State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez 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"

20-Jul-16

SANDLOTT ENERGY (JACKIE BREWER DBA) PO BOX 711 LOVINGTON NM 88260

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	ON DETAII	L SECTION		
RESLER YATES STATE No.061 Inspection Date Type Inspection		Inspector	Violation?	C-32-18S-28E *Significant Non-Compliance?	30-015-02146-00- Corrective Action Due By:	00 Inspection No.
07/20/2016	Routine/Periodic	Tony Morales	Yes	No	10/23/2016	iTM1620235849
	Violations					
	Absent Well Identification Sig	ns (Rule 103)				
	General Housekeeping (Rule 1					
	Seneral resubenceping (reale i	14)				
Comments	on Inspection: OK. All Eq	uipment and Location in ING AND PJ ON LOCA		. PJ. STAINING A	ROUND LOCATION	۷.
	on Inspection: OK. All Eq	uipment and Location in		PJ. STAINING A	ROUND LOCATION	
	on Inspection: OK, All Eq OLD TUB	uipment and Location in				
RESLER Y.	on Inspection: OK. All Eq OLD TUB ATES STATE No.355	uipment and Location in ING AND PJ ON LOCA	TION.	A-32-18S-28E *Significant	30-015-02148-00- Corrective	00
RESLER Y Inspection Date	on Inspection: OK, All Eq OLD TUB ATES STATE No.355 Type Inspection	uipment and Location in ING AND PJ ON LOCA	TION. Violation?	A-32-18S-28E *Significant Non-Compliance?	30-015-02148-00- Corrective Action Due By:	00 Inspection No.
RESLER Y Inspection Date	on Inspection: OK. All Eq OLD TUB ATES STATE No.355 Type Inspection Routine/Periodic	uipment and Location in ING AND PJ ON LOCA Inspector Tony Morales	TION. Violation?	A-32-18S-28E *Significant Non-Compliance?	30-015-02148-00- Corrective Action Due By:	00 Inspection No.

RESLER YATES STATE No.055 Inspection					B-32-18S-28E *Significant	30-015-02152-00-00 Corrective	
Date	Type Inspect	ion	Inspector	Violation?	Non-Compliance?		Inspection No.
07/20/2016	Routine/Per	iodic	Tony Morales	Yes	No	10/23/2016	iTM1620238697
	Violations						
	Absent Well Id	entification Sign	s (Rule 103)				
Comments	on Inspection:	OK. All Equ	ipment and Location in	n Good Shape	LOCATION SIGN	NOT VISIBLE.	
RESLER Y	ATES STAT	E No.368			G-32-18S-28E	30-015-10286-00-	00
Inspection	Type Inspecti		Inspector	Violation?	*Significant	Corrective	Inspection No.
Date	•• •		Inspector Tony Morales		Non-Compliance?	Action Due By:	-
07/20/2016	Koutine/Per Violations			Yes	No	10/23/2016	iTM1620237201
		entification Sign	s (Rule 103)				
Comments	on Inspection:	e	ipment and Location in	n Good Shape	LOCATION SIGN	NOT VISIBLE.	
RESLER Y	ATES STAT		·		H-32-185-28E	30-015-20094-00-0	00
Inspection		L 110.570			*Significant	Corrective	
Date	Type Inspecti	on	Inspector	Violation?	Non-Compliance?	Action Due By:	Inspection No.
07/20/2016	Routine/Per	iodic	Tony Morales	Yes	No	10/23/2016	iTM1620238432
	Violations						
		entification Sign	• •				
Commonte	on Inspection:	keeping (Rule 11	^{#)} ipment and Location in	C			、
	-	OLD PJ. ON	I LOCATION. OLD TU NNING THROUGH LO	JBING AND			
RESLER Y	ATES STAT	E No.379			G-32-18S-28E	30-015-20115-00-0)0
Inspection Date	Type Inspection	D.73	Inspector	Violation?	*Significant	Corrective	Inspection No.
	••••••		mspector	Tonation.	Non-Compliance?	Action Due By:	moptemon rior
N /// /IN//////////////////////////////	Doutino/Dore	odio	Tony Morales	Vec	No	10/23/2016	TM1620237500
07/20/2016	Routine/Peri Violations	odic	Tony Morales	Yes	No	10/23/2016	íTM1620237509
07/20/2016	Violations		·	Yes	No	10/23/2016	íTM1620237509
07/20/2016	Violations Absent Well Ide	odic entification Signs seeping (Rule 114	(Rule 103)	Yes	No	10/23/2016	íTM1620237509
	Violations Absent Well Ide	entification Signs ceeping (Rule 11) OK. All Equ	(Rule 103)				íTM1620237509
Comments	Violations Absent Well Ide General House	entification Signs ceeping (Rule 11 OK. All Equ TUBING ON	(Rule 103) 4) ipment and Location in				
Comments RESLER Y Inspection	Violations Absent Well Ide General Housek on Inspection: ATES STATI	entification Signs seeping (Rule 11 OK. All Equ TUBING ON E No.376	(Rule 103) 4) ipment and Location in NLOCATION	Good Shape.	LOCATION SIGN I F-32-18S-28E *Significant	NOT VISIBLE OLD 30-015-20123-00-0 Corrective	10
Comments RESLER Y Inspection Date	Violations Absent Well Idd General Housek on Inspection: ATES STATI	entification Signs seeping (Rule 11 OK. All Equ TUBING ON E No.376	(Rule 103) 4) ipment and Location in VLOCATION Inspector	Good Shape. Violation?	LOCATION SIGN I F-32-18S-28E *Significant Non-Compliance?	NOT VISIBLE OLD 30-015-20123-00-0 Corrective Action Due By:	00 Inspection No.
Comments RESLER Y Inspection Date	Violations Absent Well Ide General Housek on Inspection: ATES STATI Type Inspectio Routine/Peri	entification Signs seeping (Rule 11 OK. All Equ TUBING ON E No.376	(Rule 103) 4) ipment and Location in NLOCATION	Good Shape.	LOCATION SIGN I F-32-18S-28E *Significant	NOT VISIBLE OLD 30-015-20123-00-0 Corrective	10
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Comments RESLER Y Inspection Date 07/20/2016	Violations Absent Well Idd General Housek on Inspection: ATES STATI Type Inspectio Routine/Peri Violations Absent Well Idd	entification Signs seeping (Rule 11) OK. All Equ TUBING ON E No.376 on odic entification Signs seeping (Rule 11)	(Rule 103) 4) ipment and Location in V LOCATION Inspector Tony Morales (Rule 103) 4)	Good Shape. Violation? Yes	LOCATION SIGN I F-32-18S-28E *Significant Non-Compliance? No	NOT VISIBLE OLD 30-015-20123-00-0 Corrective Action Due By: 10/23/2016	00 Inspection No. iTM1620236828
Comments RESLER Y Inspection Date 07/20/2016	Violations Absent Well Idd General Housek on Inspection: ATES STATI Type Inspectio Routine/Peri Violations Absent Well Idd General Housek	entification Signs ceeping (Rule 11) OK. All Equ TUBING ON E No.376 on odic entification Signs ceeping (Rule 11) OK. All Equ	(Rule 103) 4) ipment and Location in V LOCATION Inspector Tony Morales (Rule 103)	Good Shape. Violation? Yes Good Shape.	LOCATION SIGN I F-32-18S-28E *Significant Non-Compliance? No PJ. LOCATION SIG	NOT VISIBLE OLD 30-015-20123-00-0 Corrective Action Due By: 10/23/2016 GN NOT MOUNTED.	00 Inspection No. iTM1620236828
Comments RESLER Y Inspection Date 07/20/2016 Comments	Violations Absent Well Idd General Housek on Inspection: ATES STATI Type Inspectio Routine/Peri Violations Absent Well Idd General Housek	entification Signs eceping (Rule 11 OK. All Equ TUBING ON E No.376 on odic entification Signs eceping (Rule 114 OK. All Equ OLD PJ, SU	(Rule 103) 4) ipment and Location in V LOCATION Inspector Tony Morales (Rule 103) 4) ipment and Location in	Good Shape. Violation? Yes Good Shape.	LOCATION SIGN I F-32-18S-28E *Significant Non-Compliance? No PJ. LOCATION SIG	NOT VISIBLE OLD 30-015-20123-00-0 Corrective Action Due By: 10/23/2016 GN NOT MOUNTED.	00 Inspection No. iTM1620236828
Comments RESLER Y Inspection Date 07/20/2016 Comments RESLER Y Inspection	Violations Absent Well Idd General Housek on Inspection: ATES STATI Type Inspectio Routine/Peri Violations Absent Well Idd General Housek on Inspection: ATES STATE	entification Signs (Rule 11) OK. All Equ TUBING ON E No.376 On odic entification Signs (Rule 11) OK. All Equ OLD PJ, SU E No.353	(Rule 103) 4) ipment and Location in V LOCATION Inspector Tony Morales (Rule 103) 4) ipment and Location in CKER RODS, TUBING	Good Shape. Violation? Yes Good Shape. GON LOCA1	LOCATION SIGN I F-32-18S-28E *Significant Non-Compliance? No PJ. LOCATION SIG ION. STAINING AI B-32-18S-28E *Significant	NOT VISIBLE OLD 30-015-20123-00-0 Corrective Action Due By: 10/23/2016 GN NOT MOUNTED ROUND WELL HEAI 30-015-22141-00-0 Corrective	00 Inspection No. iTM1620236828 D
Comments RESLER Y Inspection Date 07/20/2016 Comments RESLER Y Inspection Date	Violations Absent Well Idd General Housek on Inspection: ATES STATI Type Inspectio Routine/Peri Violations Absent Well Idd General Housek on Inspection: ATES STATH Type Inspectio	entification Signs teeping (Rule 11 OK. All Equ TUBING ON E No.376 on odic entification Signs teeping (Rule 114 OK. All Equ OLD PJ, SU E No.353 on	(Rule 103) 4) ipment and Location in V LOCATION Inspector Tony Morales (Rule 103) 4) ipment and Location in CKER RODS, TUBING Inspector	Good Shape. Violation? Yes Good Shape. GON LOCAT	LOCATION SIGN I F-32-18S-28E *Significant Non-Compliance? No PJ. LOCATION SIG ION. STAINING AI B-32-18S-28E *Significant Non-Compliance?	NOT VISIBLE OLD 30-015-20123-00-0 Corrective Action Due By: 10/23/2016 GN NOT MOUNTED. ROUND WELL HEAI 30-015-22141-00-0 Corrective Action Due By:	00 Inspection No. iTM1620236828 D 00 Inspection No.
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RESLER Y	ATES STATE No.382			F-32-18S-28E	30-015-26366-00-00	
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
07/20/2016	Routine/Periodic	Tony Morales	Yes	No	10/23/2016	iTM1620236570
	Violations					
Comments of	on Inspection: OK. All	Equipment and Location in	Good Shape.	PJ. LOCATION SI	GN NOT VISIBLE.	

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.

Sincerely,

D' (0 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.