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HOBBSOC

P/A'd. OK TO RELEASE.
MJB 10/1/2010

Submit One Copy To Appropriate District Office

District I

1625 N French Dr., Hobbs, NM 88240

District II

1301 W. Grand Ave., Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
March 18, 2009

WELL API NO.	30-025-37472
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>	
6. State Oil & Gas Lease No.	
7. Lease Name or Unit Agreement Name Rocket	
8. Well Number	001
9. OGRID Number	018099
10. Pool name or Wildcat	Garrett, San Andres

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator
Prime Operating Company

3. Address of Operator
3300 N. "A" St., Bldg. 1, Suite 238 Midland, TX 79705

4. Well Location
Unit Letter B : 660 feet from the North line and 2150 feet from the East line
Section 22 Township 16S Range 38E NMPM County Lea

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3713'

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/>		SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		<input checked="" type="checkbox"/> Location is ready for OCD inspection after P&A	

- ☒ All pits have been remediated in compliance with OCD rules and the terms of the Operator's pit permit and closure plan.
- ☒ Rat hole and cellar have been filled and leveled. Cathodic protection holes have been properly abandoned.
- ☒ A steel marker at least 4" in diameter and at least 4' above ground level has been set in concrete. It shows the

OPERATOR NAME, LEASE NAME, WELL NUMBER, API NUMBER, QUARTER/QUARTER LOCATION OR UNIT LETTER, SECTION, TOWNSHIP, AND RANGE. All INFORMATION HAS BEEN WELDED OR PERMANENTLY STAMPED ON THE MARKER'S SURFACE.

- ☒ The location has been leveled as nearly as possible to original ground contour and has been cleared of all junk, trash, flow lines and other production equipment.
- ☒ Anchors, dead men, tie downs and risers have been cut off at least two feet below ground level.
- ☒ If this is a one-well lease or last remaining well on lease, the battery and pit location(s) have been remediated in compliance with OCD rules and the terms of the Operator's pit permit and closure plan. All flow lines, production equipment and junk have been removed from lease and well location.
- ☒ All metal bolts and other materials have been removed. Portable bases have been removed. (Poured onsite concrete bases do not have to be removed.)
- ☒ All other environmental concerns have been addressed as per OCD rules.
- ☒ Pipelines and flow lines have been abandoned in accordance with 19.15.35.10 NMAC. All fluids have been removed from non-retrieved flow lines and pipelines.

When all work has been completed, return this form to the appropriate District office to schedule an inspection.

SIGNATURE Chad Garner TITLE District Manager DATE Sept. 28, 2010

TYPE OR PRINT NAME Chad Garner E-MAIL: cgarner@primeenergy.com PHONE: (432)682-5770

For State Use Only

APPROVED BY: Mary H Brown TITLE Compliance Officer DATE 10/1/2010

Conditions of Approval (if any):

New Mexico Energy, Minerals and Natural Resources Department

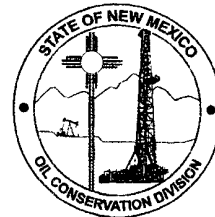
Bill Richardson
Governor

Jim Noel
Cabinet Secretary
Karen W. Garcia
Deputy Cabinet Secretary

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SEP 29 2010
HOBBSOCD

Mark Fesmire
Division Director
Oil Conservation Division



September 24, 2010

Prime Operating Company
3300 North "A" Street, Bldg. One, Suite 238
Midland, TX 79705

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



Well Selection Criteria Quick Print

NEEDS
LETTER

(opno = 18099 and WL_STATUS Like 'H')

API Well #	Well Name and No.	Operator Name	Typ	Stat	County	Surf	UL	Sec	Twp	Rng	Ft N/S	Ft E/W	UICPrmt	Lst Insp Dt
30-025-37472-00-00	ROCKET	PRIME OPERATING CO	O	H	Lea	P	B	22	16 S	38 E	660 N	2150 E		12/19/2008