

State of New Mexico  
Energy, Minerals and Natural Resources Department

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**Susana Martinez**  
Governor

**Ken McQueen**  
Cabinet Secretary-Designate

**Matthias Sayer**  
Deputy Cabinet Secretary

**David R. Catanach, Division Director**  
Oil Conservation Division



05-Jun-17

**GIANT OPERATING LLC**  
C/O KAREN COOK, RECEIVER 1717 MCKINNEY AVENUE,  
DALLAS TX 75202-

**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 (3) **WELLS TO BE PROPERLY ABANDONED** 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 the 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

1. Immediately restore the well(s) to production, injection or disposal as applicable. Submit Form C-103 stating how and when wells became active and monthly file electronically Form C-115
2. Request 'Temporary Abandoned' status pursuant to Rule 19.15.25.13 on Form C-103, which requires that proceed with 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 on Form C-103 and,
  - plugging procedures on a timely basis after the proposal has been evaluated, amended and/or approved

In the event that a **"PLAN OF ACTION"** is not received within thirty days of this letter and all compliance issues completed

by the "Corrective Action Due By" date shown above, further enforcement

***IDLE WELL INSPECTION DETAIL SECTION***

**MALAGA UNIT 003**  
iTWG1713939503

K-7-24S-29E

**30-015-03695-00-**

Inspection No.

<b>Inspection Date:</b>	5/19/2017 10:58:20 AM	<b>Corrective Action Due by:</b>	8/22/2017
<b>Type Inspection</b>	<b>Inspector</b>	<b>Violation?</b>	<b>*Significant Non-</b>
<b>Compliance?</b>			
Routine/Periodic	Tim Gum	Yes	No
<b>Comments on Inspection:</b>	idle Well . CAPABLE OF PRODUCIG. . Lrp--5/13. NO VALUES IN RBDMS. PJ. PO. TBG & CSG VALVES OPEN TO 2" POLOY FLOWLINE. LOCATION IN PECOS RIVER FLOOD PLAIN.  PLAIN ON EAST SIDE OF RIVER. OLD TBG ON LOCATION. . 1 TK BTTY LOCATED IN UL O . HACH DOOR OPEN, NO SIGN OF RELEASES. NO BTTY SIGN???? PICTRES TAKEN .		

**MALAGA UNIT 001**  
iTWG1713942306

F-7-24S-29E

**30-015-03701-00-**

Inspection No.

<b>Inspection Date:</b>	5/19/2017 11:44:59 AM	<b>Corrective Action Due by:</b>	8/22/2017
<b>Type Inspection</b>	<b>Inspector</b>	<b>Violation?</b>	<b>*Significant Non-</b>
<b>Compliance?</b>			
Routine/Periodic	Tim Gum	Yes	No
<b>Comments on Inspection:</b>	Idle Well. LRP--1/12. WELL CAPABLE OF PRODUCING. PJ.PO. TBG, CSG & FLOWLINE VALVES OPEN TO 2" POLOY FLOWLINE. BTTY- 2TK'S, 1 GB, & 1 SP. NO RELEASES. RULE: 19.15.16.8 (SIGN ON WELLS) VIOLATION; WRONG OPERTOR NAME ON WELL SIGN. LOCATION ON UP SLPOE TO EAST SIDE OF PECOS RIVER FLOOD PLAIN. OLD TK ON LOCATION. OLD WTR WELL SOUTH OF LOCATION. PICTURES TAKEN.		

**HANAGAN STATE 001**  
iTWG1713846806

G-8-25S-30E

**30-015-04746-00-**

Inspection No.

<b>Inspection Date:</b>	5/18/2017 1:00:02 PM	<b>Corrective Action Due by:</b>	8/21/2017
<b>Type Inspection</b>	<b>Inspector</b>	<b>Violation?</b>	<b>*Significant Non-</b>
<b>Compliance?</b>			
Routine/Periodic	Tim Gum	Yes	No
<b>Comments on Inspection:</b>	Idle Well NOT CAPABLE OF PRODUCING. PJ. NO FUEL AVAILABLE. TBG & CSG VALVES OPEN TO FLOW. RULES :19.15.29.8 (RELEASE NOTIFICATION) & 19.15.29.11 (CORRECTIVE ACTION) OILAND WATER RELEASE FROM FLOWLINE COUPLING. LIQUID POOLED UP IN 6' X 15 ' AREA. WM 2200' NE OF RELEASE. RULE :19.15.17.13 (CLOSURE AND SITE RECLAMATION REQUIREMENTS) VIOLATION; LINER IN FENCED OLD PIT AREA RIPPED & CONTENTS PILED UP . PICTURES TAKEN.		

**R AND B FEDERAL 001Y**  
iTWG1713842991

D-17-25S-30E

**30-015-04753-00-**

Inspection No.

Inspection Date:	5/18/2017 11:56:26 AM	Corrective Action Due by:	8/21/2017
Type Inspection	Inspector	Violation?	*Significant Non-
Compliance?			
Routine/Periodic	Tim Gum	Yes	No
Comments on Inspection:	IDLE WELL. NOT CAPABLE OF PRODUCING. 1 JT OF FLOWLINE & IS BP. TBG AND CSG VALVES OPEN TO FLOWLINE. NO BIRIDLE HANGER. PJ W/ NO GAS OR POWER . RULE: 19.15.16.8 (SIGN ON WELLS) VIOLATION; WRONG OPERATOR NAME ON WELL SIGN. PICTURES TAKEN. BTTY LOC?? HARVARD BTTY TO EAST, 2 TK INACTIVE BTTY AT 16-A-25-30 . R & B FED??  PICTURES TAKEN		

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

Sincerely,



Artesia OCD District Office

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