

**HOBBS OCD**  
 JAN 18 2017

State of New Mexico  
 Energy, Minerals and Natural Resources Department

**Susana Martinez**  
 Governor

**Ken McQueen**  
 Cabinet Secretary Designate

**Matthias Sayer**  
 Deputy Cabinet Secretary

**David R. Catanach, Division Director**  
 Oil Conservation Division



**\*Response Required - Deadline Enclosed\***

*Field Inspection Program*  
*"Preserving the Integrity of Our Environment"*

18-Jan-17

**COG OPERATING LLC**  
 ONE CONCHO CENTER 600 W. ILLINOIS AVE  
 MIDLAND TX 79701

**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***

<b>SV SUNDOWN STATE No.002</b>				<b>M-14-10S-37E</b>	<b>30-025-35597-00-00</b>	
<b>Inspection Date</b>	<b>Type Inspection</b>	<b>Inspector</b>	<b>Violation?</b>	<b>*Significant Non-Compliance?</b>	<b>Corrective Action Due By:</b>	<b>Inspection No.</b>
01/18/2017	Routine/Periodic Violations Surface Damage/Restoration	Mark Whitaker	Yes	No	3/17/2017	iMAW1701839954
<b>Comments on Inspection:</b>		DO NOT RELEASE. Well plugged in July of 2015. Rule 19.15.25.10 requires restoration be completed within 1 year of plugging. Wrong API number on P&A marker. Location is in the LPC area. Need to reinstall a corrected PA marker 3' below ground level, remove all flowlines associated with this well back to the Legacy's Sundown State SWD #1 battery, and contact power provider to remove the 2 power poles west of location. Please contact District 1 office to witness before covering 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,   
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

COG OPERATING LLC  
ONE CONCHO CENTER  
600 W. ILLINOIS AVE  
MIDLAND, TX 79701



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