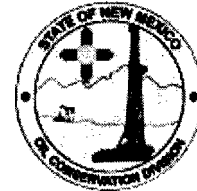


State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Tony Delfin
Acting Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



Response Required - Deadline Enclosed

08-Dec-16

SCYTHIAN LTD

300 N. MARIENFELD SUITE 950
MIDLAND TX 79701-

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 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 available:

1. Immediately restore the well(s) to production, injection or 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

SOUTH FOUR MILE DRAW I-21-6S-22E **30-005-62402-00-00** Inspection No. iGC1634337537
FEDERAL 007

Inspection Date: 12/8/2016 10:25:36 AM

Corrective Action Due by: 3/13/2017

Type Inspection

Inspector

Violation?

*Significant Non-Compliance?

Routine/Periodic

Gilbert Cordero

Yes

No

Comments on Inspection: Violation of rule 19.15.25.8. LAST REPORTED PRODUCTION 5-1-12.

REMMELE FEDERAL COM 011 K-27-6S-22E **30-005-62418-00-00** Inspection No. iGC1634336709

Inspection Date: 12/8/2016 10:11:48 AM

Corrective Action Due by: 3/13/2017

Type Inspection

Inspector

Violation?

*Significant Non-Compliance?

Routine/Periodic

Gilbert Cordero

Yes

No

Comments on Inspection: Violation of rule 19.15.25.8. LAST REPORTED PRODUCTION 5-1-12.

REMMELE FEDERAL 012	D-27-6S-22E	30-005-62419-00-00	Inspection No. iGC1634336981
Inspection Date:	12/8/2016 10:16:19 AM	Corrective Action Due by:	3/13/2017
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?
Routine/Periodic	Gilbert Cordero	Yes	No
Comments on Inspection:	Violation of rule 19.15.25.8. LAST REPORTED PRODUCTION 5-1-12.		
REMMELE FEDERAL COM 013	I-27-6S-22E	30-005-62420-00-00	Inspection No. iGC1634335654
Inspection Date:	12/8/2016 9:54:13 AM	Corrective Action Due by:	3/13/2017
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?
Routine/Periodic	Gilbert Cordero	Yes	No
Comments on Inspection:	Violation of rule 19.15.25.8. LAST REPORTED PRODUCTION 5-1-12.		
REMMELE FEDERAL COM 009	B-27-6S-22E	30-005-62431-00-00	Inspection No. iGC1634335136
Inspection Date:	12/8/2016 9:45:35 AM	Corrective Action Due by:	3/13/2017
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?
Routine/Periodic	Gilbert Cordero	Yes	No
Comments on Inspection:	Violation of rule 19.15.25.8. LAST REPORTED PRODUCTION 5-1-12.		
SOUTH FOUR MILE DRAW FEDERAL 011	M-22-6S-22E	30-005-62445-00-00	Inspection No. iGC1634337216
Inspection Date:	12/8/2016 10:20:14 AM	Corrective Action Due by:	3/13/2017
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?
Routine/Periodic	Gilbert Cordero	Yes	No
Comments on Inspection:	Violation of rule 19.15.25.8. LAST REPORTED PRODUCTION 5-1-12.		
CACTUS COM 002	B-34-6S-22E	30-005-62929-00-00	Inspection No. iGC1634338841
Inspection Date:	12/8/2016 10:47:20 AM	Corrective Action Due by:	3/13/2017
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?
Routine/Periodic	Gilbert Cordero	Yes	No
Comments on Inspection:	Violation of rule 19.15.25.8. LAST REPORTED PRODUCTION 5-1-12.		
MCKNIGHT B FEE 001	O-27-6S-22E	30-005-63112-00-00	Inspection No. iGC1634340147
Inspection Date:	12/8/2016 11:09:06 AM	Corrective Action Due by:	3/13/2017
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?
Routine/Periodic	Gilbert Cordero	Yes	No
Comments on Inspection:	Violation of rule 19.15.25.8. LAST REPORTED PRODUCTION 5-1-12. NO ROAD TO LOCATION		
CACTUS COM 003	H-34-6S-22E	30-005-63113-00-00	Inspection No. iGC1634342524
Inspection Date:	12/8/2016 11:48:42 AM	Corrective Action Due by:	3/13/2017
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?
Routine/Periodic	Gilbert Cordero	Yes	No
Comments on Inspection:	Violation of rule 19.15.25.8. LAST REPORTED PRODUCTION 5-1-12.		
REMMELE B STATE COM 009	G-27-6S-22E	30-005-63115-00-00	Inspection No. iGC1634336101
Inspection Date:	12/8/2016 10:01:39 AM	Corrective Action Due by:	3/13/2017
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?
Routine/Periodic	Gilbert Cordero	Yes	No
Comments on Inspection:	Violation of rule 19.15.25.8. LAST REPORTED PRODUCTION 5-1-12.		
SOUTH FOUR MILE DRAW B FEDERAL COM 011	K-22-6S-22E	30-005-63154-00-00	Inspection No. iGC1634334540
Inspection Date:	12/8/2016 9:35:39 AM	Corrective Action Due by:	3/13/2017
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?
Routine/Periodic	Gilbert Cordero	Yes	No
Comments on Inspection:	Violation of rule 19.15.25.8. LAST REPORTED PRODUCTION 5-1-12.		

SOUTH FOUR MILE DRAW B **B-24-6S-22E** **30-005-63175-00-00** Inspection No. iGC1634332897
FEDERAL COM 012

Inspection Date: 12/8/2016 9:08:16 AM Corrective Action Due by: 3/13/2017
Type Inspection Inspector Violation? *Significant Non-Compliance?
Routine/Periodic Gilbert Cordero Yes No
Comments on Inspection: Violation of rule 19.15.25.8. LAST REPORTED PRODUCTION 5-1-12. ROAD TO LOCATION IS WASHED OUT

REMMELE B FEDERAL 012Y **F-27-6S-22E** **30-005-63196-00-00** Inspection No. iGC1634336304

Inspection Date: 12/8/2016 10:05:03 AM Corrective Action Due by: 3/13/2017
Type Inspection Inspector Violation? *Significant Non-Compliance?
Routine/Periodic Gilbert Cordero Yes No
Comments on Inspection: Violation of rule 19.15.25.8. LAST REPORTED PRODUCTION 5-1-12.

CACTUS **I-34-6S-22E** **30-005-63309-00-00** Inspection No. iGC1634343396
FEDERAL **004**

Inspection Date: 12/8/2016 12:03:14 PM Corrective Action Due by: 3/13/2017
Type Inspection Inspector Violation? *Significant Non-Compliance?
Routine/Periodic Gilbert Cordero Yes No
Comments on Inspection: Violation of rule 19.15.25.8. LAST REPORTED PRODUCTION 5-1-12.

CACTUS B FEDERAL 004Q **P-34-6S-22E** **30-005-63540-00-00** Inspection No. iGC1634343511

Inspection Date: 12/8/2016 12:05:10 PM Corrective Action Due by: 3/13/2017
Type Inspection Inspector Violation? *Significant Non-Compliance?
Routine/Periodic Gilbert Cordero Yes No
Comments on Inspection: Violation of rule 19.15.25.8. LAST REPORTED PRODUCTION 5-1-12.

CACTUS B FEDERAL 006 **N-35-6S-22E** **30-005-63615-00-00** Inspection No. iGC1634344426

Inspection Date: 12/8/2016 12:20:25 PM Corrective Action Due by: 3/13/2017
Type Inspection Inspector Violation? *Significant Non-Compliance?
Routine/Periodic Gilbert Cordero Yes No
Comments on Inspection: Violation of rule 19.15.25.8. LAST REPORTED PRODUCTION 5-1-12.

SOUTH FOUR MILE DRAW B **O-22-6S-22E** **30-005-63639-00-00** Inspection No. iGC1634334908
FEDERAL COM 008Y

Inspection Date: 12/8/2016 9:41:45 AM Corrective Action Due by: 3/13/2017
Type Inspection Inspector Violation? *Significant Non-Compliance?
Routine/Periodic Gilbert Cordero Yes No
Comments on Inspection: Violation of rule 19.15.25.8. LAST REPORTED PRODUCTION 5-1-12.

TANNER FEE COM 001 **E-35-6S-22E** **30-005-63643-00-00** Inspection No. iGC1634343056

Inspection Date: 12/8/2016 11:57:35 AM Corrective Action Due by: 3/13/2017
Type Inspection Inspector Violation? *Significant Non-Compliance?
Routine/Periodic Gilbert Cordero Yes No
Comments on Inspection: Violation of rule 19.15.25.8. LAST REPORTED PRODUCTION 5-1-12.

CACTUS FEDERAL 006 **M-35-6S-22E** **30-005-63655-00-00** Inspection No. iGC1634343872

Inspection Date: 12/8/2016 12:11:11 PM Corrective Action Due by: 3/13/2017
Type Inspection Inspector Violation? *Significant Non-Compliance?
Routine/Periodic Gilbert Cordero Yes No
Comments on Inspection: Violation of rule 19.15.25.8. LAST REPORTED PRODUCTION 5-1-12.

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,


Compliance Officer

Artesia OCD District Office

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