State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

David Martin

Cabinet Secretary-Designate

Brett F. Woods, Ph.D.

Deputy Cabinet Secretary

Jami Bailey, Division Director Oil Conservation Division



Response Required - Deadline Enclosed

Field Inspection Program "Preserving the Integrity of Our Environment"

09-Jul-13

HOBBS OCD

UNIFIED OPERATING LLC 4325 OLD COLUMBIA PIKE

ANNANDALE VA 22003

JUL 0 9 2013

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

WEST JAL B DEEP No.001

H-17-25S-36E

30-025-25046-00-00

Inspection

Type Inspection

Inspector

Non-Compliance?

*Significant

Corrective

Date 07/09/2013

Violation?

No

Action Due By:

Inspection No.

Routine/Periodic

Mark Whitaker

Yes

7/31/2013

iMAW1319038715

Violations

Absent Well Identification Signs (Rule 103)

Idle well (Rule 201)

Comments on Inspection:

Idle well (Rule 19.15.25.8). No well sign (Rule 19.15.16.8). NEED TO INSTALL WELL SIGN

AND RETURN TO PRODUCTION OR PLUG & ABANDON WELL. 2ND NOTICE.

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 Divison 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



015H14150977 BY SO. 46 SO . 46 07/09/13 Mailed From 88240

UNIFIED OPERATING LLC 4325 OLD COLUMBIA PIKE ANNANDALE, VA 22003