

Submit 1 Copy To Appropriate District Office
 District I - (575) 393-6161
 1625 N. French Dr., Hobbs, NM 88240
 District II - (575) 748-1283
 811 S. First St., Artesia, NM 88210
 District III - (505) 334-6178
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV - (505) 476-3460
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources
OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

Form C-103
 Revised July 18, 2013

HOBBS OCD
AUG 28 2013

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. 30 025 34391
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
2. Name of Operator CrownQuest Operating, LLC		6. State Oil & Gas Lease No.
3. Address of Operator Box 53310, Midland, TX 79710		7. Lease Name or Unit Agreement Name McCasland 18 Fee
4. Well Location Unit Letter <u>K</u> : 1650 feet from the <u>South</u> line and <u>2000</u> feet from the <u>West</u> line Section <u>18</u> Township <u>20S</u> Range <u>39E</u> NMPM Lea County		8. Well Number <u>1</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.)		9. OGRID Number <u>213190</u>
10. Pool name or Wildcat Hous Drinkard		

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
CLOSED-LOOP SYSTEM <input type="checkbox"/>			
OTHER: <input type="checkbox"/>		OTHER: Location Clean up <input checked="" type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

7/22/2013: 60 yards of contaminated soil was taken from the McCasland 18 #1 well head/location and hauled off to Sundance land farm.
 New Mexico Oil Conservation Division Letter of Violation dated 7/13/2013.

Spud Date: Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE  TITLE Regulatory DATE 8/14/13

Type or print name Ann Ritchie E-mail address: ann.wtor@gmail.com PHONE: 432 684-6381

For State Use Only
 APPROVED BY:  TITLE FOR RECORD ONLY DATE SEP 03 2013
 Conditions of Approval (if any):



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
Director
Oil Conservation Division

Response Required – Deadline Enclosed

Field Inspection Program

"Preserving the Integrity of Our Environment"

03-Jul-13

CROWNQUEST OPERATING, LLC
P.O. BOX 53310
MIDLAND TX 79710

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

MCCASLAND 18 FEE No.001		K-18-20S-39E		30-025-34391-00-00		
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
07/02/2013	Routine/Periodic Violations Surface Leaks/Spills	Mark Whitaker	Yes	No	8/12/2013	IMAW1318350477
Comments on Inspection:		Stuffing box has leaked. Ground around wellhead heavily oil stained. NEED TO REMOVE CONTAMINATED SOIL AND DISPOSE OF PROPERLY. OCD SHOULD BE NOTIFIED WHEN WORK IS TO START. 1st Notice.				