

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



June 28, 2017

MANZANO LLC  
P.O. BOX 1737  
ROSWELL NM 88202

P.O. Box 2107  
ROSWELL NM 88202

Dear Operator:

A recent inspection of production records (C-115 reports) indicate a period from completion date to October 2016 that no (0) production was reported for the following wells:

Dog Bar 11 Fee #1H, 30-025-42873, UL-O Section 11-T14S-R38E-Ready to Produce 12/23/2015, Date of 1<sup>st</sup> Production 1/18/2016

Dog Bar 11 Fee #3H, 30-025-42622, UL-M Section 11-T14S-R38E-Ready to Produce 8/25/2015. Date of 1<sup>st</sup> Production 8/28/2015

The inaccuracy in production reporting is a violation of Rule 19.15.7.24. OCD records indicate that Manzano LLC is not "Operator of Record", but the transfer of the wells to Steward Energy II, LLC, does not relieve Manzano LLC of the responsibility or liability for any act or omission which occurred while Manzano LLC operated the wells or facilities.

To correct the records, Manzano LLC will need to provide Steward Energy II, LLC (Operator of Record) sufficient production volumes and dates for C-115's to be filed for the months that the above listed wells produced. Failure to comply with this request may jeopardize the operator's ability to obtain necessary approvals on pending or future requests. Finally, District I may apply to the Division for an order summoning you to a hearing before a Division Examiner in Santa Fe.

Sincerely,

Maxey G. Brown  
District I Supervisor

cc: Allison Marks, OCD Deputy Director  
Daniel Sanchez, OCD Enforcement and Compliance Manager  
Raymond Podany, District II Geologist

EMNRD  
OIL CONSERVATION DIVISION  
1625 N FRENCH DRIVE  
HOBBS NM 88240

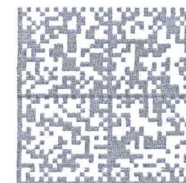


HASLER  
FIRST-CLASS MAIL  
**\$000.46<sup>0</sup>**  
06/28/2017 ZIP 88240  
012E14642224

US POSTAGE

MANZANO LLC  
P.O. BOX 2107  
ROSWELL NM 88202

EMNRD  
OIL CONSERVATION DIVISION  
1625 N FRENCH DRIVE  
HOBBS NM 88240



HASLER  
FIRST-CLASS MAIL  
**\$000.46<sup>0</sup>**  
06/28/2017 ZIP 88240  
012E14642224

US POSTAGE

MANZANO LLC  
P.O. BOX 1737  
ROSWELL NM 88202