State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Brett F. Woods, Ph.D. Deputy Cabinet Secretary Jami Bailey, Division Director Oil Conservation Division



October 31, 2014

General Minerals RANDY D. WALKER House 15 Rd. #5066 Bloomfield, NM 87413

OGRID No. 8672

Via Certified Mail: 70120470 0001 5961 3499

Dear Operator:

Rule 19.15.7.24 of the Oil Conservation Division ("OCD") requires that C-115(s) (Monthly Production Reports) be filed electronically on or before the 15th day of the second month following the month of production. As of today, we have not received your electronically submitted C-115(s) for <u>May, 2014</u>. It is the Operator's duty to file their monthly reports and update the OCD with any change in contact information per 19.15.9.8 NMAC.

Despite our attempts to notify you of this violation, no report has been received by the OCD. You are hereby being notified that effective immediately, the OCD has now revoked your authorization to transport from or inject into all wells your company operates.

In addition to the State Land Office, the New Mexico Taxation and Revenue Department, and the Bureau of Land Management, we will also take steps to notify purchasers and transporters of this revocation. Any unauthorized transportation or injection will be a violation of the Oil and Gas Act and the OCD will bring compliance actions against anyone participating in violations of the Act.

Immediate action is now required by you if you wish to restore you transport and injection authority. Please contact Daniel Sanchez at Daniel.Sanchez@state.nm.us (505-476-3493) to schedule a compliance conference. If no attempt to contact the OCD is made, we will move to find your wells orphaned, find you out of compliance with a division order, authorize the division to plug and abandon your wells, and seize any associated financial assurance, and seek any additional penalties available under the Act. Any operator or their principals found out of compliance with a division order will not be given a new OGRID number to authorize them to operate in the state of New Mexico.

Sincerely,

Daniel Sanchez

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NMOCD Compliance & Enforcement Manager

Ec: Kelly Brooks Smith, Pete Martinez, ksmith@slo.state.nm.us, pmartine@slo.state.nm.us, New Mexico State Land Office, P.O. Box 1148, Santa Fe, NM 87504;

Tom Zelenka, Joseph Galluzzi, <u>tzelenka@blm.gov</u>, <u>igalluzz@blm.gov</u>, Bureau of Land Management, P.O. Box 27115, Santa Fe, NM 87502;

Joan Ishimoto, joan.ishimoto@state.nm.us, New Mexico Taxation and Revenue Dept., 1200 South Saint Francis Dr., Santa Fe, NM 87505