State Of New Mexico Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham

Govenor

Sarah Cottrell Propst

Cabinet Secretary

Vacant

Deputy Cabinet Secretary

Gabriel Wade

Division Director

"Response Required - Deadline Enclosed"

Field Inspection Program

HOBBSrecom Integrity of Our Environment"

JAN 2 4 2019 09-Jan-19

MCI OPERATING OF NM, LLC 7505 Memorial Woods # 60 Houston, TX 77024

RECEIVED

LETTER OF VIOLATION - Field Inspection

Dear Operator:

The following inspection indicates that the well, equipment, location or operational status of the well 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 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

[30-025-08161] U S SMELTING FEDERAL SWD #005

OGRID: 299027

P-22-24S-32E 990 FSL 330 FEL

Inspection Date

10/9/2018

Type Inspection Routine Inspection

Inspector [GB] George Bower Corrective Action Due By 4/29/2019

Inspection No.

iGB1828208161

Violations:

91 months since lass deported Production

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,

Hobbs OCD District Office

Note: Information in Detail Section comes directly from field inspector data entries - not all blanks will contain data.

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

INSTRUCTED TO THE STATE OF THE

EMNRD
OIL CONSERVATION DIVISION
1625 N FRENCH DRIVE
HOBBS NM 88240



NEOPOST FIRST-CLASS MAIL \$000.47⁰ 01/24/2019 ZIP 88240

MCI OPERATING OF NM, LLC 7505 Memorial Woods # 60 Houston TX 77024