

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary Designate

Todd E. Leahy, JD, PhD
Deputy Secretary

Gabriel Wade, Acting Director
Oil Conservation Division



January 22, 2019

Wishbone Texas Operating Company, LLC
Operator OGRID #370256
ATTN: John W. Colbert
10613 W. Sam Houston Parkway N
Suite 400
Houston, TX 77064

Re: 19.15.5.9 NMAC Compliance

Dear Operator:

The Oil Conservation Division (OCD) is conducting ongoing review of all operators' compliance status with Subsection A of 19.15.5.9 NMAC. According to OCD records, your company is not in compliance with Subsection A of 19.15.5.9 NMAC for the following reasons:

_____Financial assurance. Your company is in violation of the financial assurance requirements for well plugging set out in 19.15.8.9 NMAC. Specifically, your company has not posted the required financial assurance required for state or fee wells which have been inactive for more than two years. The wells requiring single-well financial assurances are identified in the attached sheet.

_____Corrective action. Order _____, issued on _____, found your company to be in violation of an order requiring corrective action.

X Inactive wells. According to the attached inactive well list, your company has too many wells in violation of 19.15.25.8 NMAC (the inactive well rule) that are not subject to an inactive well agreed compliance order. As an operator of **49** wells, your company may have no more than **2** well(s) in violation of the inactive well rule. Your company has **9** wells in violation of the inactive well rule.

Non-compliance with 19.15.5.9 NMAC will prevent your company from acquiring any new wells, acquiring approval of exploration and development plans, receiving new allowables, and obtaining drilling, injection, and other OCD issued permits, and potentially expose your company to additional compliance actions including an OCD order requiring compliance, and revocation of injection permits. As the operator of a non

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19.15.5.9 NMAC compliant company, you will not be permitted to register any additional companies to operate in New Mexico or have any interest exceeding 25 percent in any other companies in New Mexico.

The OCD is requesting that you review the OCD's online database for your specific Oil and Gas Registration Identification (OGRID) number and notify the OCD how your company plans to return to compliance with 19.15.5.9 NMAC. This is an opportunity for your company to work with the OCD toward achieving its goal of maintaining compliance with the rules of the State of New Mexico. [You may request an Agreed Compliance Order, which would remove these wells from the inactive well list for six months, allowing your company to bring wells back into compliance while remaining compliant with 19.15.5.9.A\(4\) NMAC. Feel free to contact me if this option is acceptable to your company.](#) Please respond to the OCD within 30 days of receipt of this letter. If no response is received the OCD may begin formal compliance action.

Respectfully yours,

A handwritten signature in blue ink, appearing to read 'Daniel Sanchez', with a stylized flourish extending from the end.

Daniel Sanchez,
Compliance and Enforcement Manager
(505)476-3493
Daniel.sanchez@state.nm.us

Ec: Gabriel Wade, Acting Division Director
Paul Kautz, District 1 Acting Supervisor
Michael Bratcher, District 2 Supervisor
Brandon Powell, District 3 Acting Supervisor
Will Jones, District 4 Supervisor
Keith Herrmann, Attorney, Santa Fe