State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez Governor

Ken McQueen Cabinet Secretary

Matthias Sayer Deputy Cabinet Secretary David R. Catanach Division Director Oil Conservation Division



December 27, 2016

Elmira T Welch 3501 146th Street Lubbock, TX 79423

Re Notice of Enforcement Action

Certified Mail #7012 0470 0001 5967 3710

Dear Operator

Pursuant to 19 15 5 9 B NMAC, the Oil Conservation Division (OCD) hereby provides written notice to you that OCD intends to bring an enforcement action against you, as you are not in compliance with 19 15 5 9 A NMAC Specifically, you are out of compliance with the following requirements

Financial Assurance (19 15 5 9 A 1)

An Order Requiring Corrective Action (19 15 5 9 A 2)

X Wells to Be Properly Abandoned (19 15 5 9 A 4)

If you have any questions or concerns about this letter or any other compliance related matter, please contact Daniel Sanchez at (505) 476-3493

Kind regards,

Daniel Sanchez

OCD Compliance and Enforcement Manager

Exhibit 2 Relevant Well Information OCD Case # 15653 Page 1-12

1220 South St Francis Drive Santa Fe New Mexico 87505 Phone (505) 478-3460 Fax (505) 476-3462 www.emnrd.state.nm.us/ocd OIL CONSERVATION DIVISION ENERGY MINERALS AND NATURAL RESOURCES DEPARTMENT 1220 SOUTH SAINT FRANCIS DRIVE SANTA FE NEW MEXICO 87505

7012 0470 0001 5967 3710

NEOPOST

FIRST-CLASS MAIL

12/2//2016 USI OSITAGE \$003 765



ZIP 87505 041M11273712

Elmıra T Welch 3501 146th Street Lubbock, TX 784

Exhibit 2 Relevant Well Information OCD Case # 15653 Page 2 12

Exhibit 2 Relevant Well Information OCD Case # 15653 Page 3 12

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVE	ERY
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LUBBOCK, TX 79423	3 Service Type Granified Maii	t for Merchandise

Domestic Return Receipt

PS Form 3811 February 2004

OCD Permitting Well Details

Exhibit 2 Relevant Well Information OCD Case # 15653

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Wells Operator Data

OCD Permitting

Home

Wells Well D

30-015-02167 CHEESMAN #002 [17794]

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OCD Permitting Well Details

Exhibit 2 Relevant Well Information OCD Case # 15653

SIGN-IN HELP

Page 5 12

Wells Operator Data

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OCD Permitting Well Details

Exhibit 2 Relevant Well Information OCD Case # 15653

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Page 6 12

Wells Operator Data

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OCD Permitting Well Details

Exhibit 2 Relevant Well Information OCD Case # 15653

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Wells Operator Data

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OCD Permitting Well Details

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State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

David Martin Cabinet Secretary

Tony Delfin
Deputy Cabinet Secretary

David Catanach, Director Oil Conservation Division



Response Required Deadline Enclosed

Field Inspection Program

Freserving the Integrity of Our I invisoiment

21 Jul 16

ELMIRA T WELCH 3501 146TH ST LUBBOCK TX 79423

LETTER OF VIOLATION Inspection

Dear Operator

The following inspection(s) indicate that the well equipment, location or operational status of the well(s) failed to meet standards of the New Mexico Oil Conservation Division as described in the detail section below. To comply with standards imposed by Rules and Regulations of the Division, corrective action must be taken immediately and the situation brought into compliance. The detail section indicates preliminary findings and/or probable nature of the violation. This determination is based on an inspection of your well or facility by an inspector employed by the Oil Conservation Division on the date(s) indicated.

Please notify the proper district office of the Division in writing of the date corrective actions are scheduled to be made so that arrangements can be made to reinspect the well and/or facility

INSPECTION DETAIL SECTION

CHEESMAN No.002

B 34-18S 28E

30-015-02167 00-00 Corrective

Date

Type Inspection

Inspector

Violation?

*Significant Non-Compliance? No

Action Due By

Inspection No.

07/21/2016 Routine/Periodic

Tony Morales

Yes

10/24/2016

iTM1620330555

Violations

Absent Well Identification Signs (Rule 103)

ldle well (Rule 201)

Comments on Inspection

idie Well (Rule 201) 2

SMALL PIT PIT DRY BUT

STAINED OPEN ENDED TUBING STICKING OUT OF GROUND NO LOCATION

MARKER OR SIGN

In the event that a satisfactory response is not received to this letter of direction by the Corrective Action Due By. date shown above further enforcement will occur. Such enforcement may include this office applying to the Division for an order summoning you to a hearing before a Division Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon this well.

Sincerely

Artesia OCD District Office

Note Information in Detail Section comes directly from field inspector data entries—not all blanks will contain data
*Significant Non-Compliance events are reported directly to the EPA—Region VI—Dallas—Texas

Exhibit 2 Relevant Well Information OCD Case # 15653 Page 10 12

New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Brett F Woods Ph D Deputy Cabinet Secretary

Governor

John H Bemis Cabinet Secretary-Designate Jami Bailey Division Director Oil Conservation Division



August 23 2011

Elmira T Welch 3501 146th Street Lubbock, TX 79423

Re \$5,000 One-Well Plugging Bond
Elmira T Welch, Principal
Travelers Indemnity Company, Surety
API 30-015-02167
Chessman No 2
250' FNL and 2355' FEL
Section 34, Township 18 South, Range 28 East
Eddy County, NM
Bond No 427F250 4

and K Barlos

Ladies and Gentlemen

Effective on January 1 2008 the New Mexico Oil Conservation Division increased the required amount of single well financial assurances to \$5 000 plus \$1 per foot of measured depth of the well for wells in Chaves Eddy Lea, McKinley Rio Arriba Roosevelt Sandoval or San Juan Counties As a result of this increase the referenced financial assurance is no longer sufficient

You are accordingly hereby notified that you must replace this financial assurance with an acceptable single well financial assurance (surety bond cash bond or letter of credit) in the amount of \$7,340 Please furnish the required new financial assurance to Dorothy Phillips Bond Administrator in the Division's Santa Fe Office at the address shown below not later than [next business day on or after 30 days after date of the letter]

Failure to comply with this requirement will result in your being deemed out of compliance with Rule 5 9 [19 15 5 9 NMAC] and may result in denial of future applications for permits from the Division

Sincerely

David K Brooks Legal Examiner Exhibit 2 Relevant Well Information

OCD Case # 15653

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Oil Conservation Division
1220 South St Francis Drive Santa Fe New Mexico 87505
Phone (505) 476 3440 Fax (505) 476-3462 www.emnrd.state.nm.us/OCD



Inactive Well Additional Financial Assurance Report

Page 1 of 1

Inactive Well Additional Financial Assurance Report

7192 ELMIRA T WELCH Total Well Count. 1 Printed On: Tuesday August 23 2011

Property Well sme	Longe	ULSTR	DCD Unit Letter	API	Well Type	Last Prod/1s)	pactive Additional Band Due	Heasured Depth	Required Bond Amount	Bood Required Now	Bond in Place	In Violation
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