



April 11, 2013

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Oil Conservation Division,
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Ref: Agreed Compliance Order – ACOI-266-0 Dominion Production Company, LLC

Dear Sir(s) / Madam,

With reference to the Agreed Compliance Order signed between in which operator (Dominion Production Company, LLC) agreed to return a minimum of 12 wells from the inactive well list as attached to the order back into compliance either by

- (a) Restoring the well to production or other OCD-approved beneficial use and filing a C-115 documenting such production or use.
- (b) Causing the wellbore to be plugged in accordance with OCD Rule 19.15.25.10(B) NMAC and filing a C-103 describing the completed work.
- (c) Placing the well on approved temporary abandonment status in accordance with OCD Rule 19.15.25.12 NMAC through 19.15.25.14 NMAC

Pursuant to this order Dominion Production Company, LLC is required to notify the Compliance and Enforcement Manager on or before the 18th April, 2013 of its compliance with such order and detail the wells that have been returned to full compliance. Dominion Production Company, LLC. has returned the following wells to production:

<u>Well Name</u>	<u>API Number</u>	<u>Status</u>	<u>Date</u>
Hanson 26	30-031-20419	Returned to Production	3/8/2013
Hospah Sand Unit 003	30-031-0525	Returned to Production	11/4/2012
Hospah Sand Unit 059	30-031-20116	Returned to Production	11/7/2012
Santa Fe Railroad 043	30-031-20712	Returned to Production	02/2/2013
South Hospah 005	30-031-05146	Returned to Production	02/8/2013
South Hospah 007	30-031-20012	Returned to Production	03/14/2013
South Hospah 011	30-031-20016	Returned to Production	11/10/2012
South Hospah 013	30-031-20054	Returned to Production	11/8/2012
South Hospah 016	30-031-20056	Returned to Production	04/5/2013
South Hospah 033	30-031-20124	New Inj Well (Entrada)	07/30/2012
South Hospah 063	30-031-20544	Returned to Production	03/9/2013
South Hospah 037X	30-031-20135	Returned to Production	01/02/2013
South Hospah 046	30-031-20152	Returned to Production	03/19/2013

In addition the following injection well has been repaired and awaiting MFT when conditions improve.

<u>Well Name</u>	<u>API Number</u>	<u>Status</u>	<u>Date</u>
Santa Fe Railroad A084	30-031-20372	Repaired, SI awaiting MFT	11/27/2012

That is a total of 14 wells that have been brought into full compliance under the terms of the order on or before April 18th, 2013.

Dominion Production Company, LLC plans to continue bringing wells online to improve overall field performance as well as start to develop the remaining untapped Dakota formation potential in the condensate and high BTU gas and associated NGL.

Dominion Production Company, LLC would like to formally request that we enter into a further Agreed Compliance Order that would call for an additional 12 wells to be brought into compliance on or before October 18, 2013. Your consideration to this request would be greatly appreciated. We are available to meet at your offices, if required, in order to get this done.

Yours truly

A handwritten signature in black ink, appearing to read 'David Burns', with a stylized, looping flourish at the end.

David Burns
President

*Attachments: Filed Summaries for all Wells returned to Compliance
Agreed Compliance Order - AC'OI 266-0*

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1010-0177
Expires March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator Nacodoches Oil & Gas Inc. % Dominion Production Co. LLC.

3a. Address
1414 West Swann Av. Suite 100, Tampa FL 33606

3b. Phone No. (include area code)
813-579-1188

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
330' ENL & 450' FWL Section 08 17N 8W

5. Lease Serial No.

USNM-052931

6. If Indian, Allottee or Tribe Name

Hanson A

7. If Unit or CA/Agreement, Name and/or No

8. Well Name and No.

Hanson A #26

9. API Well No.

30-011-20419

10. Field and Prod. or Exploratory Area

Hospah Upper Sand, South Ext.

11. County or Parish, State

McKinley County

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input checked="" type="checkbox"/> Production (Start Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recombine	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give sub-surface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-5 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.

Hanson A #26 was returned to production on 3-8-2013.

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Mike Allen

Title Agent

Signature

Date

03/08/2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease, which would enable the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1601 and Title 18 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)