



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Susana Martinez
Governor

John H. Bemis
Cabinet Secretary

Jami Bailey
Division Director
Oil Conservation Division

Response Required – Deadline Enclosed

Field Inspection Program

"Preserving the Integrity of Our Environment"

14-Mar-12

HOBBS OCD

COG PRODUCTION, LLC
550 WEST TEXAS AVENUE SUITE 100
MIDLAND TX 79701

MAR 15 2012

RECEIVED

LETTER OF VIOLATION - Inspection

Dear Operator

The following inspection(s) indicate that the well, equipment, location or operational status of the well(s) 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(s) 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

NLA STATE UNIT No.001H				M-18-9S-33E	30-025-39881-00-00		
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.	
03/14/2012	Plugged Well Surface Restor	Maxey Brown	Yes	No	6/17/2012	iMGB1207454356	
Comments on Inspection:		DO NOT RELEASE RULE 19.15 25.10 NEED TO REMOVE 2 GROUNDING RODS THAT ARE STICKING UP BY MARKER. 1 SOUTH 4' AND 1 EAST 8' FLAGGED W/ YELLOW TAPE. NEED TO REMOVE SIGN MARKER IS OK THIS IS 1ST COMPLIANCE LETTER					

NLA STATE UNIT No.001Y				M-18-9S-33E	30-025-39945-00-00		
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.	
03/14/2012	Plugged Well Surface Restor	Maxey Brown	Yes	No	6/17/2012	iMGB1207455797	
Comments on Inspection:		DO NOT RELEASE RULE 19.15 25.10 NO OPERATOR NAME ON MARKER NEED TO REMOVE THE SW AND SE ANCHORS. REMOVE PLASTIC FROM TANK SITE AND LEVEL TO NATURAL CONTOUR NEED TO REMOVE CONTROL PANELS. CONDUIT AND ANTENNA POLE NEED TO CONTACT TARGA TO BLIND OFF GAS LINE. REMOVE OR LEVEL PILE OF GRAVEL. REMOVE BROKEN PIECES OF CONCRETE AND FINALLY REMOVE SIGN. THIS IS 1ST LETTER OF NON-COMPLIANCE.					

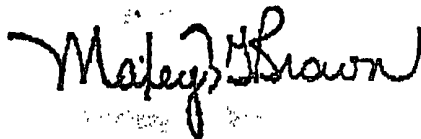
Oil Conservation Division • 1625 N. French Drive • Hobbs, New Mexico 88240

Phone 575-393-6161 * Fax 575-393-0720 <http://www.enmrd.state.nm.us>

MAR 15 2012

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.

Sincerely,

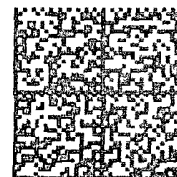


COMPLIANCE OFFICER

Hobbs OCD District Office

Note: Information in Detail Section comes directly from field inspector data entries - not all blanks will contain data
*Significant Non-Compliance events are reported directly to the EPA, Region VI, Dallas, Texas

**EMNRD
OIL CONSERVATION DIVISION
1625 N FRENCH DRIVE
HOBBS NM 88240**

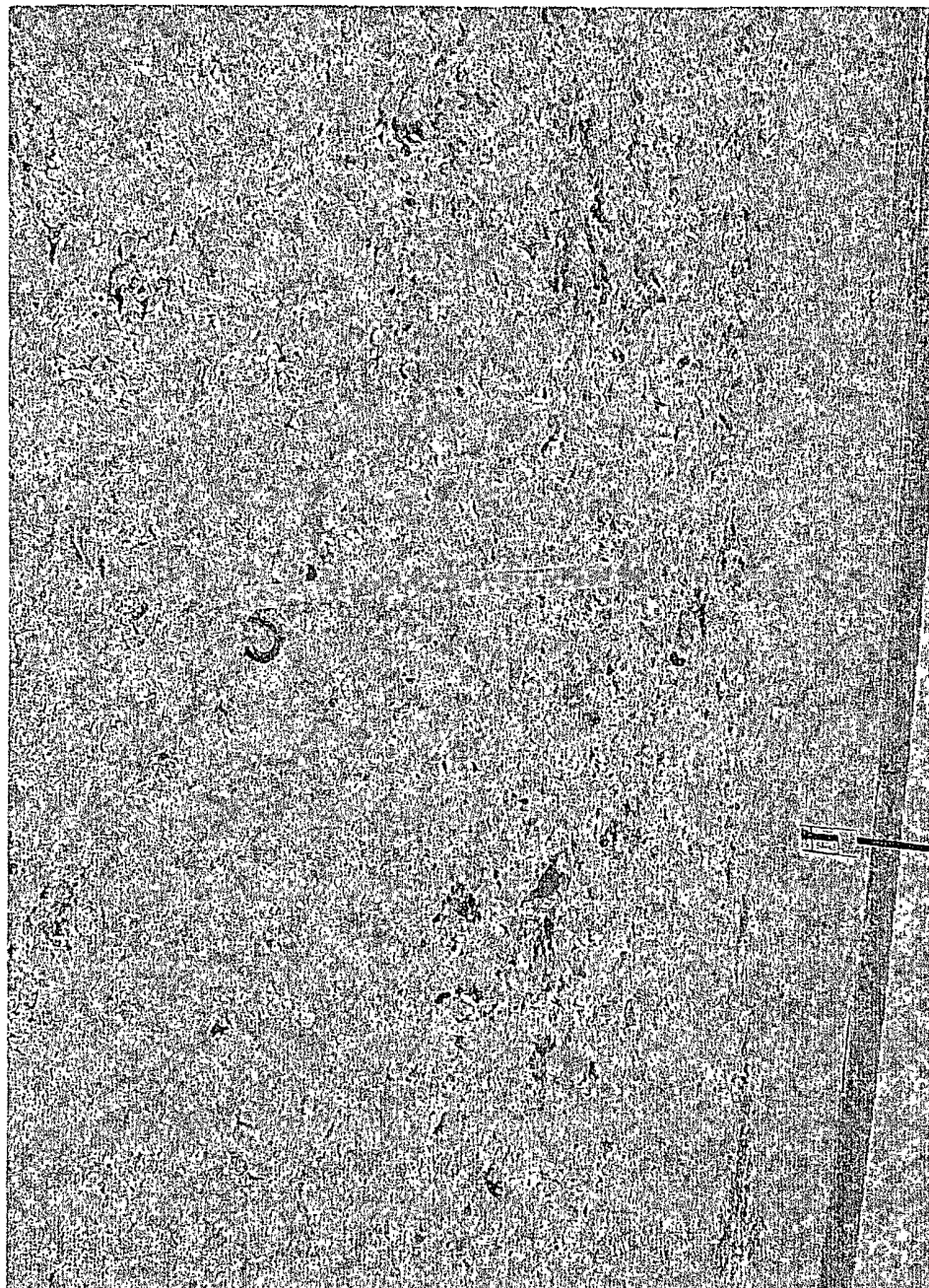


HASLER
015H14150977
\$0.65
03/15/12
Mailed From 88240
US POSTAGE

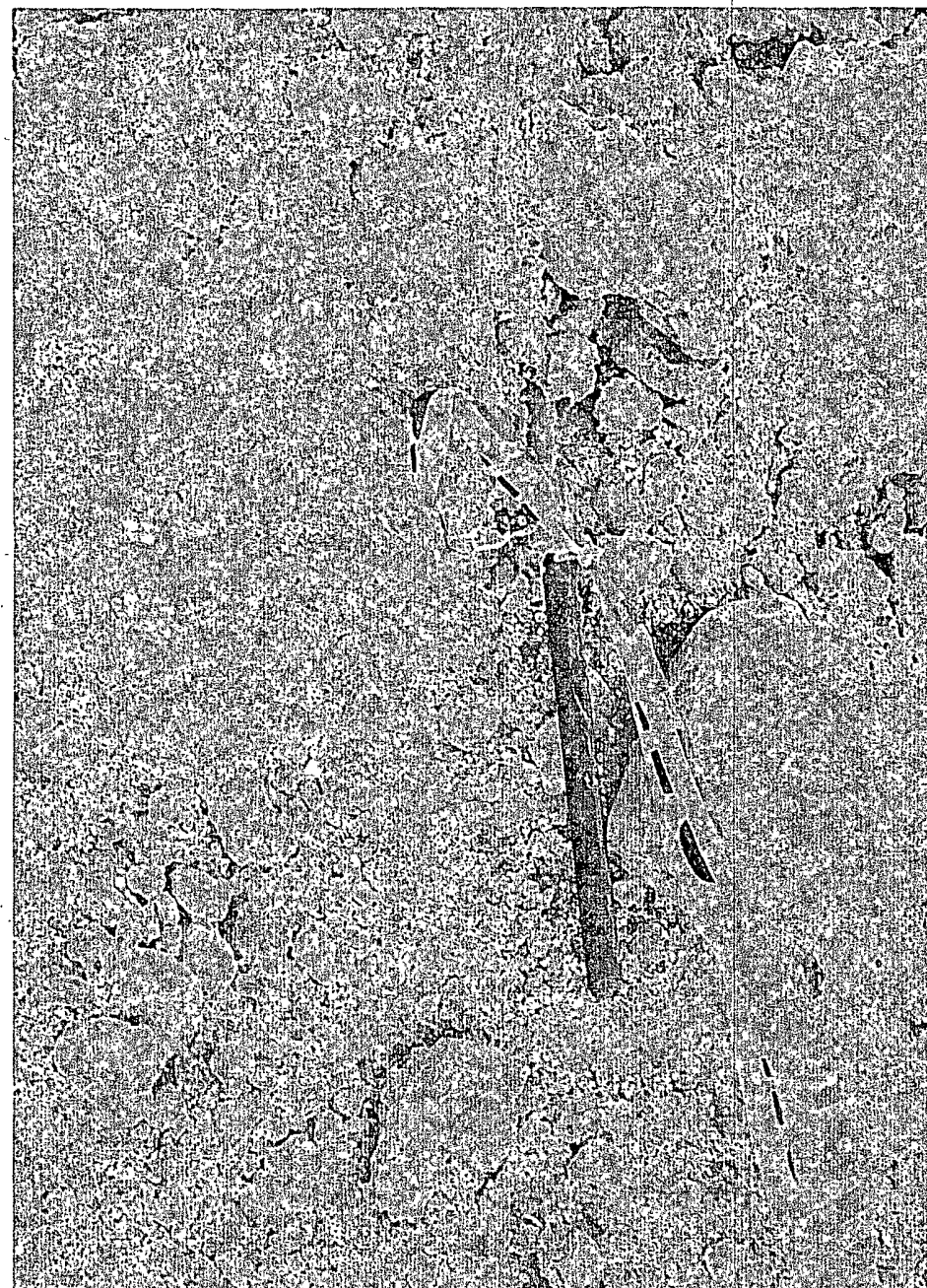
**COG OPERATING, LLC
550 W. TEXAS AVENUE, SUITE 100
MIDLAND, TEXAS 79701**



#1-H
4' South of marker



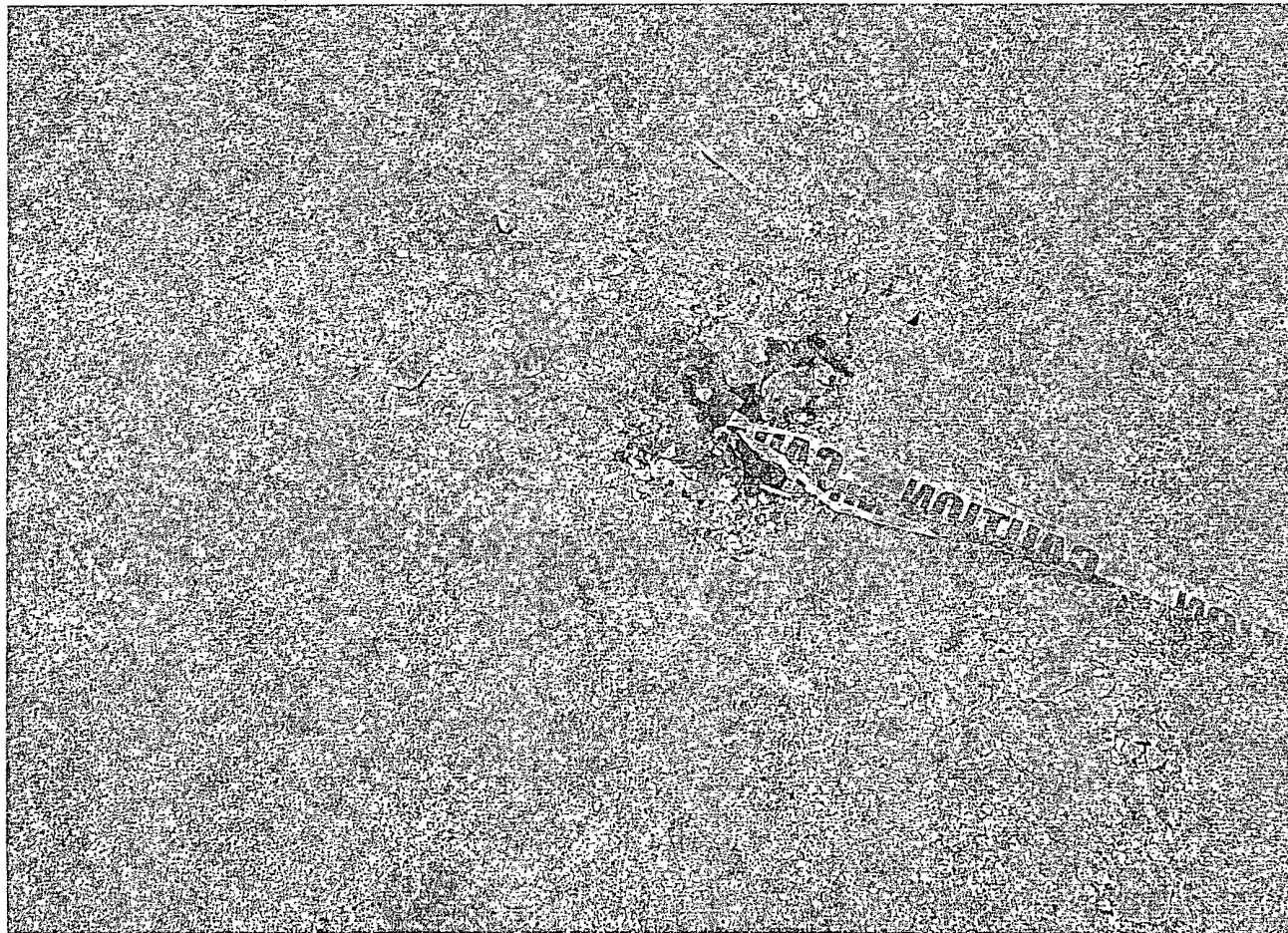
NLA STATE UNIT #1 Y
SOUTHWEST ANCHOR



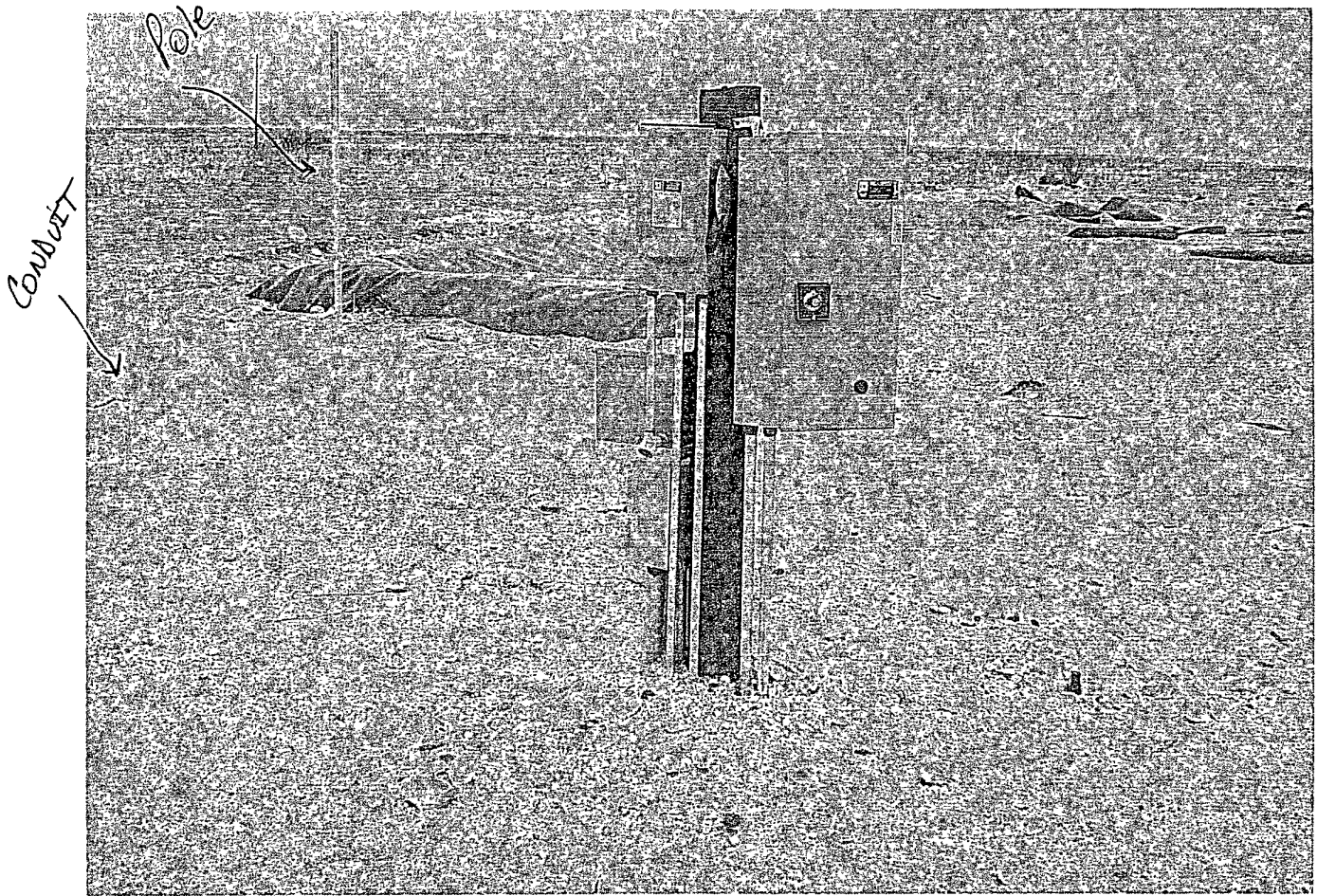
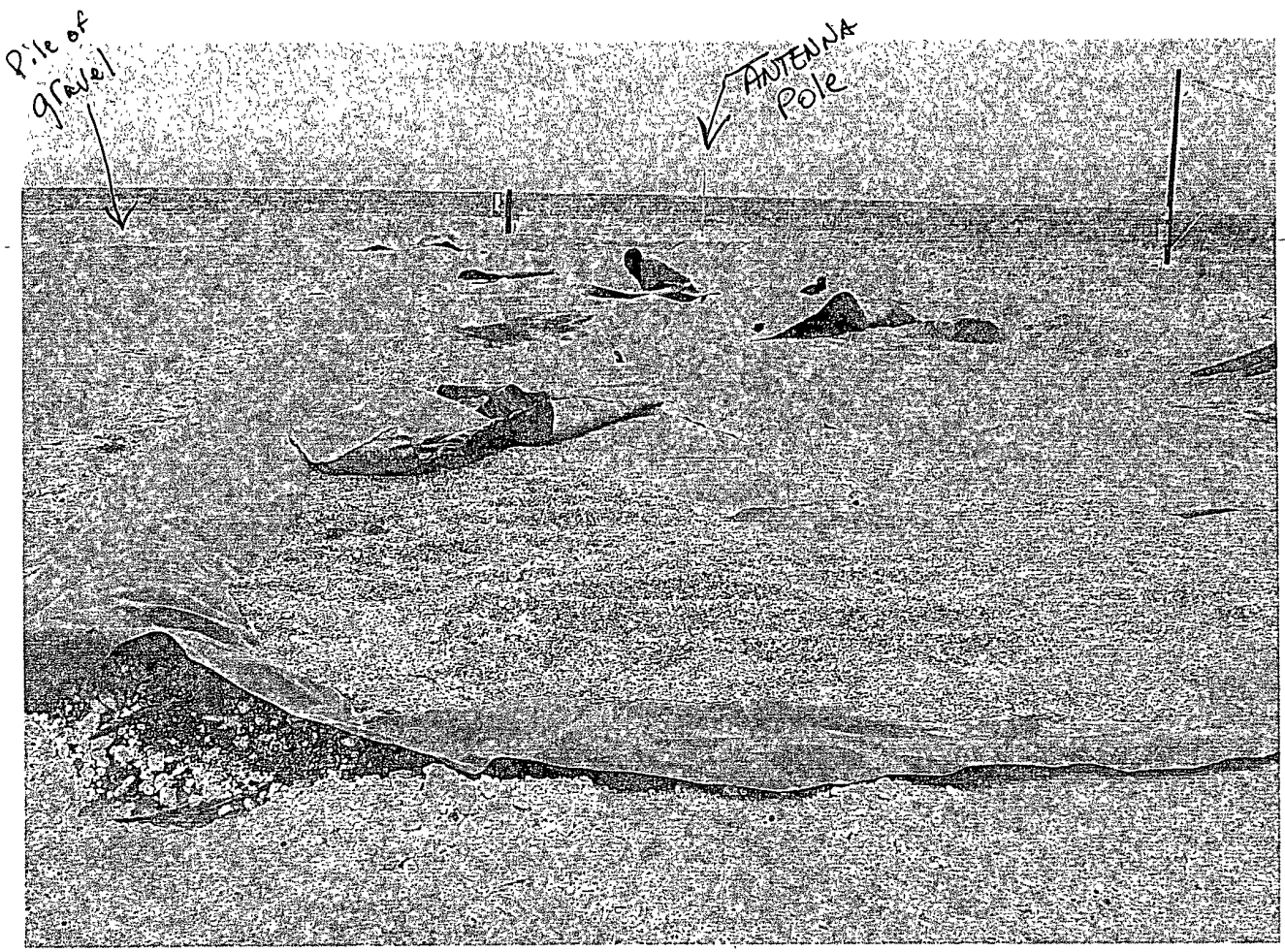
NLA STATE UNIT #1 H
8' east of marker

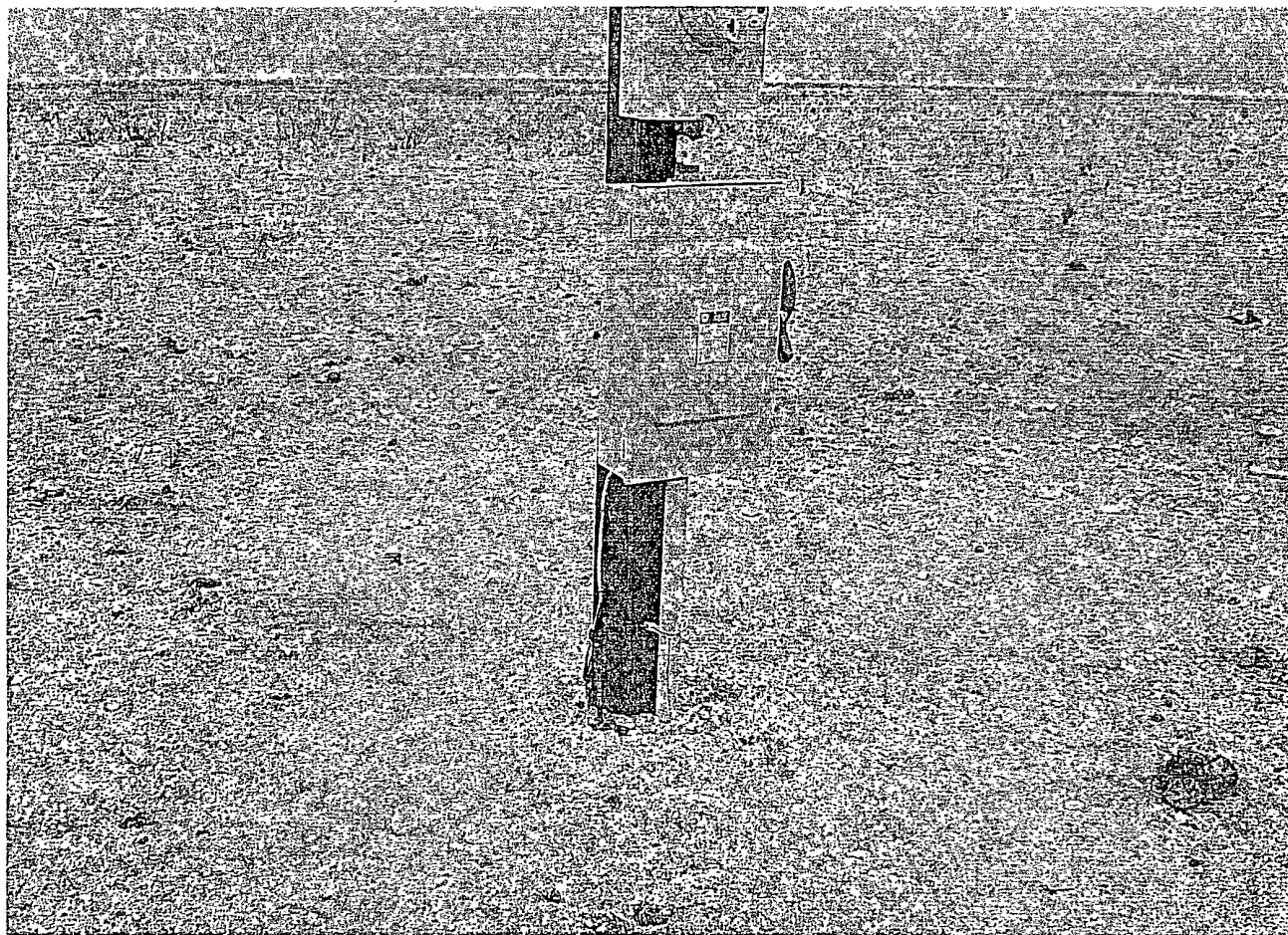
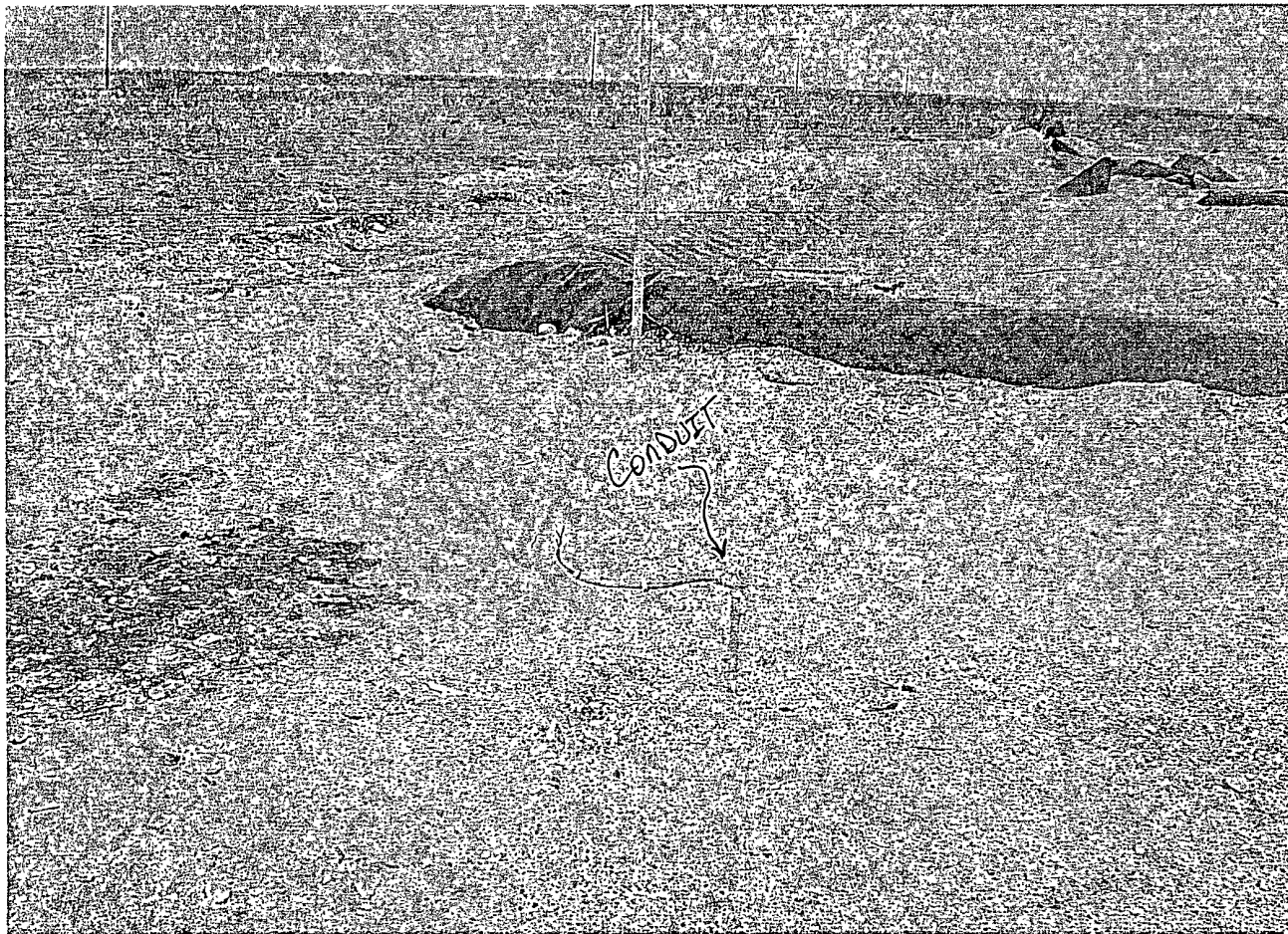


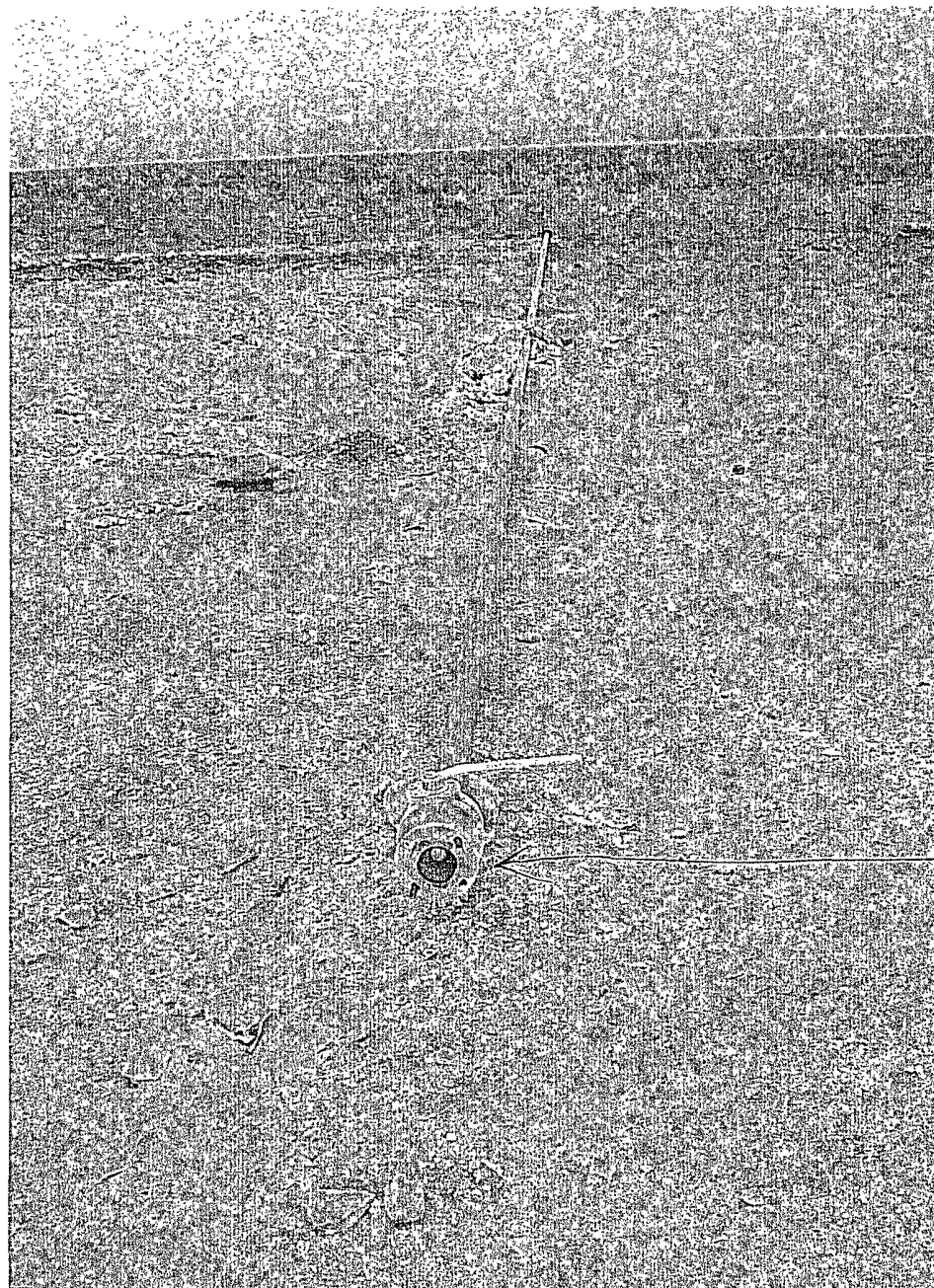
NO OPERATOR'S NAME
ON MARKER.



NLA STATE UNIT #1Y
SOUTH EAST ANCHOR







NEEDS BLIND!
— OR PLUGGED OFF,

TARGA'S LINE.
NLA STATE UNIT T/B SITE.