MNA Enterprises Ltd. Co. 106 W. Alabama Street Hobbs, NM 88242

NM OIL CONSERVATION

ARTESIA DISTRICT

OCT 25 2016

RECEIVED

Oil Conservation Division 811 S. First St. Artesia, NM 88210

RE: LETTER OF VIOLATION – Inactive Well(s)

Dear Mr. Gilbert Cordero.

In reference to your letter on the Idle well, Saladar B #002; API 30-015-02450-00-00, MNA Enterprises Ltd. Co has additional bonding on that well. I have enclosed a copy of the bond for your convenience. On the Saladar #001, API 30-015-02451-00-00, MNA Enterprises Ltd. Co. has hired George Scott, a geologist with Real Time Zone out of Roswell, to do a full evaluation of both of the Saladar leases. Mr. Scott has found 3 probable drill location and the possibility of 3 wells for us to do remedial work on. Mr. Scott should have his report finished sometime in December, 2016

We are requesting an extension on these leases till after Mr. Scott has finished his report so we can make a more informed decision as to the best way to proceed.

As for the well sign, this will be the third time for us to put them up. We have ordered signs for the Saladar #004 and #012, they should be in the week of October 24, 2016.

If you have any questions please give me a call at 575-390-3300.

Thank you,

Daniel M Alexander Managing Member

Submitting a single-well bond for a well does not bring it into compliance. TA, put back on production, or plug and abandon. lease extensions are handled by State Land