

State of New Mexico  
Energy, Minerals and Natural Resources Department

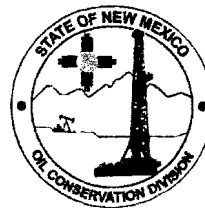
---

**Susana Martinez**  
Governor

**Ken McQueen**  
Cabinet Secretary-Designate

**Matthias Sayer**  
Deputy Cabinet Secretary

**David R. Catanach, Division Director**  
Oil Conservation Division



05-Jun-17

**AMERICO ENERGY RESOURCES LLC**  
7575 SAN FELIPE SUITE 200  
HOUSTON TX 77063-

**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 (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

June 5, 2017

Page 2

***IDLE WELL INSPECTION DETAIL SECTION***

**STILETTO 21 FEDERAL COM 001**  
iTWG1715242138

H-21-20S-25E 30-015-33096-00- Inspection No.

Inspection Date:	6/1/2017 11:42:12 AM	Corrective Action Due by:	9/4/2017
Type Inspection	Inspector	Violation?	*Significant Non-
Compliance?			
Routine/Periodic	Tim Gum	Yes	No
Comments on Inspection:	IDLE WELL. LRP--10/13. WH FLANGE W/CLOSED VALVE ON TOP, FLOWLIE NOT CONNECCTED. NOT CAPABLE OF PRODUCTION. BTTY EQUIPMENT: 1 TK W/O WIND SOCK & 1 VSP.		

PICTURES TAKEN.

**STILETTO 16 STATE 001**

P-16-20S-25E

**30-015-33671-00-Inspection No.**iTWG1715236322

Inspection Date:	6/1/2017 10:05:15 AM	Corrective Action Due by:	9/4/2017
Type Inspection	Inspector	Violation?	*Significant Non-
Compliance?			
Routine/Periodic	Tim Gum	Yes	No
Comments on Inspection:	IDLE WELL. LRP--11/15. CAPABLE OF PRODUCING, FLOWLINE CONNECTED TO SALES LINE. MINOR WHS. BTTY EQUIP: 1 TK NO WIND SOCK, 1 SP & 1VH. PICTURES TAKEN.		

**STILETTO 16 STATE 002**  
iTWG1715238794

M-16-20S-25E

**30-015-34150-00-**

Inspection No.

Inspection Date:	6/1/2017 10:46:30 AM	Corrective Action Due by:	9/4/2017
Type Inspection	Inspector	Violation?	*Significant Non-
Compliance?			
Routine/Periodic	Tim Gum	Yes	No
Comments on Inspection:	IDLE WELL. CAPABLE OF PRODUCING. LRP--5/15. FLOWLINE CONNECTED TO SALES LINE. FLOWLINE VALVE CLOSED. BTTY EQUIPMENT 1 TK NO WIND SOCK & METER RUN.		

RULE: 19.15.8.9 VIOLATION NO BOND.

PICTURES TAKEN.

Thank you for your prompt attention to this matter and your efforts in helping to protect our environment and the infra- structure 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.