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 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 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 FEDERAL 007	/ I-21-6S-22E	30-005-62402-00-00	Inspection No. iGC1634337537
Inspection Date: 12/8/2016	5 10:25:36 AM	Correc	tive Action Due by: 3/13/2017
Type Inspection	Inspector	Violation?	*Significant Non-Compliance?
Routine/Periodic Comments on Inspection:	Gilbert Cordere Violation of rule 19.15.25.8.	o Yes LAST REPORTED PRODU	No ICTION 5-1-12.
REMMELE FEDERAL COM	1 011 K-27-6S-22E	30-005-62418-00-00	Inspection No. iGC1634336709
Inspection Date: 12/8/2016	5 10:11:48 AM	Corrective Action Due by: 3/13/2017	
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	ICTION 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** 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** Violation? *Significant Non-Compliance? Inspector Yes Routine/Periodic Gilbert Cordero No Violation of rule 19.15.25.8. LAST REPORTED PRODUCTION 5-1-12. Comments on Inspection: Inspection No. iGC1634335136 REMMELE FEDERAL COM 009 B-27-6S-22E 30-005-62431-00-00 **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 M-22-6S-22E 30-005-62445-00-00 Inspection No. iGC1634337216 **FEDERAL 011** Corrective Action Due by: 3/13/2017 **Inspection Date:** 12/8/2016 10:20:14 AM *Significant Non-Compliance? Type Inspection Violation? Inspector 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 Violation of rule 19.15.25.8. LAST REPORTED PRODUCTION 5-1-12. Comments on Inspection: 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 Violation? *Significant Non-Compliance? **Type Inspection** Inspector Yes Routine/Periodic Gilbert Cordero 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 Violation? *Significant Non-Compliance? Type Inspection Inspector Gilbert Cordero Yes Routine/Periodic Violation of rule 19.15.25.8. LAST REPORTED PRODUCTION 5-1-12. Comments on Inspection: **REMMELE B STATE COM 009** G-27-6S-22E 30-005-63115-00-00 Inspection No. iGC1634336101 Corrective Action Due by: 3/13/2017 **Inspection Date:** 12/8/2016 10:01:39 AM *Significant Non-Compliance? Type Inspection Violation? Inspector Gilbert Cordero Yes No Routine/Periodic Violation of rule 19.15.25.8. LAST REPORTED PRODUCTION 5-1-12. Comments on Inspection: SOUTH FOUR MILE DRAW B K-22-6S-22E 30-005-63154-00-00 Inspection No. iGC1634334540 FEDERAL COM 011 Corrective Action Due by: 3/13/2017 **Inspection Date:** 12/8/2016 9:35:39 AM Violation? *Significant Non-Compliance? **Type Inspection** Inspector Routine/Periodic Gilbert Cordero Yes No Violation of rule 19.15.25.8. LAST REPORTED PRODUCTION 5-1-12. **Comments on Inspection:**

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 Violation? *Significant Non-Compliance? Inspector 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 Violation? *Significant Non-Compliance? Type Inspection Inspector Yes Routine/Periodic Gilbert Cordero 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 004 **FEDERAL 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 Corrective Action Due by: 3/13/2017 Inspection Date: 12/8/2016 12:05:10 PM *Significant Non-Compliance? Type Inspection Inspector Violation? Routine/Periodic Gilbert Cordero Yes No Violation of rule 19.15.25.8. LAST REPORTED PRODUCTION 5-1-12. Comments on Inspection: **CACTUS B FEDERAL 006** N-35-6S-22E 30-005-63615-00-00 Inspection No. iGC1634344426 Corrective Action Due by: 3/13/2017 **Inspection Date:** 12/8/2016 12:20:25 PM Violation? *Significant Non-Compliance? Type Inspection Inspector Routine/Periodic Gilbert Cordero Yes No Violation of rule 19,15,25.8. LAST REPORTED PRODUCTION 5-1-12. Comments on Inspection: O-22-6S-22E Inspection No. iGC1634334908 SOUTH FOUR MILE DRAW B 30-005-63639-00-00 **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

Routille/Feriodic Gilbert Coldero 1 es

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.

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

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.