State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez Governor

Governor

David Martin

Cabinet Secretary

Tony Delfin

Deputy Cabinet Secretary

David Catanach, Director Oil Conservation Division



Response Required - Deadline Enclosed

Field Inspection Program "Preserving the Integrity of Our Environment"

08-Jul-16

BREITBURN OPERATING LP

1401 MCKINNEY STREET SUITE 2400 HOUSTON TX 77010

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.

| | INSPECTIO | N DETAIL | SECTION | | |
|---|--|------------|---|--|----------------------|
| DUNN B FEDERAL No.013 Inspection Date Type Inspection | Inspector | Violation? | A-10-18S-28E *Significant Non-Compliance? | 30-015-01809-00- Corrective Action Due By: | 00 Inspection No. |
| 07/08/2016 Routine/Periodic Violations Absent Well Identification Sig | Tony Morales | Yes | No | 10/11/2016 | iTM1619042596 |
| | quipment and Location in | Good Shape | . LOCATION SIGN | NOT VISIBLE. | |
| DUNN B FEDERAL No.023 Inspection Date Type Inspection | Inspector | Violation? | D-10-18S-28E *Significant Non-Compliance? | 30-015-01815-00- Corrective Action Due By: | 00 Inspection No. |
| 07/08/2016 Routine/Periodic Violations Absent Well Identification Sig | Tony Morales | Yes | No | 10/11/2016 | iTM1619035958 |
| General Housekeeping (Rule | | | | | |
| | quipment and Location in G AROUND WELL HEA | - | . PJ. LOCATION SI | GN NOT VISIBLE. | |

| Inspection | EDERAL No.0 | 18 | | | C-11-18S-28E *Significant | 30-015-01825-00-0 Corrective | U |
|---|---|--|--|---|--|---|--|
| Date | Type Inspection | | Inspector | Violation? | Non-Compliance? | Action Due By: | Inspection No. |
| 07/08/2016 | Routine/Perio Violations | dic tification Signs (R | Tony Morales | Yes | No | 10/11/2016 | iTM1619043230 |
| Comments of | on Inspection: | | | n Good Shape. | LOCATION SIGN | NOT VISIBLE. | |
| DUNN B FE | DERAL No.0 |)6 | | | M-12-18S-28E | 30-015-01832-00-0 |) |
| Inspection | ······ | | 1 | 12-1-410 | *Significant | Corrective | |
| Date 07/08/2016 | Type Inspection Routine/Perio | | Inspector Topy Morolog | Violation? Yes | Non-Compliance? No | Action Due By: 10/11/2016 | Inspection No. iTM1619047337 |
| 0770872010 | Violations Surface Leaks/Sp | | Tony Morales | 165 | NO | 10/11/2010 | (11W1019047557 |
| Comments o | on Inspection: | | nent and Location in TAINED AREA A | | | ON FLOWLINE NE OF | |
| DUNN B FE | DERAL No.0 |)9 | | | J-12-18S-28E | 30-015-01835-00-0 |) |
| Inspection Date | Type Inspection | | Inspector | Violation? | *Significant Non-Compliance? | Corrective Action Due By: | Inspection No. |
| 07/08/2016 | Routine/Perio | | Tony Morales | Yes | No | • | iTM1619048056 |
| | Violations | tification Signs (R | · | 105 | | 10/11/2010 | , |
| Comments of | on Inspection: | OK. All Equipr | nent and Location in | 1 Good Shape | . PJ. LOCATION SI | GN NOT VISIBLE | |
| DUNN B FE | DERAL | No. | 007 | | N-12-18S-28E | 30-015-02683-00-0 | D |
| Inspection Date | Type Inspection | 1 | Inspector | Violation? | *Significant Non-Compliance? | Corrective Action Due By: | Inspection No. |
| 07/08/2016 | | | Tony Morales | Yes | No | - | iTM1619047592 |
| | | | | | | | |
| | Violations Absent Well Iden | tification Signs (R | ule 103) | | | | |
| Comments o | | OK. All Equipr | | 1 Good Shape | . PJ. STAINING AF | ROUND WELL HEAD. | |
| DUNN B FE | Absent Well Iden | OK. All Equipt LOCATION SI | nent and Location in | 1 Good Shape | E-10-18S-28E | 30-015-23225-00-0 | |
| DUNN B FE | Absent Well Iden on Inspection: | OK. All Equipt LOCATION SI 37 | nent and Location in GN NOT VISIBLE | n Good Shape | E-10-18S-28E *Significant | 30-015-23225-00-0 Corrective | |
| DUNN B FE Inspection Date | Absent Well Iden | OK. All Equipt LOCATION SI 37 | nent and Location in | | E-10-18S-28E | 30-015-23225-00-00 Corrective Action Due By: |) Inspection No. |
| DUNN B FE Inspection Date | Absent Well Iden on Inspection: DERAL No.03 Type Inspection Routine/Perio Violations | OK. All Equipr LOCATION SI 37 dic | nent and Location in GN NOT VISIBLE Inspector Tony Morales | Violation? | E-10-18S-28E *Significant Non-Compliance? | 30-015-23225-00-00 Corrective Action Due By: |) Inspection No. |
| DUNN B FE Inspection Date 07/08/2016 | Absent Well Iden on Inspection: EDERAL No.0: Type Inspection Routine/Perio Violations Absent Well Iden | OK. All Equipr LOCATION SI 37 dic tification Signs (R | nent and Location in GN NOT VISIBLE Inspector Tony Morales tule 103) | Violation? Yes | E-10-18S-28E *Significant Non-Compliance? No | 30-015-23225-00-0 Corrective Action Due By: 10/11/2016 | 0 |
| DUNN B FE Inspection Date 07/08/2016 | Absent Well Iden on Inspection: EDERAL No.03 Type Inspection Routine/Perio Violations Absent Well Iden on Inspection: | OK. All Equipr LOCATION SI 37 dic tification Signs (R OK. All Equipr | nent and Location in GN NOT VISIBLE Inspector Tony Morales | Violation? Yes | E-10-18S-28E *Significant Non-Compliance? No PJ LOCATION S | 30-015-23225-00-0 Corrective Action Due By: 10/11/2016 SIGN NOT VISIBLE | 0 Inspection No. iTM1619036379 |
| DUNN B FE Inspection Date 07/08/2016 Comments DUNN B FE | Absent Well Iden on Inspection: EDERAL No.0: Type Inspection Routine/Perio Violations Absent Well Iden | OK. All Equipr LOCATION SI 37 dic tification Signs (R OK. All Equipr | nent and Location in GN NOT VISIBLE Inspector Tony Morales tule 103) | Violation? Yes | E-10-18S-28E *Significant Non-Compliance? No PJ LOCATION S G-10-18S-28E | 30-015-23225-00-00 Corrective Action Due By: 10/11/2016 SIGN NOT VISIBLE 30-015-28244-00-0 | 0 Inspection No. iTM1619036379 |
| DUNN B FE Inspection Date 07/08/2016 | Absent Well Iden on Inspection: EDERAL No.03 Type Inspection Routine/Perio Violations Absent Well Iden on Inspection: | OK. All Equipr LOCATION SI 37 dic tification Signs (R OK. All Equipr 38 | nent and Location in GN NOT VISIBLE Inspector Tony Morales tule 103) | Violation? Yes | E-10-18S-28E *Significant Non-Compliance? No PJ LOCATION S | 30-015-23225-00-00 Corrective Action Due By: 10/11/2016 SIGN NOT VISIBLE 30-015-28244-00-00 Corrective | 0 Inspection No. iTM1619036379 |
| DUNN B FE Inspection Date 07/08/2016 Comments DUNN B FE Inspection | Absent Well Iden on Inspection: EDERAL No.03 Type Inspection Routine/Perio Violations Absent Well Iden on Inspection: EDERAL No.03 Type Inspection Routine/Perio Violations | OK. All Equipr LOCATION SI 37 dic tification Signs (R OK. All Equipr 38 dic | nent and Location in GN NOT VISIBLE Inspector Tony Morales tule 103) nent and Location in Inspector Tony Morales | Violation? Yes n Good Shape | E-10-18S-28E *Significant Non-Compliance? No PJ LOCATION S G-10-18S-28E *Significant | 30-015-23225-00-04 Corrective Action Due By: 10/11/2016 SIGN NOT VISIBLE 30-015-28244-00-04 Corrective Action Due By: | 0 Inspection No. iTM1619036379 0 Inspection No. |
| DUNN B FE Inspection Date 07/08/2016 Comments DUNN B FE Inspection Date | Absent Well Iden on Inspection: EDERAL No.03 Type Inspection Routine/Perio Violations Absent Well Iden on Inspection: EDERAL No.03 Type Inspection Routine/Perio Violations | OK. All Equipr LOCATION SI 37 dic tification Signs (R OK. All Equipr 38 dic tification Signs (R | nent and Location in GN NOT VISIBLE Inspector Tony Morales tule 103) nent and Location in Inspector Tony Morales | Violation? Yes n Good Shape Violation? | E-10-18S-28E *Significant Non-Compliance? No PJ LOCATION S G-10-18S-28E *Significant Non-Compliance? | 30-015-23225-00-00 Corrective Action Due By: 10/11/2016 SIGN NOT VISIBLE 30-015-28244-00-00 Corrective Action Due By: | 0 Inspection No. iTM1619036379 0 |
| DUNN B FE Inspection Date 07/08/2016 Comments DUNN B FE Inspection Date 07/08/2016 | Absent Well Iden on Inspection: EDERAL No.0: Type Inspectior Routine/Perio Violations Absent Well Iden on Inspection: EDERAL No.0: Type Inspectior Routine/Perio Violations Absent Well Iden | OK. All Equipr LOCATION SI 37 dic tification Signs (R OK. All Equipr 38 dic tification Signs (R eping (Rule 114) | nent and Location in GN NOT VISIBLE Inspector Tony Morales tule 103) nent and Location in Inspector Tony Morales tule 103) nent and Location in | Violation? Yes n Good Shape Violation? Yes | E-10-18S-28E *Significant Non-Compliance? No PJ LOCATION S G-10-18S-28E *Significant Non-Compliance? No | 30-015-23225-00-00 Corrective Action Due By: 10/11/2016 SIGN NOT VISIBLE 30-015-28244-00-00 Corrective Action Due By: | 0 Inspection No. iTM1619036379 0 Inspection No. iTM1619041959 |
| DUNN B FF Inspection Date 07/08/2016 Comments DUNN B FF Inspection Date 07/08/2016 Comments | Absent Well Iden on Inspection: EDERAL No.03 Type Inspectior Routine/Perio Violations Absent Well Iden on Inspection: EDERAL No.03 Violations Absent Well Iden General Houseke on Inspection: EDERAL No.03 | OK. All Equipr LOCATION SI 37 dic tification Signs (R OK. All Equipr 38 dic tification Signs (R eping (Rule 114) OK. All Equipr SIGN NOT VIS | nent and Location in GN NOT VISIBLE Inspector Tony Morales tule 103) nent and Location in Inspector Tony Morales tule 103) nent and Location in | Violation? Yes n Good Shape Violation? Yes | E-10-18S-28E *Significant Non-Compliance? No PJ LOCATION S G-10-18S-28E *Significant Non-Compliance? No PJ. WELL HEAD I G-10-18S-28E | 30-015-23225-00-0 Corrective Action Due By: 10/11/2016 SIGN NOT VISIBLE 30-015-28244-00-0 Corrective Action Due By: 10/11/2016 LEAKING LOCATION 30-015-28247-00-0 | D Inspection No. iTM1619036379 D Inspection No. iTM1619041959 |
| DUNN B FF Inspection Date 07/08/2016 Comments DUNN B FF Inspection Date 07/08/2016 Comments DUNN B FF Inspection | Absent Well Iden on Inspection: EDERAL No.02 Type Inspection Routine/Perio Violations Absent Well Iden on Inspection: EDERAL No.02 Type Inspection Routine/Perio Violations Absent Well Iden General Houseke on Inspection: EDERAL No.04 | OK. All Equipr LOCATION SI 37 dic tification Signs (R OK. All Equipr 38 dic tification Signs (R eping (Rule 114) OK. All Equipr SIGN NOT VIS 46 | nent and Location in GN NOT VISIBLE Inspector Tony Morales tule 103) nent and Location in SIBLE. | Violation? Yes n Good Shape Violation? Yes | E-10-18S-28E *Significant Non-Compliance? No PJ LOCATION S G-10-18S-28E *Significant Non-Compliance? No PJ. WELL HEAD I G-10-18S-28E *Significant | 30-015-23225-00-00 Corrective Action Due By: 10/11/2016 SIGN NOT VISIBLE 30-015-28244-00-00 Corrective Action Due By: 10/11/2016 LEAKING LOCATION 30-015-28247-00-0 Corrective | 0 Inspection No. iTM1619036379 0 Inspection No. iTM1619041959 |
| DUNN B FF Inspection Date 07/08/2016 Comments DUNN B FF Inspection Date 07/08/2016 Comments Comments | Absent Well Iden on Inspection: EDERAL No.02 Type Inspection Routine/Perio Violations Absent Well Iden on Inspection: EDERAL No.02 Type Inspection General Houseke on Inspection: EDERAL No.04 Type Inspection Routine/Perio | OK. All Equipr LOCATION SI 37 dic dic tification Signs (R OK. All Equipr 38 dic tification Signs (R cping (Rule 114) OK. All Equipr SIGN NOT VIS 46 | nent and Location in GN NOT VISIBLE Inspector Tony Morales tule 103) nent and Location in Inspector Tony Morales tule 103) nent and Location in | Violation? Yes n Good Shape Violation? Yes n Good Shape | E-10-18S-28E *Significant Non-Compliance? No PJ LOCATION S G-10-18S-28E *Significant Non-Compliance? No PJ. WELL HEAD I G-10-18S-28E | 30-015-23225-00-00 Corrective Action Due By: 10/11/2016 SIGN NOT VISIBLE 30-015-28244-00-00 Corrective Action Due By: 10/11/2016 LEAKING LOCATION 30-015-28247-00-0 Corrective | D Inspection No. iTM1619036379 D Inspection No. iTM1619041959 |
| DUNN B FF Inspection Date 07/08/2016 Comments DUNN B FF Inspection Date 07/08/2016 | Absent Well Iden on Inspection: EDERAL No.02 Type Inspection Routine/Perio Violations Absent Well Iden on Inspection: EDERAL No.02 Type Inspection Routine/Perio Violations Absent Well Iden General Houseke on Inspection: EDERAL No.04 Type Inspection Routine/Perio Violations | OK. All Equipr LOCATION SI 37 dic tification Signs (R OK. All Equipr 38 dic tification Signs (R eping (Rule 114) OK. All Equipr SIGN NOT VIS 46 | nent and Location in GN NOT VISIBLE Inspector Tony Morales tule 103) nent and Location in Inspector Tony Morales tule 103) nent and Location in SIBLE. | Violation? Yes n Good Shape Violation? Yes n Good Shape Violation? | E-10-18S-28E *Significant Non-Compliance? No PJ LOCATION S G-10-18S-28E *Significant Non-Compliance? No G-10-18S-28E *Significant Non-Compliance? | 30-015-23225-00-00 Corrective Action Due By: 10/11/2016 SIGN NOT VISIBLE 30-015-28244-00-00 Corrective Action Due By: 10/11/2016 LEAKING LOCATION 30-015-28247-00-0 Corrective Action Due By: | 0 Inspection No. iTM1619036379 0 Inspection No. iTM1619041959 |
| DUNN B FF Inspection Date 07/08/2016 Comments DUNN B FF Inspection Date 07/08/2016 Comments DUNN B FF Inspection Date 07/08/2016 | Absent Well Iden on Inspection: EDERAL No.02 Type Inspection Routine/Perio Violations Absent Well Iden on Inspection: EDERAL No.02 Type Inspection Routine/Perio Violations Absent Well Iden General Houseke on Inspection: EDERAL No.04 Type Inspection Routine/Perio Violations | OK. All Equipr LOCATION SI 37 dic tification Signs (R OK. All Equipr 38 dic tification Signs (R eping (Rule 114) OK. All Equipr SIGN NOT VIS 46 dic | Inspector Tony Morales Unic 103) Tony Morales Unic 103) Tony Morales Unic 103) Tony Morales Unic 103) Tony Morales Unic 103) Tony Morales | Violation? Yes n Good Shape Violation? Yes n Good Shape Violation? Yes | E-10-18S-28E *Significant Non-Compliance? No PJ LOCATION S G-10-18S-28E *Significant Non-Compliance? No G-10-18S-28E *Significant Non-Compliance? No | 30-015-23225-00-00 Corrective Action Due By: 10/11/2016 SIGN NOT VISIBLE 30-015-28244-00-00 Corrective Action Due By: 10/11/2016 LEAKING LOCATION 30-015-28247-00-0 Corrective Action Due By: | 0 Inspection No. iTM1619036379 0 Inspection No. iTM1619041959 |

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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 Divison Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon this well.

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Sincerely,) ک

Artesia 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.