State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez Governor

Ken McQueen Cabinet Secretary

Matthias Sayer Deputy Cabinet Secretary

David Catanach Division Director



Response Required - Deadline Enclosed

26-May-17

MCCAW ENTERPRISE LLC 202 CROSSBOW ROAD ARTESIA NM 88210-

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 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, proceed with
- . 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 will occur

IDLE WELL INSPECTION DETAIL SECTION					
MCCAW BT 001		G-14-17S-25E	30-015-20384-00-00	Inspection No. iTWG1714541788	
Inspection Date:	5/25/2017	' 11:36:24 AM	Corrective Action Due by: 8/28/2017		
Type Inspection		Inspector	Violation	? *Significant Non-Compliance?	
Routine/Periodic		Tim Gum	Yes	No	
Comments on Inspection:		Idle Well.PJ.PO.ALL VAL POLPULATED AREA. PICTURES TAKEN.	VES OPEN,FLOWLINE CO	ONNECTED. BTTY3 TKS,1 GB, 1 SP .	
MCCAW BT 002		H-14-17S-25E	30-015-20447-00-00	Inspection No. iTWG1714540376	

Inspection Date: 5	/25/2017 11:12:54 AM	Corrective Action Due by: 8/28/2017			
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?		
Routine/Periodic	Tim Gum	Yes	No		
Comments on Inspect	ion: Idle Well.PI.PO. TBG & C CONNECTED. POPULATED AREA. PICTURES TAKEN.	SG VALVES OPENED , FLOV	WLINE VALVE CLOSED &		
MCCAW BT 003	A-14-17S-25E	30-015-21820-00-00	Inspection No. iTWG1714535947		
Inspection Date: 5	5/25/2017 9:58:58 AM	Corrective Action Due by: 8/28/2017			
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?		
Routine/Periodic	Tim Gum	Yes	No		
Comments on Inspect		Idle Well . PJ.PO .CSG AND TBG VALVES CLOSED. FLOWLINE VALVE OPEN AND CONNECTED. MOTOR AND BELTS NOT CONNECTED. ELECTRIC METER REMOVED AND POWER OFF.			
	CAPABLE OF PRODUCIN POPULATED AREA. PICTURES TAKEN .	NG : FLOW / RE-INSTALLING	G MOTOR,BELTS AND POWER.		
MCCAW BT 004	H-14-17S-25E	30-015-21867-00-00	Inspection No. iTWG1714537610		
Inspection Date: 5	5/25/2017 10:26:34 AM	0:26:34 AM Corrective Action Due by: 8/28/2017			
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?		
Routine/Periodic	Tim Gum	Yes	No		
Comments on Inspect	ion: Idle Well .PJ.PO. ALL VA PRODUCING. POPULATED AREA. PICTURES TAKEN .	LVES OPEN F & FLOWLINE	CONNECTED. CAPABALE OF		
MCCAW BT 006	H-14-17S-25E	30-015-24213-00-00	Inspection No. iTWG1714539356		
Inspection Date: 5	5/25/2017 10:55:53 AM	Corrective Action Due by: 8/28/2017			
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?		
Routine/Periodic	Tim Gum	Yes	No		
Comments on Inspect	ion: idle Well.PJ.PO. TBG & C POPULTED AREA. PICTURES TAKEN.	SG VALVES OPEN, FLOWLII	NE VALVE OPENED. & CONNECTED		

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,

Im le. Sem

Artesia OCD District Office

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