State of New Mexico Energy, Minerals and Natural Resources Department

"Protecting Our Underground Sources of Drinking Water"

Susana Martinez

Governor

Ken McQueen Cabinet Secretary

Matthias Sayer Deputy Cabinet Secretary David R. Catanach, Division Director Oil Conservation Division



Underground Injection Control Program

September 6, 2017

MNA ENTERPRISES LTD CO

106 W. Alabama Hobbs, NM 88242-8242

Dear Operator:

An LOV was issued on August 15th, 2017 by the OCD – Artesia District Office instructing you to shut in three Saladar Federal injection wells and the Russell 35 Federal 002 SWD well. This letter rescinds that order for the Saladar Federal #4 (3001502446). Saladar Federal #8 (3001502449) and the Russell 35 Federal #2 (3001505891). You may return these 3 wells back to injection.

The Saladar Federal #12 well has been out of compliance since August 25th, 2015 due to a failed MIT pressure test. That well must remain shut-in and must be disconnected from the injection line.

The OCD will begin working on a compliance case against MNA Enterprises LTD Co to address the following wells:

Saladar Federal 012 3001524179

Out of compliance since 8/25/2015 due to failed MIT.

Saladar B 001

3001502451

No oil production has ever been filed for this well.

Saladar B 002

3001502450

Out of compliance since 11/10/2008 due to failed MIT and last production

report 12/2007.

You will be contacted by the OCD - Santa Fe office when a compliance case is issued.

Sincerely,

Richard Inge, Compliance Officer Artesia OCD District Office

Cc: David Catanach, OCD Division Director Daniel Sanchez, OCD Field Operations Manager

Phillip Goetz, OCD-Santa Fe Michael Valdez, OCD-Santa Fe Ray Podany, OCD-Artesia