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, Director Oil Conservation Division



Response Required - Deadline Enclosed

Field Inspection Program "Preserving the Integrity of Our Environment"

08-Apr-15

CIMAREX ENERGY CO. OF COLORADO

202 S. CHEYENNE AVE, STE 1000 TULSA OK 74103

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 | N DETAIL | L SECTION | | |
|--|-------------------------------|--|----------------------------|-------------------|--|---|--|
| LAUGHLIN No.002 Inspection Date Type Inspection 04/07/2015 Routine/Periodic | | | Inspector Mark Whitaker | Violation? Yes | L-4-20S-37E *Significant Non-Compliance? No | 30-025-35182-00-00 Corrective Action Due By: Inspection No. 5/7/2015 iMAW1509751731 | |
| | Violations Absent Well Ide | ntification Signs (Rule | 103) | | | | |
| Comments on Inspection: | | Wrong operator of record on well sign (Rule 19.15.16.8), NEED TO CORRECT WELL SIGN. ALSO NOTE THAT THE SIGN STICKERS ON ALL THE WELLS ON THIS LEASE ARE FALLING OFF AND NEED TO BE REPLACED. | | | | | |

APR 0 8 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



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