State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez Governor

Tony Delfin

Acting Cabinet Secretary

David Catanach, Director Oil Conservation Division



Response Required - Deadline Enclosed

Field Inspection Program "Preserving the Integrity of Our Environment"

08-Aug-16

SOGO III LLC 310 WEST WALL STREET SUITE 1000 MIDLAND TX 79701 HOBBS OCD AUG 1 6 2016

RECEIVED

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	V DETAIL	SECTION		
MALMAR Inspection Date	UNIT No.123 Type Inspectio	Inspector	Violation?	F-18-17S-33E *Significant Non-Compliance?	30-025-37309-00- Corrective Action Due By:	-00 Inspection No.
08/08/2016	Routine/Peri Violations Idle well (Rule :	Mark Whitaker	Yes	No	11/11/2016	iMAW1622137963
Comments	on Inspection:			. No record of comple DUCTION OR PLUG		IST

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.

Mark Whiteher Petroleum Engr. Specialist 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.