



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

SUSANA MARTINEZ

Governor

John H. Bemis

Cabinet Secretary

Jami Bailey

Director

Oil Conservation Division

Response Required – Deadline Enclosed

Field Inspection Program

"Preserving the Integrity of Our Environment"

HOBBS OCD

JAN 09 2013

RECEIVED

09-Jan-13

CITATION OIL & GAS CORP

P O BOX 690688 14077 CUTTEN ROAD

HOUSTON TX 77069-2212

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

STATE M No.006

B-1-21S-35E

30-025-03369-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
01/09/2013	Routine/Periodic	Mark Whitaker	Yes	No	4/14/2013	iMAW1300945689

Violations

Absent Well Identification Signs (Rule 103)

Comments on Inspection: Well sign not legible (Rule 19.15.16.8). NEED TO REPLACE WELL SIGN. 1st notice.

STATE M No.007

B-1-21S-35E

30-025-03370-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
01/09/2013	Routine/Periodic	Mark Whitaker	Yes	No	3/29/2013	iMAW1300945567

Violations

Absent Well Identification Signs (Rule 103)

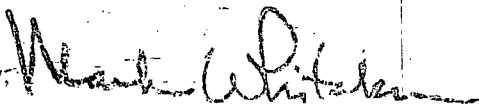
Comments on Inspection: Well sign not legible (Rule 19.15.16.8). NEED TO REPLACE WELL SIGN. 1st notice.

NOTE: SEVERAL MORE SIGNS ON THIS LEASE ARE TO THE POINT THAT THEY WILL NEED TO BE REPLACED SOON.

MW

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,



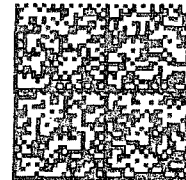
COMPLIANCE OFFICER

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
\$0.45
01/09/13
Mailed From 88240
US POSTAGE

CITATION OIL & GAS CORP
PO BOX 690688
HOUSTON, TX 77069