

# 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"*

08-Oct-14

**COBALT OPERATING, LLC**  
3001 N. BIG SPRING SUITE 207  
MIDLAND TX 79705

**CERTIFIED MAIL: 7014 1200 0002 1826 6134**

### 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

ANGEL No.003				F-5-12S-38E	30-025-07133-00-00
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By: Inspection No.
10/08/2014	File and Compliance Review	Maxey Brown	Yes	No	10/22/2014 iMGB1428146847
Comments on Inspection: RULE 19.15.25.8. THIS WELL HAS EXPIRED T/A STATUS. NO PROD REPORTED IN 284 MONTHS. RETURN WELL TO PRODUCING OR PA WELL. NO ADDITIONAL TA STATUS WILL BE GRANTED. THIS IS FINAL LETTER OF NON-COMPLIANCE.					
ANGEL No.001				K-5-12S-38E	30-025-07135-00-00
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By: Inspection No.
10/08/2014	File and Compliance Review	Maxey Brown	Yes	No	10/22/2014 iMGB1428147469
Comments on Inspection: RULE 19.15.25.8. THIS WELL HAS BEEN RE-ENTERED. NEED TO PROD OR P/A. THIS IS FINAL LETTER OF NON-COMPLIANCE.					
ANGEL No.002				N-5-12S-38E	30-025-07136-00-00
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By: Inspection No.
10/08/2014	File and Compliance Review	Maxey Brown	Yes	No	10/22/2014 iMGB1428149732
Comments on Inspection: RULE 19.15.25.8. NO PRODUCTION REPORTED IN 95 MONTHS. NEED TO PROD OR PA WELL. FINAL NOTICE OF NON-COMPLIANCE.					

OC 09 2014

**STATE A No.001**

H-5-24S-38E

**30-025-21230-00-00**

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
10/08/2014	File and Compliance Review	Maxey Brown	Yes	No	10/22/2014	iMGB1428149946
Comments on Inspection: RULE 19.15.25.8. 6 MONTH EXTENSION EXPIRED 10-16-2013. WELL MUST BE PA'D. NO PROD REPORTED IN 224 MONTHS. FINAL NOTICE OF NON-COMPLIANCE.						

**STATE A No.002**

C-5-24S-38E

**30-025-21231-00-00**

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
10/08/2014	File and Compliance Review	Maxey Brown	Yes	No	10/22/2014	iMGB1428150242
Comments on Inspection: RULE 19.15.25.8. 6 MONTH EXTENSION EXPIRED 10/15/2013. NEED TO PA WELL. FINAL NOTICE OF NON-COMPLIANCE.						

**STATE 32 No.001**

N-32-23S-38E

**30-025-21476-00-00**

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
10/08/2014	File and Compliance Review	Maxey Brown	Yes	No	10/22/2014	iMGB1428150473
Comments on Inspection: RULE 19.15.26.12. NO INJECTION REPORTED IN 17 MONTHS. AUTHORITY TO INJECT IS LOST. SUSPEND ALL INJECTIONS AT THIS TIME. CONTACT PHILLIP GOETZE SANTA FE OCD 505-476-3466. RULE 19.15.26.11. NO C-103 SUBSEQUENT FOR WELL WORK ON OR ABOUT 5/7/2014 WAS NOT RECEIVED WHICH WAS TO INCLUDE A PRESSURE TEST CHART. WELL IS TO REMAIN SHUTIN UNTIL WITNESSED CHART TEST IS RAN. THIS IS FINAL NOTICE.						

**WARREN No.001**

G-8-17S-37E

**30-025-26323-00-00**

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
10/08/2014	File and Compliance Review	Maxey Brown	Yes	No	10/22/2014	iMGB1428152185
Comments on Inspection: RULE 19.15.25.10. WELL HAS BEEN PLUGGED AND ABANDONED GREATER THAN 12 MONTHS. NEED TO SUBMIT C-103 SUBSEQUENT FOR INSPECTION OF LOCATION. 1ST LETTER OF NON-COMPLIANCE.						

**CONSOLIDATED STATE No.003**

C-9-17S-37E

**30-025-29711-00-00**

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
10/08/2014	File and Compliance Review	Maxey Brown	Yes	No	10/22/2014	iMGB1428152514
Comments on Inspection: RULE 19.15.26.11. HAVE NOT RECEIVED C-103 SUBSEQUENT WITH PRESSURE CHART FOR WELL WORK. RULE 19.15.26.12. LAST INJECTION/PRODUCTION REPORTED WAS 34 MONTHS. HAVE NOT RECEIVED C- 104,105. WELL MUST BE SHUT IN PENDING REVIEW FROM SANTA FE. FINAL 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,



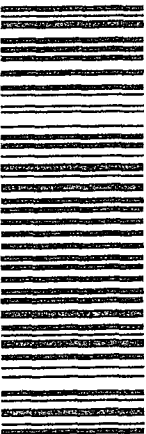
Hobbs OCD District Office

Note: Information in Detail Section comes directly from field inspector data entries - not all blanks will contain data.

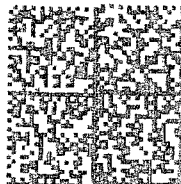
\*Significant Non-Compliance events are reported directly to the EPA, Region VI, Dallas, Texas.

EMNRD  
OIL CONSERVATION DIVISION  
1625 N FRENCH DRIVE  
HOBBS NM 88240

CERTIFIED MAIL™



7014 1200 0002 1826 6134  
7014 1200 0002 1826 6134



015H14150977  
HASLER  
\$6.48  
10/08/14  
Mailed From 88240  
US POSTAGE

U.S. Postal Service™  
**CERTIFIED MAIL™ RECEIPT**  
(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at [www.usps.com](http://www.usps.com)

OFFICIAL USE

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

Postmark  
Here

Sent To	COBALT OPERATING LLC	
Street, Apt. No., or PO Box No.	3001 N. BIG SPRING SUITE 207	
City, State, ZIP+4	MIDLAND TX	79705

PS Form 3800, August 2006 See Reverse for Instructions

**SENDER: COMPLETE THIS SECTION**

- ☒ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- ☒ Print your name and address on the reverse so that we can return the card to you.
- ☒ Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

**COBALT OPERATING, LLC  
3001 N. BIG SPRING SUITE 207  
MIDLAND TX 79705**

2. Article Number (Copy from service)

7014 1200 0002 1826 6134

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

**COMPLETE THIS SECTION ON DELIVERY**

A. Received by (Please Print Clearly)

B. Date of Delivery

C. Signature

**X**☐ Agent☐ Addressee

D. Is delivery address different from item 1?

☐ Yes

If YES, enter delivery address below:

☐ No

3. Service Type

☒ Certified Mail☐ Express Mail☐ Registered☒ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes**Certified Mail**

- ☒ A mailing receipt
- ☒ A unique identifier
- ☒ A record of delivery

**Important Remind**

- ☒ Certified Mail is
- ☒ Certified Mail is

**NO INSURANCE**

For an additional fee, please obtain a duplicate return receipt. To obtain a duplicate return receipt, please obtain a duplicate return receipt. To obtain a duplicate return receipt, please obtain a duplicate return receipt.

**For an additional**

addresser's authentication endorsement. If a postmark on the mailpiece at the post office is not needed, the receipt is not needed.

**IMPORTANT: Save**

PS Form 3800, August 1998