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** Qil Conservation Division



Response Required - Deadline Enclosed

09-Nov-16

LARRY MARKER DBA MARKER OIL

PO Box 3188 Roswell NM 88202-8202

LETTER OF VIOLATION - Inactive Well(s)

Dear Operator:

A review of our records and recent inspection(s) indicate that the subject well(s) has been shut-in for an extended period of time. Rule 19.15.25.8 of the Rules and Regulation of the Oil Conservation Division provides that a well may be shut-in no longer than sixty days after suspension of drilling operations, upon determining that ther well is no longer usable (e.g., a dry hole), or one year after last production. To comply with guidelines as established in the Rules and Regulations, corrective actions must be taken immediately and the well(s) brought into compliance.

The detail section below indicates preliminary findings and/or probable nature of the violation.

The following options are available:

1. Immediately restore the well(s) to production, injection ρ_f disposal as applicable.

2. Request 'Temporary Abandoned' status pursuant to Rule 19.15.25.13, which requires that you set a plug and conduct a mechanical integrity test.

3. Submit a proposal to 'Plug and Abandon' the well(s) pursuant to Rule 19.15.25.9, proceed with plugging procedures on a timely basis after the proposal has been evaluated, amended and/or approved.

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. Such a hearing may result in imposition of CIVIL PENALTIES for your violation of OCD rules.

	IDLE WELL INSPECTION DETAIL SECTION				
ENGLAND FEDERAL 001	N-29-6S-26E	30-005-10033-00-00	Inspection No. iGC1631438191		
Inspection Date: 11/9/2010	5 10:36:29 AM	Correc	tive Action Due by: 2/12/2017		
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?		
Routine/Periodic	Gilbert Corder	o Yes	No		
Comments on Inspection:	Violation of rule 19.15.25.8.	LAST REPORTED PRODU	JCTION 6-1-11.		
ENGLAND FEDERAL 002	H-30-6S-26E	30-005-10137-00-00	Inspection No. iGC1631442150		
Inspection Date: 11/9/2016 11:42:29 AM		Corrective Action Due by: 2/12/2017			
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?		
Routine/Periodic	Gilbert Corder	o Yes	No		
Comments on Inspection:	Violation of rule 19.15.25.8	LAST REPORTED PRODU	JCTION 4-1-11.		
FEDERAL HJ 002	B-31-6S-26E	30-905-60428-00-00	Inspection No. iGC1631437391		

Oil Conservation Division * 811 S. First St. * Artesia, New Mexico 88210 Phone: 575-748-1283 * Fax: 575-748-9720 * http://www.emnrd.state.nm.us

Inspection Date: 11/9/20	16 10:23:09 AM	Correct	Corrective Action Due by: 2/12/2017	
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	
Routine/Periodic	Gilbert Cordero	Yes	No	
Comments on Inspection:	Violation of rule 19.15.25.8. LA	AST REPORTED PRODU	CTION 4-1-11.	
JOHNSON IL 001	O-30-6S-26E 30	-905-60440-00-00	Inspection No. iGC1631435773	
Inspection Date: 11/9/2016 9:56:08 AM		Correct	Corrective Action Due by: 2/12/2017	
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	
Routine/Periodic	Gilbert Cordero	Yes	No	
Comments on Inspection:	Violation of rule 19.15.25.8. LA	AST REPORTED PRODU	CTON 4-1-11.	
COOPER 002	F-29-6S-26E 30	-905-60929-00-00	Inspection No. iGC1631442626	
Inspection Date: 11/9/20	016 11:50:25 AM	Correct	ive Action Due by: 2/12/2017	
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	
Routine/Periodic	Gilbert Cordero	Yes	No	
Comments on Inspection:	Violation of rule 19.15.25.8. LA	AST REPORTED PRODU	CTION 4-1-11.	
TAMARACK QF STATE	01 D-32-6S-26E 30	-905-69949-00-00	Inspection No. iGC1631438749	
Inspection Date: 11/9/2016 10:45:47 AM		Correct	Corrective Action Due by: 2/12/2017	
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	
Routine/Periodic	Gilbert Cordero	Yes	No	
Comments on Inspection:	Violation of rule 19.15.25.8. L	AST REPORTED PRODU	CTION 4-1-11.	
TAMARACK QF STATE	02 E-32-6S-26E 30	-005-61693-00-00	Inspection No. iGC1631437766	
Inspection Date: 11/9/20	2016 10:29:24 AM		Corrective Action Due by: 2/12/2017	
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	
Routine/Periodic	Gilbert Cordero	Yes	No	
Comments on Inspection:	Violation of rule 19.15.25.8. La	AST REPORTED PRODU	CTION 4-1-11.	
FEDERAL HJ 010	A-31-6S-26E 30	-005-61750-00-00	Inspection No. iGC1631436813	
Inspection Date: 11/9/2016 10:13:31 AM		Correct	Corrective Action Due by: 2/12/2017	
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	
Routine/Periodic	Gilbert Cordero	Yes	No	
Comments on Inspection:	Violation of rule 19.15.25.8. L	AST REPORTED PRODU	CTION 4-1-10.	

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 Gilbert Cordero Compliance Officer

Artesia OCD District Office

* Significant Non-Compliance events are reported directly to the U.S. Environmental Protection Agency, Region VI, Dallas, Texas.