

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

Response Required – Deadline Enclosed

03-Mar-10

RESACA OPERATING COMPANY
1331 LAMAR STREET SUITE 1450
HOUSTON, TX 77010-

**LETTER OF VIOLATION
Delinquent Regulatory Filings**

Dear Operator:

Oil Conservation Division ("OCD") records indicate that you failed to file the required reports identified below, or that your filings were incomplete or inaccurate.

NON-COMPLIANT WELL DETAIL SECTION

COOPER JAL UNIT No.105

Original Well Type: Oil (Producing)
Determination or Violation Date: 3/3/2010

Location: 18-24S-37E **30-025-11147-00-0**
Well Status: Zones PERM. Plugged
Delinquent Report or Filing(s): - Other Monitoring and Reporting Violation

Comments: As of this date, another review by OCD Hobbs of C-105 Completion report to injection and C-103 subsequent report on converting well to injection, find that there is still no order approved by OCD Santa Fe for Injection. As of 07/23/09 this well was shut-in and shall remain shut-in until order is approved by Santa Fe. If you have questions on this matter please call Donna Mull (575) 393-6161 ext 115.

CORRECTIVE ACTION ON THIS WELL DUE BY: 4/2/2010

Please file or correct the reports identified above by the corrective action due date indicated. If you fail to file or correct the reports by that date, the OCD will take enforcement action that may include but is not limited to applying for an order assessing civil penalties and/or requiring you to plug and abandon the wells associated with those reports.

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,



Hobbs OCD District Office

HOBBS, ARTESIA, AZTEC, SANTA FE NMOCD DISTRICT OFFICE
C-104 DENIAL NOTICE

7/23/08 (Date of Denial) Denna Mull (Contact person) (575) 393-6161 (Phone)

Operator Resaca Operating Co OGRID 263848
Well Name Cooper Jal Unit #105 API Number 30-025-11147
Pool Code 37240 + 33820

Your recent form ~~e-104~~ C103 + C105 for the above well is hereby rejected for the following reason(s):

C-103 Subsequent Report with complete casing and cement data not received

C-103 Subsequent Report with Completion Report not received

C-105 not received or incomplete

C-101 and C-102 not in agreement as to completion information

Logs not received

Part 5.9 violations (Specifically _____)

Directional/Deviation Survey required

C-102 that shows the results of the Directional Drill Survey and resulting bottom hole location

NSL/NSP not approved

C-104 omitted information

Section I information (name, address, OGRID, etc.)

Section II information (surface location)

Section IV information (well completion data)

- o Spud date
- o Ready date
- o TD
- o PBTD
- o Perfs
- o Hole size, casing/tubing size, depth set, sacks cement

Section V information (well test data)

- o Box Number _____

Signature _____ Printed Name and Title _____ E-mail Address _____ Date _____ Phone _____

Other No order approved for this well to be
Injection well.

NOTE: R-4020
Unit Order

The well completion identified above has **not** been granted an allowable to produce. This well completion **will not** be produced until the New Mexico Oil Conservation Division issues an approved ~~e-104~~. This will **not** take place until all of the items noted above are addressed to the NMOCD's satisfaction. Injection order