

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

LAGUNA GRANDE, LLC
601 W. SECOND ST. SUITE #18
ROSWELL NM 88201-

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

IDLE WELL INSPECTION DETAIL SECTION

LUGUNA GRANDE 001
ITWG1714435689

I-28-23S-29E

30-015-21636-00-

Inspection No.

Inspection Date:	5/24/2017 9:54:41 AM	Corrective Action Due by:	8/27/2017
Type Inspection	Inspector	Violation?	*Significant Non-
Compliance?			
Routine/Periodic	Tim Gum	Yes	No
Comments on Inspection:	INSPECTION RECORD ENTER AFTER THE FACT. IDLE WELL. LRP--12/09. NO PJ. RODS UP ALL VALVES OPEN, CAPABLE OF PRODUCING. BTTY- 4 TKS PLUS 1 SEPARATOR. MINOR STAIN AT WATER TK NONE OTHER NOTED. BTTY BERMED NOT LINED. 4 JUNK RODS ON LOCATION. 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