New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson

Governor

Jim Noel
Cabinet Secretary
Karen W. Garcia
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



September 24, 2010

CML Exploration, LLC PO Box 890 Snyder, TX 79550

LETTER OF VIOLATION

Dear Operator;

Oil Conservation Division (OCD) well files show that you have _1_ well(s) that have been plugged for more than one year without the sites being released. The well(s) are listed on the attachment.

OCD rule 19.15.25.10.D NMAC requires an operator to restore the well site as soon as practical but no later than one year after the completion of plugging operations. Within 30 days after restoring the well site the operator must file a form C-103 to report that the work has been completed. 19.15.25.11 NMAC.

Within thirty days of the date of this letter please clean the well sites according to the requirements set out in 19.15.25.10.D NMAC, and file a final sundry C-103 Subsequent Report of Well Plugging (available on OCD Online under "Forms") for each well to notify the district office that the sites are ready for inspection and release.

Your immediate attention to this matter is requested.

Sincerely:

Larry W. 'Buddy' Hill

NMOCD

District 1 Supervisor

Wednesday, September 08, 2

Well Selection Criteria Quick Print

(opno = 256512 and WL_STATUS Like 'H')

LETTER Operator Name API Well # Well Name and No. Typ Stat Surf UL Sec Twp County 'Ft N/S Rng Ft E/W UICPrmt Lst Insp Dt 001 V, CML EXPLORATION, LLC 30-025-38277-00-00 AMBROSE 36 STATE COM G H Lea G 36 17 S 32 E 1650 N 1650 E 7/7/2008

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EMNRD OIL CONSERVATION DIVISION 1625 N FRENCH DRIVE HOBBS NM 88240



017H15554612 \$0.449 \$0.9/24/2010 Mailed From 88240

CML EXPLORATION, LLC PO BOX 890 SNYDER, TX 79550