

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

David Catanach, Director
Oil Conservation Division



Response Required - Deadline Enclosed

Field Inspection Program
"Preserving the Integrity of Our Environment"

09-Apr-15

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

STATE 5 No.002				B-5-14S-33E	30-025-22395-00-00	
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
04/09/2015	Routine/Periodic	Mark Whitaker	Yes	No	7/13/2015	iMAW1509933004
	Violations					
	Surface Damage/Restoration					
Comments on Inspection:	Battery site not active. Transfer pump disconnected. Fuses down and meter has been pulled. Operator was allowed to leave battery to transfer fluids to the Federal 20 #5. This well has subsequently been plugged and abandoned. OPERATOR NEEDS TO SUBMIT C141 FOR REMOVAL, REMEDIATION, AND RESTORATION OF THE BATTERY SITE FOR THE STATE 5 LEASE.					

NEW MEXICO BG STATE NCT 1 No.008				A-14-14S-33E	30-025-29474-00-00	
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
04/09/2015	Routine/Periodic	Mark Whitaker	Yes	No	7/13/2015	iMAW1509937706
Violations						
Idle well (Rule 201)						
Comments on Inspection:		Idle well (Rule 19.15.25.8). No production reported in over 283 months. NEED TO PLACE WELL ON PRODUCTION OR PLUG & ABANDON.				

APR 14 2015

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,

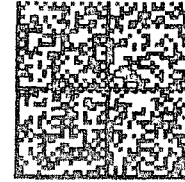

COMPLIANCE OFFICER

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



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04/09/15

Mailed From 88240

US POSTAGE

CROWNQUEST OPERATING, LLC
PO BOX 53310
MIDLAND, TX 79710-3310