

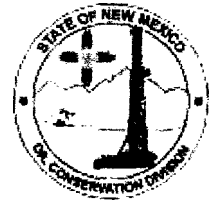
State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

David Catanach
Division Director



Response Required - Deadline Enclosed

26-May-17

MCCAW ENTERPRISE LLC
202 CROSSBOW ROAD
ARTESIA NM 88210-

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 (3) **WELLS TO BE PROPERLY ABANDONED** 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 the 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

1. Immediately restore the well(s) to production, injection or disposal as applicable. Submit Form C-103 stating how and when wells became active and monthly file electronically Form C-115
2. Request 'Temporary Abandoned' status pursuant to Rule 19.15.25.13 on Form C-103, 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 on Form C-103 and, proceed with plugging procedures on a timely basis after the proposal has been evaluated, amended and/or approved

In the event that a **"PLAN OF ACTION"** is not received within thirty days of this letter and all compliance issues completed by the "Corrective Action Due By" date shown above, further enforcement will occur

IDLE WELL INSPECTION DETAIL SECTION

| | | | |
|-------------------------|---|--|-------------------------------|
| MCCAW BT 001 | G-14-17S-25E | 30-015-20384-00-00 | Inspection No. iTWG1714541788 |
| Inspection Date: | 5/25/2017 11:36:24 AM | Corrective Action Due by: 8/28/2017 | |
| Type Inspection | Inspector | Violation? | *Significant Non-Compliance? |
| Routine/Periodic | Tim Gum | Yes | No |
| Comments on Inspection: | Idle Well.PJ.PO.ALL VALVES OPEN,FLOWLINE CONNECTED. BTTY--3 TKS,1 GB, 1 SP . POLPULATED AREA. PICTURES TAKEN. | | |
| MCCAW BT 002 | H-14-17S-25E | 30-015-20447-00-00 | Inspection No. iTWG1714540376 |

Inspection Date: 5/25/2017 11:12:54 AM

Corrective Action Due by: 8/28/2017

Type Inspection
Routine/Periodic
Comments on Inspection:

Inspector
Tim Gum
Idle Well.PI.PO. TBG & CSG VALVES OPENED , FLOWLINE VALVE CLOSED &
CONNECTED.
POPULATED AREA.
PICTURES TAKEN .

Violation? *Significant Non-Compliance?
Yes No

MCCAW BT 003

A-14-17S-25E

30-015-21820-00-00

Inspection No. iTWG1714535947

Inspection Date: 5/25/2017 9:58:58 AM

Corrective Action Due by: 8/28/2017

Type Inspection
Routine/Periodic
Comments on Inspection:

Inspector
Tim Gum

Idle Well . PJ.PO .CSG AND TBG VALVES CLOSED. FLOWLINE VALVE OPEN AND
CONNECTED. MOTOR AND BELTS NOT CONNECTED. ELECTRIC METER REMOVED AND
POWER OFF.
CAPABLE OF PRODUCING : FLOW / RE-INSTALLING MOTOR,BELTS AND POWER.
POPULATED AREA.
PICTURES TAKEN .

Violation? *Significant Non-Compliance?
Yes No

MCCAW BT 004

H-14-17S-25E

30-015-21867-00-00

Inspection No. iTWG1714537610

Inspection Date: 5/25/2017 10:26:34 AM

Corrective Action Due by: 8/28/2017

Type Inspection
Routine/Periodic
Comments on Inspection:

Inspector
Tim Gum

Idle Well .PJ.PO. ALL VALVES OPEN F & FLOWLINE CONNECTED. CAPABALE OF
PRODUCING.
POPULATED AREA.
PICTURES TAKEN .

Violation? *Significant Non-Compliance?
Yes No

MCCAW BT 006

H-14-17S-25E

30-015-24213-00-00

Inspection No. iTWG1714539356

Inspection Date: 5/25/2017 10:55:53 AM

Corrective Action Due by: 8/28/2017

Type Inspection
Routine/Periodic
Comments on Inspection:

Inspector
Tim Gum

idle Well.PJ.PO. TBG & CSG VALVES OPEN, FLOWLINE VALVE OPENED. & CONNECTED.
POPULTED AREA.
PICTURES TAKEN.

Violation? *Significant Non-Compliance?
Yes No

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,



Artesia OCD District Office

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