so that arrangements can be made to reinspect the well and/or facility.

INSPECTION DETAIL SECTION

FOSTER No.002		B-6-19S-39E		30-025-37552-00-00		
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
06/12/2014	Plugged Well Surface Restor	Sylvia Dickey	Yes	No	9/15/2014	iSAD1416335326
Comments on Inspection: ***OPERATOR IN VIOLATION OF NMOCDD RULE 19.15.25.10***LOCATION DOES NOT MEET REQUIREMENTS AS STATED IN RULES & REGULATIONS***THE FOLLOWING NEEDS TO BE CORRECTED PRIOR TO RELEASE: 1> REMOVE 2 - 500 BBL TANKS; 2> REMOVE HEATER TREATER; 3> REMOVE PUMPING UNIT (IF CONCRETE BASE IS POURED PLEASE REMOVE BOLTS); IF CONCRETE BASE IS MOBILE - THEN REMOVE ALL CONCRETE BASES COMPLETELY; 4>REMOVE MISC. SCRAP METAL; 5>IF LAST WELL ON LEASE REMOVE POWER POLE CONNECTIONS IF APPLICABLE; 6> DRY HOLE MARKER MUST MEET RULE REQUIRMENTS (EXCEEDS DIMENSIONS OF RULE). WHEN COMPLETE SUBMIT S/RPT C103 SUBSEQUENT REPORT OF WELL PLUGGING.						

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,



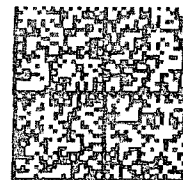
Hobbs OCD District Office

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.

EMNRD
OIL CONSERVATION DIVISION
1625 N FRENCH DRIVE
HOBBS NM 88240



HASLER	015H14150977	US POSTAGE
	\$0.48	
	06/12/14	
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Dallas, TX 75240