

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

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"

23-Mar-17

NEARBURG PRODUCING CO
3300 N. A STREET, BLDG 2, SUITE 120
MIDLAND TX 79707

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

SIMMS 35 STATE No.003		N-35-20S-35E		30-025-35510-00-00		
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/23/2017	Routine/Periodic Violations Surface Damage/Restoration	Mark Whitaker	Yes	No	6/26/2017	iMAW1708254616

Comments on Inspection: DO NOT RELEASE BOND. Well plugged 10/23/2015. Rule 19.15.25.10 (D) requires that restoration be completed within one year of plugging. Last well on lease. Need to remove all equipment and flowlines associated with this well. If a gas meter stand or meter house are present, a letter from operator to gas purchaser requesting removal of their equipment should be attached to request to release. Power provider should also be contacted requesting removal of service into well. The C103 specific to plugged wells should be submitted to this office when the location is deemed ready for inspect.

SIMMS 35 STATE No.004

C-35-20S-35E

30-025-35712-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/23/2017	Routine/Periodic	Mark Whitaker	Yes	No	6/26/2017	iMAW1708255187
Violations						
Surface Damage/Restoration						

Comments on Inspection: DO NOT RELEASE BOND. Well plugged 10/15/2015. Rule 19.15.25.10 (D) requires that restoration be completed within one year of plugging. Last well on lease. Need to remove all equipment and flowlines associated with this well. If a gas meter stand or meter house are present, a letter from operator to gas purchaser requesting removal of their equipment should be attached to request to release. Power provider should also be contacted requesting removal of service into well. The C103 specific to plugged wells should be submitted to this office when the location is deemed ready for inspect.

MIDWAY 8 STATE No.001

C-8-17S-37E

30-025-40826-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/23/2017	Routine/Periodic	Mark Whitaker	Yes	No	6/26/2017	iMAW1708239237
Violations						
Surface Damage/Restoration						

Comments on Inspection: DO NOT RELEASE BOND. Well plugged 09/12/2014. Rule 19.15.25.10 (D) requires that restoration be completed within one year of plugging. P&A marker good. Large piece of conduit and concrete on north side of location. Steel wellhead flange south of marker. NEED TO REMOVE ABOVE MENTIONED ITEMS AND ANY OTHER DEBRIS AND SUBMIT C103 SPECIFIC TO WELL PLUGGING FOUND UNDER FORMS ON OCD WEBSITE. 1st notice.

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
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HOBBS NM 88240

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SUITE 120
MIDLAND, TX 79707



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