

State Of New Mexico

Energy, Minerals and Natural Resources Department

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Deputy Cabinet Secretary

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"Response Required - Deadline Enclosed"

Field Inspection Program
"Preserving the Integrity of Our Environment"

01-Mar-21

Catena Resources Operating, LLC
919 Milam
Suite 2475
Houston, TX 77002

LETTER OF VIOLATION - Field Inspection

Dear Operator:

The following inspection indicates that the well, equipment, location or operational status of the well failed to meet standards of the New Mexico Oil Conservation Division as described in the detail section below. To comply with standards imposed by Rules and Regulations of the Division, corrective action must be taken immediately and the situation brought into compliance. The detail section indicates preliminary findings and/or probable nature of the violation. This determination is based on an inspection of your well or facility by an inspector employed by the Oil Conservation Division on the date indicated.

Please notify the proper district office of the Division, in writing, of the date corrective actions are scheduled to be made so that arrangements can be made to reinspect the well and/or facility.

INSPECTION DETAIL SECTION

[30-025-36891] SOUTH VACUUM 27 #003

OGRID: 328449

I-27-18S-35E 2300 FSL 1100 FEL

Inspection Date	Type Inspection	Inspector	Corrective Action Due By	Inspection No.
3/1/2021	Routine Inspection	[GR] Gary Robinson	5/30/2021	iGR216043141

Violations:

Rule

19.15.25.8 Wells to be Properly Abandoned

Violation

Production equipment not removed

Comment:

Well is not showing production since 11-2018. RULE: 19.15.25.8 WELLS TO BE PROPERLY ABANDONED: A. The operator of wells drilled for oil or gas or services wells including seismic, core, exploration or injection wells, whether cased or uncased, shall plug the wells as Subsection B of 19.15.25.8 NMAC requires. B. The operator shall either properly plug and abandon a well or place the well in approved temporary abandonment in accordance with 19.15.25 NMAC within 90 days after: (1) a 60 day period following suspension of drilling operations; (2) a determination that a well is no longer usable for beneficial purposes; or (3) a period of one year in which a well has been continuously inactive. [19.15.25.8 NMAC - Rp, 19.15.4.201 NMAC, 12/1/2008]

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.

Sincerely,

A handwritten signature in blue ink that reads "Gary Roberson". The signature is written in a cursive style with a long, sweeping tail on the letter "n".

Hobbs OCD District Office

Note: Information in Detail Section comes directly from field inspector data entries - not all blanks will contain data.

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