Jami Bailey

Division Director

Susana Martinez Governor

David Martin Cabinet Secretary

Brett F. Woods, Ph.D. Deputy Cabinet Secretary

September 30, 2014

Novy Oil & Gas, Inc. P.O. Box 559 Goddard, KS 67052

Certified Mail No. 7014 1200 0002 1826 6127

Attn: Michael Novy

RE: State 6 Well No. 1 - API No. 30-025-27582 Failure to comply with Rule 19.15.25.8 "Wells to be Properly Abandoned" and Rule 19.15.16.8 "Sign on Well"

Mr. Michael Novy

On April 4, 2013, the OCD notified Novy Oil & Gas Inc. ("Novy") that Novy was out of compliance with division rules 19.15.15.8 and 19.15.16.8 NMAC. Per that letter, Novy was instructed to plug & abandon or return referenced well to producing status and install a well sign. A subsequent inspection indicates neither items have been addressed.

Immediate action in now required on your part to resolve this matter. Please contact Daniel Sanchez in Santa Fe at 505-476-3493 before October 17, 2014 to discuss this matter.

If Novy fails to contact the OCD by the time specified, the matter will be referred to our legal department and a compliance hearing will be scheduled. At hearing, the OCD will seek a compliance order against Novy, requiring compliance with OCD Rules and seeking additional sanctions.

Respectfully, nown

Maxey Brown District Supervisor, District I

Cc: Daniel Sanchez, Enforcement & Compliance Manager Keith Herrmann, Assistant General Counsel



1625 N French Drive, Hobbs New Mexico 88240 Phone (575) 393-6161 • Fax (575) 393-0720 • www.emnrd.state.nm.us EMNRD OIL CONSERVATION DIVISION 1625 N FRENCH DRIVE HOBBS NM 88240

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NOVY OIL & GAS, INC. P.O. BOX 559 GODDARD, KS 67052



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