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"

21-Aug-14

SABER OIL & GAS VENTURES, LLC 400 W ILLINOIS, SUITE 950

MIDLAND TX 79701

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	V DETAIL	SECTION		
LANGLIE MATTIX UNIT No.004 Inspection Date Type Inspection			*\ Inspector	Violation?	N-14-24S-37E *Significant Non-Compliance?	30-025-11100-00- Corrective Action Due By:	00 Inspection No.
08/21/2014	4 Routine/Periodic Violations		Mark Whitaker	Yes	No	10/21/2014	iMAW1423343791
	Absent Well Identification Signs (Rule 103)						
REFLECT CURRENT OPERATOR. 1S' LANGLIE MATTIX UNIT No.002				IST NOTI	L-14-24S-37E		
Inspection Date	Type Inspectio	n	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
08/21/2014	Routine/Periodic Violations Absent Well Identification Signs (Mark Whitaker	Yes	No	11/24/2014	iMAW1423343436
Comments on Inspection: Wrong ope		Wrong operator	•		NEED TO CORRECT CE.	WELL SIGN TO	

LANGLIE MATTIX UNIT No.018 P-23-24S-37E 30-025-11220-00-00 Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 08/21/2014 Routine/Periodic Mark Whitaker No 10/21/2014 iMAW1423339617 Yes Violations Absent Well Identification Signs (Rule 103) Comments on Inspection: Wrong operator on well sign (Rule 19.15.16.8). Other notes: Power off at control box. Operator State of the work reporting production. NEED TO CORRECT WELL SIGN TO REFLECT CURRENT Water Spiriture OPERATOR. 1ST NOTICE. 30-025-11221-00-00 F-23-24S-37E LANGLIE MATTIX UNIT No.010 *Significant Corrective Inspection Type Inspection Violation? Inspection No. Inspector Action Due By: Date Non-Compliance? 08/21/2014 Routine/Periodic Mark Whitaker Yes No 10/21/2014 iMAW1423341911 Violations Absent Well Identification Signs (Rule 103) Comments on Inspection:

No well sign (Rule 19.15.16.8). Other notes: Tubing is bullplugged. Flowline connected to

annulus. No valve on flowline. Operator reporting production. NEED TO INSTALL WELL SIGN.

1ST NOTICE.

B-23-24S-37E 30-025-11223-00-00 LANGLIE MATTIX UNIT No.006

*Significant Corrective Inspection Violation? Inspection No. Type Inspection Inspector Date Non-Compliance? Action Due By:

Yes

08/21/2014 Routine/Periodic Violations

Absent Well Identification Signs (Rule 103)

Surface Damage/Restoration

Comments on Inspection: Wrong operator on well sign (Rule 19.15.16.8). Oil pooling around wellhead. NEED TO

Mark Whitaker

CORRECT WELL SIGN TO REFLECT CURRECT OPERATOR AND TO REMOVE CONTAMINATED SOIL AND FLUIDS FROM AROUND WELLHEAD. 1ST NOTICE.

LANGLIE MATTIX UNIT No.019 G-23-24S-37E 30-025-30158-00-00

*Significant Inspection Corrective

Date Inspection No. Type Inspection : Inspector Violation? Non-Compliance? Action Due By: 10/21/2014 iMAW 1423340181 Routine/Periodic Mark Whitaker 08/21/2014

Violations

No Yëš

No

10/21/2014

iMAW1423340635

Absent Well Identification Signs (Rule 103)

No well sign (Rule 19.15.16.8). NEED TO INSTALL WELL SIGN. 1ST NOTICE. Comments on Inspection:

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



SABER OIL & GAS VENTURES, LLC 400 W ILLINOIS SUITE 950 MIDLAND, TX 79701