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"

20-Aug-15

MAR OIL & GAS CORP. PO BOX 5155 SANTA FE NM 87502

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.

			INSPECTIO	N DETAII	L SECTION		
EUMONT HARDY UNIT No.016 Inspection Date Type Inspection			Inspector	Violation?	I-36-20S-37E *Significant Non-Compliance?	30-025-06217-00- Corrective Action Due By:	00 Inspection No.
08/20/2015	Violations		Mark Whitaker	Yes	No	9/25/2015	iMAW1523245382
	Absent Well Identification Signs (Rule 103)						
Comments	on Inspection:	Wrong operator	of record on well si	gn (Rule 19.	15.16.8). NEED TO C	CORRECT WELL SIG	GN
EUMONT I Inspection Date			Inspector	Violation?	N-36-20S-37E *Significant Non-Compliance?	30-025-06219-00- Corrective Action Due By:	•00 Inspection No.
08/20/2015	Routine/Peri Violations Absent Well Ide	odic ntification Signs (R	Mark Whitaker ule 103)	Yes	No	9/25/2015	iMAW1523244559
Comments on Inspection: No well sign (F WELL SIGN.			Rule 19.15.16.8). No production reported in over 18 months. NEED TO INSTALL				
					and each sign	Sign should be l shall show operate ber, location by f	egible from 50' or's name, property ootage, unit letter

Oil Conservation Division * 1625 N. French Drive * Hobbs, New Mexico 88240 Phone: 575-393-6161 * Fax: 575-393-0720 * http://www.emnrd.state.nm.us

AUG 2 1 2015

section, township, range, and API number

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.

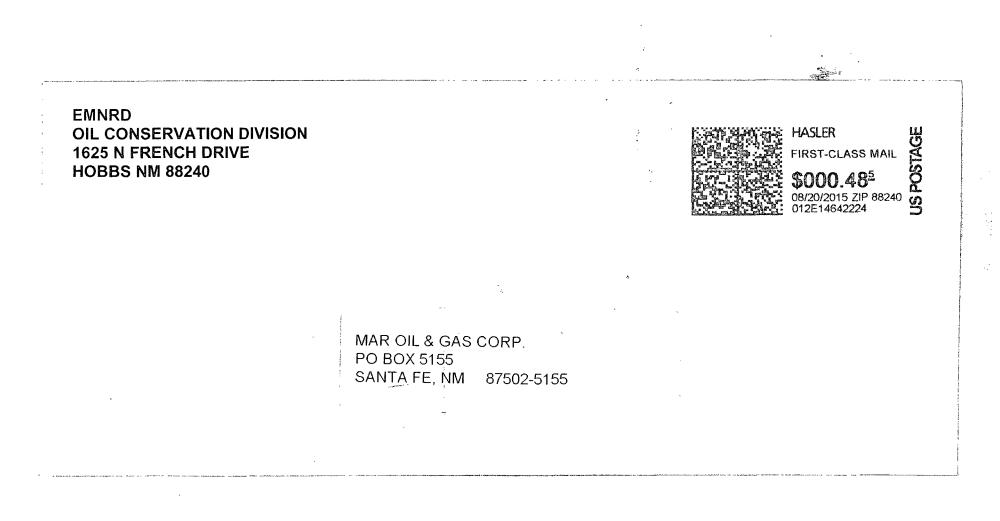
Narb Whitzke oniplisance Officer Sincerely.

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.

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