Susana Martinez Governor

David Martin Cabinet Secretary

Brett F. Woods, Ph.D. Deputy Cabinet Secretary David Catanach, Division Director Oil Conservation Division

Response Required - Deadline Enclosed

Field Inspection Program "Preserving the Integrity of Our Environment"

26-Feb-15

MCGOWAN WORKING PARTNERS, INC PO BOX 55809 JACKSON MS 39296-5809

LETTER OF VIOLATION -

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											
STATE 35 UNIT Inspection Date Type Inspectio		No.001		Violation?	D-35-17S-34E *Significant Non-Compliance?	30-025-02225-00-00 Corrective Action Due By: Inspection No.					
02/26/2015	File and Com		Sylvia Dickey	Yolation: Yes	Non-Comphance:	•	iSAD1505750946				
02/20/2015	File and Com	phance	Sylvia Dickey	Tes	NO	0/1/2015	ISAD1303730940				
INACTIVE FOI 19.15.25.12***			R 272 MONTHS. ** OPERATOR MUST	OPERATOR REINSTAT	TUS EXPIRED 3/16/20 R IN VIOLATION OF TE TA STATUS (IF A CK ON ACTIVE STAT	NMOCD RULE PPROVED); PLUG	EN				
STATE H 35 No.009		No.009			H-35-17S-34E	30-025-20228-00-00					
Inspection Date	Type Inspection	l	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.				
02/26/2015	File and Com	pliance	Sylvia Dickey	Yes	No	6/1/2015	iSAD1505751322				
Comments on Inspection:		WELL IS IN EXPIRED TA STATUS. TA STATUS EXPIRED 2/24/2014; WELL HAS BEEN INACTIVE FOR 178 MONTHS. **OPERATOR IN VIOLATION OF NMOCD RULE 19.15.25.12*** OPERATOR MUST REINSTATE TA STATUS (IF APPROVED); PLUG AND ABANDON THE WELL OR PLACE BACK ON ACTIVE STATUS.									



February 26, 2015 Page 2

STATE 35 UNIT Inspection		No.005			E-35-17S-34E *Significant	30-025-28053-00- Corrective	00			
Date	Type Inspection	I	Inspector	Violation?	Non-Compliance?	Action Due By:	Inspection No.			
02/26/2015	File and Com	pliance	Sylvia Dickey	Yes	No	6/1/2015	iSAD1505751144			
Comments on Inspection:		WELL IS IN EXPIRED TA STATUS. TA STATUS EXPIRED 10/31/2011; WELL HAS BEEN INACTIVE FOR 251 MONTHS. **OPERATOR IN VIOLATION OF NMOCD RULE 19.15.25.12*** OPERATOR MUST REINSTATE TA STATUS (IF APPROVED); PLUG AND ABANDON THE WELL OR PLACE BACK ON ACTIVE STATUS.								
STATE 35 UNIT Inspection		No.004			E-35-17S-34E *Significant	30-025-28054-00- Corrective	00			
Date	Type Inspection	1 ⁻	Inspector	Violation?	Non-Compliance?	Action Due By:	Inspection No.			
02/26/2015	File and Com	pliance	Sylvia Dickey	Yes	No	6/1/2015	iSAD1505751230			
Comments on Inspection:		WELL IS IN EXPIRED TA STATUS. TA STATUS EXPIRED 10/31/2011; WELL HAS BEEN INACTIVE FOR 251 MONTHS. **OPERATOR IN VIOLATION OF NMOCD RULE 19.15.25.12*** OPERATOR MUST REINSTATE TA STATUS (IF APPROVED); PLUG AND ABANDON THE WELL OR PLACE BACK ON ACTIVE STATUS.								
BRIDGES STATE Inspection		No.187			O-26-17S-34E *Significant	30-025-28428-00- Corrective	00 [°]			
Date	Type Inspection	ı	Inspector	Violation?	Non-Compliance?	Action Due By:	Inspection No.			
02/26/2015	File and Com	pliance	Sylvia Dickey	Yes	No	6/1/2015	iSAD1505751415			
Comments on Inspection:		WELL IS IN EXPIRED TA STATUS. TA STATUS EXPIRED 10/31/2011; WELL HAS BEEN INACTIVE FOR 188 MONTHS. **OPERATOR IN VIOLATION OF NMOCD RULE 19.15.25.12*** OPERATOR MUST REINSTATE TA STATUS (IF APPROVED); PLUG AND ABANDON THE WELL OR PLACE BACK ON ACTIVE STATUS.								

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

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 015H14150977 015H14150977 02/26/15 Mailed From88240

MCGOWAN WORKING PARTNERS, INC. ATTN: GLENN HEPNER P.O. BOX 55809 JACKSON, MS 39296-5809