

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

NM OIL CONSERVATION
ARTESIA DISTRICT
JUN 08 2017
RECEIVED

Response Required - Deadline Enclosed

01-Jun-17

SOUTHWESTERN INC
1304 W. BROADWAY PL
HOBBS NM 88240-

ATTENTION:
RICK HOUSTON
c/o GLENN HOUSTON
ASSOCIATES

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 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

HUMBLE STATE 001	A-17-18S-28E	30-015-01900-00-	Inspection No. iTWG1714633243
Inspection Date: 5/26/2017 9:14:00 AM	Corrective Action Due by: 8/29/2017		
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?
Routine/Periodic	Tim Gum	Yes	No
Comments on Inspection:	IDLE WELL. PJ.PO. ELECTRIC METER REMOVED. TBG VALVE CLOSED, FLOWLINE CONNTED TO 1 TK BTTY. OSCVO. NINOR HP AROUND WH & TK. LRP--10/09. BTTY-1TK OK. CAPABLE OF PRODUCTION W/ ELEC POWER BEING RESTORED. PICTURES TAKEN.		

HUMBLE STATE 002

D-20-18S-28E 30-015-01969-00-

Inspection No. iTWG1714640627

Inspection Date: 5/26/2017 11:16:53 AM

Corrective Action Due by: 8/29/2017

Type Inspection

Inspector

Violation?

*Significant Non-Compliance?

Routine/Periodic

Tim Gum

Yes

No

Comments on Inspection:

IDLE WELL. LRP--10/09. PJ.PO. RODS OFF HANGER.NO MOTOR OR ELECTRC POWER,
METER PULLED. TBG & FLOWLINE VALVES OPEN. FLOWLINE CONNETED TO BTTY.
OSCVO. MINOR WHHP.
BTTY -2TKS, MINOR STAIN BETWEEN TKS.
LOV—(RULE 19.15.16.8 VIOLATION) WELL SIGN NOT COMPLETE; WELL NAME & NO.
WELL CAPABLE OF PRODUCING W/ POWER HOOKUP & PLACING RODS IN HANGER.

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,



Artesia OCD District Office

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