State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez Governor

Tony Delfin Acting Cabinet Secretary **David R. Catanach, Division Director** Oil Conservation Division



Response Required - Deadline Enclosed

08-Dec-16

SCYTHIAN LTD

300 N. MARIENFELD SUITE 950 MIDLAND TX 79701-

LETTER OF VIOLATION - Inactive Well(s)

Dear Operator:

A review of our records and recent inspection(s) indicate that the subject well(s) has been shut-in for an extended period of time. Rule 19.15.25.8 of the Rules and Regulation of the Oil Conservation Division provides that a well may be shut-in no longer than sixty days after suspension of drilling operations, upon determining that ther well is no longer usable (e.g., a dry hole), or one year after last production. To comply with guidelines as established in the Rules and Regulations, corrective actions must be taken immediately and the well(s) brought into compliance.

The detail section below indicates preliminary findings and/or probable nature of the violation.

The following options are available:

1. Immediately restore the well(s) to production, injection or disposal as applicable.

2. Request 'Temporary Abandoned' status pursuant to Rule 19.15.25.13, which requires that you set a plug and conduct a mechanical integrity test.

3. Submit a proposal to 'Plug and Abandon' the well(s) pursuant to Rule 19.15.25.9, proceed with plugging procedures on a timely basis after the proposal has been evaluated, amended and/or approved.

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. Such a hearing may result in imposition of CIVIL PENALTIES for your violation of OCD rules.

IDLE WELL INSPECTION DETAIL SECTION					
SOUTH FOUR MILE DRAW FEDERAL 007	I-21-6S-22E	30-005-62402-00-00	Inspection No. iGC1634337537		
Inspection Date: 12/8/2016	5 10:25:36 AM	25:36 AM Corrective Action Due by: 3/13/2017			
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?		
Routine/Periodic	Gilbert Corder	o Yes	No		
Comments on Inspection:	Violation of rule 19.15.25.8.	LAST REPORTED PRODU	CTION 5-1-12.		
REMMELE FEDERAL COM	011 K-27-6S-22E	30-005-62418-00-00	Inspection No. iGC1634336709		
Inspection Date: 12/8/2016	5 10:11:48 AM	Correc	tive Action Due by: 3/13/2017		
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?		
Routine/Periodic	Gilbert Corder	o Yes	No		
Comments on Inspection:	Violation of rule 19.15.25.8.	LAST REPORTED PRODU	CTION 5-1-12 .		

Oil Conservation Division * 811 S. First St. * Artesia, New Mexico 88210 Phone: 575-748-1283 * Fax: 575-748-9720 * http://www.emnrd.state.nm.us

REMMELE FEDERAL 01		30-005-62419-00-00	Inspection No. iGC1634336981	
	016 10:16:19 AM		tive Action Due by: 3/13/2017	
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	
Routine/Periodic Comments on Inspection:	Gilbert Corde		No	
		B. LAST REPORTED PRODU		
REMMELE FEDERAL CO	OM 013 I-27-6S-22E	30-005-62420-00-00	Inspection No. iGC1634335654	
-	016 9:54:13 AM		Corrective Action Due by: 3/13/2017	
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	
Routine/Periodic Comments on Inspection:	Gilbert Corde		No	
REMMELE FEDERAL C		30.005 (2431.00.00		
		30-005-62431-00-00	Inspection No. iGC1634335136	
-	016 9:45:35 AM		tive Action Due by: 3/13/2017	
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	
Routine/Periodic Comments on Inspection:	Gilbert Corde		No	
		B. LAST REPORTED PRODU		
SOUTH FOUR MILE DRA FEDERAL 011	AW M-22-6S-22E	30-005-62445-00-00	Inspection No. iGC1634337216	
	016 10:20:14 AM	Correc	tive Action Due by: 3/13/2017	
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	
Routine/Periodic	Gilbert Corde	ro Yes	No	
Comments on Inspection:	Violation of rule 19.15.25.8	8. LAST REPORTED PRODU	CTION 5-1-12.	
CACTUS COM 002	B-34-6S-22E	30-005-62929-00-00	Inspection No. iGC1634338841	
Inspection Date: 12/8/2	016 10:47:20 AM	Correc	tive Action Due by: 3/13/2017	
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	
Routine/Periodic	Gilbert Corde	ro Yes	No	
Comments on Inspection:	Violation of rule 19.15.25.8	8. LAST REPORTED PRODU	CTION 5-1-12.	
MCKNIGHT B FEE 001	O-27-6S-22E	30-005-63112-00-00	Inspection No. iGC1634340147	
Inspection Date: 12/8/2	016 11:09:06 AM	Correc	tive Action Due by: 3/13/2017	
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	
Routine/Periodic	Gilbert Corde	ro Yes	No	
Comments on Inspection:	Violation of rule 19.15.25.8	3. LAST REPORTED PRODU	CTION 5-1-12. NO ROAD TO LOCAT	
CACTUS COM 003	H-34-68-22E	30-005-63113-00-00	Inspection No. iGC1634342524	
Inspection Date: 12/8/2	016 11:48:42 AM	Correc	tive Action Due by: 3/13/2017	
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	
Routine/Periodic	Gilbert Corde		No	
Comments on Inspection:	Violation of rule 19.15.25.8	B. LAST REPORTED PRODU	CTION 5-1-12.	
REMMELE B STATE CO	M 009 G-27-6S-22E	30-005-63115-00-00	Inspection No. iGC1634336101	
Inspection Date: 12/8/2	016 10:01:39 AM	Correc	tive Action Due by: 3/13/2017	
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	
Routine/Periodic	Gilbert Corde		No	
Comments on Inspection:		B. LAST REPORTED PRODU		
SOUTH FOUR MILE DRA FEDERAL COM 011	AW B K-22-6S-22E	30-005-63154-00-00	Inspection No. iGC1634334540	
	016 9:35:39 AM	Corrective Action Due by: 3/13/2017		
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	
Routine/Periodic	Gilbert Corde	ro Yes	No	
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SOUTH FOUR MILE D FEDERAL COM 012	RAW B B-24-6S-22E	30-005-63175-00-00	Inspection No. iGC1634332897	
Inspection Date: 12/8	8/2016 9:08:16 AM	Correc	Corrective Action Due by: 3/13/2017	
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	
Routine/Periodic	Gilbert Corde	ero Yes	No	
Comments on Inspection:	Violation of rule 19.15.25.8 WASHED OUT	3. LAST REPORTED PRODU	CTION 5-1-12. ROAD TO LOCATION	
REMMELE B FEDERA	L 012Y F-27-6S-22E	30-005-63196-00-00	Inspection No. iGC1634336304	
Inspection Date: 12/8	3/2016 10:05:03 AM	Correc	tive Action Due by: 3/13/2017	
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	
Routine/Periodic	Gilbert Corde	ero Yes	No	
Comments on Inspection:	Violation of rule 19.15.25.8	8. LAST REPORTED PRODU	CTION 5-1-12.	
CACTUS	I-34-68-22E	30-005-63309-00-00	Inspection No. iGC1634343396	
EDERAL	004			
Inspection Date: 12/8	3/2016 12:03:14 PM	Correc	tive Action Due by: 3/13/2017	
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	
Routine/Periodic	Gilbert Corde	ero Yes	No	
Comments on Inspection:	Violation of rule 19.15.25.8	8. LAST REPORTED PRODU	CTION 5-1-12.	
CACTUS B FEDERAL (004Q P-34-6S-22E	30-005-63540-00-00	Inspection No. iGC1634343511	
Inspection Date: 12/8	3/2016 12:05:10 PM	Correc	Corrective Action Due by: 3/13/2017	
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	
Routine/Periodic	Gilbert Corde	ero Yes	No	
Comments on Inspection:	Violation of rule 19.15.25.8	8. LAST REPORTED PRODU	CTION 5-1-12.	
CACTUS B FEDERAL (N-35-6S-22E	30-005-63615-00-00	Inspection No. iGC1634344426	
Inspection Date: 12/8	8/2016 12:20:25 PM	Correc	tive Action Due by: 3/13/2017	
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	
Routine/Periodic	Gilbert Corde	ero Yes	No	
Comments on Inspection:	Violation of rule 19.15.25.8	8. LAST REPORTED PRODU	CTION 5-1-12.	
OUTH FOUR MILE D FEDERAL COM 008Y	RAW B O-22-6S-22E	30-005-63639-00-00	Inspection No. iGC1634334908	
Inspection Date: 12/8	8/2016 9:41:45 AM	Correc	tive Action Due by: 3/13/2017	
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	
Routine/Periodic	Gilbert Corde	ero Yes	No	
Comments on Inspection:	Violation of rule 19.15.25.8	8. LAST REPORTED PRODU	CTION 5-1-12.	
ANNER FEE COM 00	E-35-68-22E	30-005-63643-00-00	Inspection No. iGC1634343056	
Inspection Date: 12/8	3/2016 11:57:35 AM	Correc	tive Action Due by: 3/13/2017	
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	
Routine/Periodic	Gilbert Corde	ero Yes	No	
Comments on Inspection:	Violation of rule 19.15.25.8	8. LAST REPORTED PRODU	CTION 5-1-12.	
CACTUS FEDERAL 00	6 M-35-6S-22E	30-005-63655-00-00	Inspection No. iGC1634343872	
Inspection Date: 12/8	8/2016 12:11:11 PM	Correc	tive Action Due by: 3/13/2017	
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	
Routine/Periodic	Gilbert Corde	ero Yes	No	
Comments on Inspection:		8. LAST REPORTED PRODU		

Thank you for your prompt attention to this matter and your efforts in helping to protect our environment and the infrastructure of the oil and gas industry.

Sincerely, *Gilbert Cordero* Compliance Officer

Artesia OCD District Office

* Significant Non-Compliance events are reported directly to the U.S. Environmental Protection Agency, Region VI, Dallas, Texas.