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

David Catanach, Division Direct Oil Conservation Division



Response Required - Deadline Enclosed

Field Inspection Program "Preserving the Integrity of Our Environment"

12-Feb-15

SIANA OPERATING LLC

P.O. BOX 10303 MIDLAND TX 79702

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

CURRY STATE No.001

A-22-23S-34E

30-025-26848-00-00

Inspection Date

Type Inspection

Inspector

Violation?

Yes

*Significant

Corrective

Routine/Periodic

Non-Compliance?

Action Due By:

Inspection No.

02/11/2015

Mark Whitaker

No

5/17/2015

iMAW1504240914

Violations

Absent Well Identification Signs (Rule 103)

Idle well (Rule 201)

Comments on Inspection:

T/A status has expired (Rule 19.15.25.8). No production reported in over 22 years. Well sign not legible (Rule 19.15.16.8), NEED TO REPLACE WELL SIGN, NEED TO RETURN WELL TO

ACTIVE STATUS OR PLUG & ABANDON. 1st notice.

FEB 1 2 2015

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



015H14150977

\$\frac{4}{2} \cdot \frac{\$0.48}{02/12/15}

Mailed From 88240

SIANA OPERATING LLC PO BOX 10303 MIDLAND, TX 79702-0303