

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"

14-Jan-16

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

NEW MEXICO AT STATE No.001

P-10-14S-33E

30-025-01124-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
01/11/2016	Routine/Periodic	Mark Whitaker	Yes	No	4/15/2016	iMAW1601137130
Violations						
Surface Damage/Restoration						
Comments on Inspection: DO NOT RELEASE. P&A marker good. Two power poles on ground west of marker. NEED TO REMOVE POWER POLES.						

STATE FEDERAL 6 COM No.002

D-6-14S-33E

30-025-22866-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
01/11/2016	Routine/Periodic	Mark Whitaker	Yes	No	4/15/2016	iMAW1601139045
Violations						
Surface Damage/Restoration						
Comments on Inspection: DO NOT RELEASE. Anchor southwest corner of location has not been removed. NEED TO REMOVE ANCHOR.						

JAN 14 2016

NEW MEXICO AT STATE No.009

M-15-14S-33E

30-025-28020-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
01/11/2016	Routine/Periodic	Mark Whitaker	Yes	No	4/15/2016	iMAW1601135840
Violations						
Surface Damage/Restoration						

Comments on Inspection: DO NOT RELEASE. Lease name on P&A marker not complete. Two LCEC poles (#066786 & 066787) need to be removed. Conduit protruding from ground near north pole. NEED TO CORRECT P&A MARKER. REMOVE CONDUIT. FURNISH OCD WITH A COPY OF REQUEST TO LCEC TO REMOVE POWER POLES.

NEW MEXICO BG STATE NCT 2

No.002

H-16-14S-33E

30-025-28391-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
01/11/2016	Routine/Periodic	Mark Whitaker	Yes	No	4/15/2016	iMAW1601135532
Violations						
Surface Damage/Restoration						

Comments on Inspection: DO NOT RELEASE. Conduit protruding from ground where power pole was removed. Conduit riser, fuse box, and meter base on ground. Lease name not complete on P&A marker. Should read New Mexico BG State 2 # 2, not BG 2 # 2. NEED TO REMOVE CONDUIT, FUSE BOX, METER BASE, AND CORRECT P&A MARKER.

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,

Mark Whitaker
Petroleum Engr. Specialist

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



HASLER

FIRST-CLASS MAIL

\$000.48⁵

01/14/2016 ZIP 88240
012E14642224

US POSTAGE

SAMSON RESOURCES
TWO WEST SECOND STREET
TULSA, OK 74103