## State of New Mexico Energy, Minerals and Națural Resources Department

Susana Martinez Governor

David Martin Cabinet Secretary

**Tony Delfin** Deputy Cabinet Secretary David Catanach, Director Oil Conservation Division



## \*Response Required - Deadline Enclosed\*

01-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							
MILLER FEDERAL 001	H-7-6S-23E	30-005-61850-00-00	Inspection No. iGC1633634569				
Inspection Date: 12/1/2010	5 9:36:07 AM	Corrective Action Due by: 3/6/2017					
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?				
Routine/PeriodicGilbert CordComments on Inspection:Violation of rule 19.15.25NETTING		ero Yes No 8. LAST REPORTED PRODUCTION 2-1-1. OPEN TOP TANK HAS N					
CHINA DRAW FEDERAL 0	01 M-31-6S-23E	30-005-62233-00-00	Inspection No. iGC1633646621				
Inspection Date: 12/1/2016 12:56:59 PM		Corrective Action Due by: 3/6/2017					
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?				
Routine/Periodic Comments on Inspection:	Gilbert Corde Violation of rule 19.15.25.	ero Yes 8. LAST REPORTED PRODU	No JCTION 11-1-12.				

CHINA DRAW FE	DERAL 00	02 E-31-6S-23E	30-005-62234-00-00	Inspection No. iGC1633645050
Inspection Date:	nspection Date: 12/1/2016 12:30:48 PM		Correct	ive Action Due by: 3/6/2017
Type Inspection		Inspector	Violation?	*Significant Non-Compliance?
Routine/Periodi	с	Gilbert Cord	lero Yes	No
Comments on Inspe	ection:	Violation of rule 19.15.25	5.8. LAST REPORTED PRODU	CTION 5-1-12.
CHINA DRAW FE	DERAL 00	04 M-30-6S-23E	30-005-62319-00-00	Inspection No. iGC1633644295
<b>Inspection Date:</b>	12/1/2016	5 12:18:13 PM	Correct	ive Action Due by: 3/6/2017
Type Inspection		Inspector	Violation?	*Significant Non-Compliance?
Routine/Periodi		Gilbert Cord		No
Comments on Insp	ection:	Violation of rule 19.15.25	5.8. LAST REPORTED PRODU	CTION 5-1-12.
ROYALE FEE 001		E-19-6S-23E	30-005-62334-00-00	Inspection No. iGC1633641894
<b>Inspection Date:</b>	12/1/2016	5 11:38:13 AM	Correct	ive Action Due by: 3/6/2017
<b>Type Inspection</b>		Inspector	Violation?	*Significant Non-Compliance?
Routine/Periodi		Gilbert Corc		No
Comments on Inspe		Violation of rule 19.15.25	5.8. LAST REPORTED PRODU	CTION 5-1-12.
ROYALE FED 001		L-19-6S-23E	30-005-62335-00-00	Inspection No. iGC1633642293
Inspection Date:	12/1/2016	5 11:44:5 <b>2 AM</b>	Correct	ive Action Due by: 3/6/2017
<b>Type Inspection</b>		Inspector	Violation?	*Significant Non-Compliance?
Routine/Periodi	с	Gilbert Cord	lero Yes	No
Comments on Inspe	ection:	Violation of rule 19.15.25	5.8. LAST REPORTED PRODU	CTION 5-1-12.
MIDDLE FORK F	EDERAL (	003 F-8-6S-23E	30-005-62398-00-00	Inspection No. iGC1633637659
<b>Inspection Date:</b>	12/1/2016	5 10:27:37 AM	Correct	ive Action Due by: 3/6/2017
Type Inspection		Inspector	Violation?	*Significant Non-Compliance?
Routine/Periodi		Gilbert Core		No
Comments on Insp	ection:	Violation of rule 19.15.25 19.15.16.8	5.8. LAST REPORTED PRODU	CTION 5-1-12. NO WELL SIGN RU
MILLER FEDERA	L 002	F-7-6S-23E	30-005-62400-00-00	Inspection No. iGC1633636232
<b>Inspection Date:</b>	12/1/2016	6 10:03:51 AM	Correct	ive Action Due by: $3/6/2017$
Type Inspection		Inspector	Violation?	*Significant Non-Compliance?
Routine/Periodi		Gilbert Core		No
Comments on Insp	ection:	Violation of rule 19.15.25	5.8. LAST REPORTED PRODU	CTION 5-1-12.
MIDDLE FORK F	EDERAL	005 M-5-6S-23E	30-005-62416-00-00	Inspection No. iGC1633638111
Inspection Date:	12/1/2016	6 10:35:09 AM	Correct	ive Action Due by: 3/6/2017
Type Inspection		Inspector	Violation?	*Significant Non-Compliance?
Routine/Periodi		Gilbert Core	dero Yes	No
Routine/Periodi Comments on Insp	ection:	Gilbert Core	dero Yes 5.8. LAST REPORTED PRODU	No CTION 5-1-12.
Routine/Periodi Comments on Insp	ection:	Gilbert Core	dero Yes	No
Routine/Periodi Comments on Insp	ection: AL 005	Gilbert Core Violation of rule 19.15.2	dero Yes 5.8. LAST REPORTED PRODU 30-005-62417-00-00	No CTION 5-1-12.
Routine/Periodi Comments on Insp MILLER FEDERA Inspection Date: Type Inspection	ection: AL 005 12/1/2016	Gilbert Cord Violation of rule 19.15.2 M-6-6S-23E 6 10:07:21 AM Inspector	dero Yes 5.8. LAST REPORTED PRODU 30-005-62417-00-00 Correct Violation?	No CTION 5-1-12. Inspection No. iGC1633636442 ive Action Due by: 3/6/2017 *Significant Non-Compliance?
Routine/Periodi Comments on Insp MILLER FEDERA Inspection Date: Type Inspection Routine/Periodi	ection: AL 005 12/1/2016 ic	Gilbert Cord Violation of rule 19.15.25 M-6-6S-23E 6 10:07:21 AM Inspector Gilbert Cord	dero Yes 5.8. LAST REPORTED PRODU 30-005-62417-00-00 Correct Violation? dero Yes	No CTION 5-1-12. Inspection No. iGC1633636442 ive Action Due by: 3/6/2017 *Significant Non-Compliance? No
Routine/Periodi Comments on Insp MILLER FEDERA Inspection Date: Type Inspection	ection: AL 005 12/1/2016 ic	Gilbert Cord Violation of rule 19.15.25 M-6-6S-23E 6 10:07:21 AM Inspector Gilbert Cord	dero Yes 5.8. LAST REPORTED PRODU 30-005-62417-00-00 Correct Violation? dero Yes	No CTION 5-1-12. Inspection No. iGC1633636442 ive Action Due by: 3/6/2017 *Significant Non-Compliance? No
Routine/Periodi Comments on Insp MILLER FEDERA Inspection Date: Type Inspection Routine/Periodi Comments on Insp	ection: <b>AL 005</b> 12/1/2016 ic ection:	Gilbert Cord Violation of rule 19.15.25 M-6-6S-23E 6 10:07:21 AM Inspector Gilbert Cord Violation of rule 19.15.25 NO NETTING	dero Yes 5.8. LAST REPORTED PRODU 30-005-62417-00-00 Correct Violation? dero Yes	No CTION 5-1-12. Inspection No. iGC1633636442 ive Action Due by: 3/6/2017 *Significant Non-Compliance? No
Routine/Periodi Comments on Insp MILLER FEDERA Inspection Date: Type Inspection Routine/Periodi Comments on Insp	ection: AL 005 12/1/2016 ic ection: DERAL 00	Gilbert Cord Violation of rule 19.15.25 M-6-6S-23E 6 10:07:21 AM Inspector Gilbert Cord Violation of rule 19.15.25 NO NETTING	dero Yes 5.8. LAST REPORTED PRODU 30-005-62417-00-00 Correct Violation? dero Yes 5.8. LAST REPORTED PRODU 30-005-62426-00-00	No CTION 5-1-12. Inspection No. iGC1633636442 ive Action Due by: 3/6/2017 *Significant Non-Compliance? No CTION 4-1-12. OPEN TOP TANK 1
Routine/Periodi Comments on Insp MILLER FEDERA Inspection Date: Type Inspection Routine/Periodi Comments on Insp SNAKEWEED FEI Inspection Date:	ection: AL 005 12/1/2016 ic ection: DERAL 00	Gilbert Cord Violation of rule 19.15.2: M-6-6S-23E 6 10:07:21 AM Inspector Gilbert Cord Violation of rule 19.15.2: NO NETTING M-18-6S-23E	dero Yes 5.8. LAST REPORTED PRODU 30-005-62417-00-00 Correct Violation? dero Yes 5.8. LAST REPORTED PRODU 30-005-62426-00-00	No CTION 5-1-12. Inspection No. iGC1633636442 ive Action Due by: 3/6/2017 *Significant Non-Compliance? No CTION 4-1-12. OPEN TOP TANK I Inspection No. iGC1633639779
Routine/Periodi Comments on Insp MILLER FEDERA Inspection Date: Type Inspection Routine/Periodi Comments on Insp SNAKEWEED FEI	ection: 12/1/2016 ic ection: DERAL 00 12/1/2016	Gilbert Coro Violation of rule 19.15.22 M-6-6S-23E 6 10:07:21 AM Inspector Gilbert Coro Violation of rule 19.15.22 NO NETTING M-18-6S-23E 6 11:02:57 AM	dero Yes 5.8. LAST REPORTED PRODU 30-005-62417-00-00 Correct Violation? dero Yes 5.8. LAST REPORTED PRODU 30-005-62426-00-00 Correct Violation?	No CTION 5-1-12. Inspection No. iGC1633636442 ive Action Due by: 3/6/2017 *Significant Non-Compliance? No CTION 4-1-12. OPEN TOP TANK H Inspection No. iGC1633639779 ive Action Due by: 3/6/2017

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

M & M FEDERAL 0	<b>05</b> A-19-6S-23E	30-005-62606-00-00	Inspection No. iGC1633639219		
Inspection Date:	12/1/2016 10:53:37 AM	Correct	Corrective Action Due by: 3/6/2017		
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?		
Routine/Periodic	Gilbert Corde	ero Yes	No		
Comments on Inspect	tion: Violation of rule 19.15.25.	8. LAST REPORTED PRODU	CTION 5-1-12.		

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.