State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

David Martin

Cabinet Secretary

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"

JUN 1 1 2014

HOBBS OCD

11-Jun-14

RECEIVED

GEORGE A CHASE JR DBA G AND C SERVICE

P.O. BOX 1618

ARTESIA NM 88211

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

PURE STATE G No.001

G-15-16S-33E

30-025-01259-00-00

Inspection Date

Type Inspection

Inspector

Violation?

*Significant Non-Compliance?

Corrective Action Due By:

Inspection No.

06/10/2014

Mark Whitaker

Yes

Routine/Periodic

No

7/11/2014

Violations

iMAW1416139568

Absent Well Identification Signs (Rule 103)

Comments on Inspection:

Well sign not legible (Rule 19.15.16.8). NEED TO REPLACE WELL SIGN.

PURE STATE G No.002

I-15-16S-33E

30-025-01260-00-00

Corrective

Inspection Date 06/10/2014

Type Inspection Routine/Periodic Inspector Mark Whitaker Violation? Yes

*Significant Non-Compliance? No

Action Due By: 7/11/2014

Inspection No. iMAW1416139324

Violations

Absent Well Identification Signs (Rule 103)

Comments on Inspection:

Well sign not legible (Rule 19.15.16.8). NEED TO REPLACE WELL SIGN.

Rule 19.15.16.8

Each sign shall show operator's name, property name, well number, location by footage, unit letter section, township, range, and API number

SNAPPER STATE No.001

F-14-16S-33E

30-025-37053-00-00

Inspection

06/10/2014

Date Typ

Type Inspection
Routine/Periodic

Inspector Mark Whitaker Violation? No

Yes

*Significant Non-Compliance?

No

Corrective Action Due By: 7/11/2014

Inspection No. iMAW1416134419

Violations

Absent Well Identification Signs (Rule 103)

Comments on Inspection:

No well sign (Rule 19.15.16.8). NEED TO INSTALL WELL SIGN. Also need to correct operator

of record on all wells on lease.

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 \$0.48 PM 06/11/14 Mailed From 88240

GEORGE A CHASE, JR DBA G&C SERVICE PO BOX 1618 ARTESIA, NM 88211-1618