

HOBBS OCD
JAN 18 2017

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary Designate

Matthias Sayer
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



Response Required - Deadline Enclosed

Field Inspection Program
"Preserving the Integrity of Our Environment"

18-Jan-17

COG OPERATING LLC
ONE CONCHO CENTER 600 W. ILLINOIS AVE
MIDLAND TX 79701

LETTER OF VIOLATION - Inspection

Dear Operator:

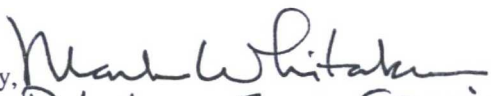
The following inspection(s) indicate that the well, equipment, location or operational status of the well(s) failed to meet standards of the New Mexico Oil Conservation Division as described in the detail section below. To comply with standards imposed by Rules and Regulations of the Division, corrective 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

| SV SUNDOWN STATE No.002 | | M-14-10S-37E | | 30-025-35597-00-00 | | |
|----------------------------|-----------------------------|--|------------|------------------------------|---------------------------|----------------|
| Inspection Date | Type Inspection | Inspector | Violation? | *Significant Non-Compliance? | Corrective Action Due By: | Inspection No. |
| 01/18/2017 | Routine/Periodic Violations | Mark Whitaker | Yes | No | 3/17/2017 | iMAW1701839954 |
| Surface Damage/Restoration | | | | | | |
| Comments on Inspection: | | DO NOT RELEASE. Well plugged in July of 2015. Rule 19.15.25.10 requires restoration be completed within 1 year of plugging. Wrong API number on P&A marker. Location is in the LPC area. Need to reinstall a corrected PA marker 3' below ground level, remove all flowlines associated with this well back to the Legacy's Sundown State SWD #1 battery, and contact power provider to remove the 2 power poles west of location. Please contact District 1 office to witness before covering marker. | | | | |

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, 
Petroleum Engr. Specialist

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

COG OPERATING LLC
ONE CONCHO CENTER
600 W. ILLINOIS AVE
MIDLAND, TX 79701



HASLER

FIRST-CLASS MAIL

\$000.46⁵

01/18/2017 ZIP 88240
012E14642224

US POSTAGE