

Whitaker, Mark A, EMNRD

To: tduffy@everquestenergy.com 30-025-34587
Subject: Rancho Verde 10 State #1 & State 7 #1 30-025-27234
Attachments: 1.jpg; 2.jpg; 3.jpg; 4.jpg; 5.jpg; 6.jpg; State 7 2a.jpg; State 7 2b.jpg; State 7 2c.jpg; state 7 2d.jpg; State 7 2e.jpg; State 7 2f.jpg; State 7 2g.jpg; State 7 2h.jpg

Mr. Duffey,

I visited the 2 subject wells on Thursday, November 7th and noted the following item:

- 1) Rancho Verde: Service pole off primary lines needs to be removed. (Meter base, conduit, and power disconnect are the property of the operator.) Piping and flowlines associated with this well need to be removed, contaminated soil under and around where vessels were needs to be removed and properly disposed of, and location needs to be contoured.
- 2) State 7: Pumping unit, wellhead, stub pole at pumping unit, conduit at pumping unit, all trash and debris and all piping or flowlines associated with this well need to be removed. In addition the service pole and 2 primary poles need to be removed. (Meter base, conduit, and power disconnect are the property of the operator.) Gas purchaser should be contacted to request removal of all metering equipment and shed.

Please contact the appropriate power providers and gas purchasers to request removal of their property associated with this well. Copy the NMOCD District Office with the requests submitted to these providers.

As a result of the findings of the field inspections, your request to release these well is denied.

Respectfully,

Mark Whitaker, PES

NMOCD, District 1

(575) 393-6161