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"

04-Aug-16

MEWBOURNE OIL CO

PO Box 5270

Hobbs NM 88241-8241

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

SANTO NINO 29 FEDERAL No.001 E-29-18S-30E 30-015-28139-00-00 Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 08/04/2016 Routine/Periodic Tony Morales Yes No 11/7/2016 iTM1621742677 Violations Tank Battery Equipment (Rules 114, 115) General Housekeeping (Rule 114) Comments on Inspection: OK. All Equipment and Location in Good Shape. PJ. STAINING AROUND WELL HEAD TANK BATTERY NEEDS WINDSOCK OLD BARB WIRE TUBING CHEMICAL TANK ON

TANK BATTERY NEEDS WINDSOCK OLD BARB WIRE TUBING CHEMICAL TANK O LOCATION

SANTO NINO 19 FEDERAL No.001 O-19-18S-30E 30-015-28329-00-00
Inspection *Significant Corrective

*Significant Corrective Type Inspection Inspector Violation? Date Inspection No. Non-Compliance? Action Due By: 08/04/2016 Routine/Periodic **Tony Morales** Yes No 11/7/2016 iTM1621735675

Violations

General Housekeeping (Rule 114)

Comments on Inspection: OK. All Equipment and Location in Good Shape. PJO. TANK BATTERIES OK WINDSOCK

NEEDS REPAIR. OLD TUBING ON LOCATION

SANTO NINO 29 FEDERAL SWD No.001 G-29-18S-30E-_ 30-015-28698-00-00 Inspection *Significant_ Corrective Type Inspection Inspector Violation? Inspection No. Non-Compliance? Date Action Due By: 08/04/2016 Routine/Periodic Tony Morales Yes iTM1621745040 No 11/7/2016 Violations Tank Battery Equipment (Rules 114, 115) General Housekeeping (Rule 114) Comments on Inspection: OK. All Equipment and Location in Good Shape. TANK BATTERIES NO WIND SOCK STAINING AROUND DRAINS OLD CONTAINMENT CONTAMINATED MATERIAL **UNMARKED 55 GALLON DRUM ON LOCATION** ARIES 20 FEDERAL COM No.002H E-20-18S-30E 30-015-38392-00-00 Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 08/04/2016 Routine/Periodic **Tony Morales** Yes No 11/7/2016 iTM1621732549 **Violations** General Housekeeping (Rule 114) Comments on Inspection: OK. All Equipment and Location in Good Shape. PJO. STAINING AROUND LOCATION. OLD UNMARKED 55 GALLON DRUM ON LOCATION ARIES 20 FEDERAL COM No.003H L-20-18S-30E 30-015-39432-00-00 *Significant Inspection Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 08/04/2016 Routine/Periodic Tony Morales Yes No 11/7/2016 iTM1621736559 Violations General Housekeeping (Rule 114) Comments on Inspection: OK. All Equipment and Location in Good Shape. PJO. STAINING AROUND WELL HEAD OLD TUBING ON LOCATION **BRADLEY 30 FEDERAL No.003H** E-30-18S-30E 30-015-40168-00-00 Inspection *Significant Corrective Violation? Type Inspection Inspector Inspection No. Date Non-Compliance? Action Due By: 08/04/2016 Routine/Periodic Tony Morales iTM1621741968 Yes No 11/7/2016 Violations General Housekeeping (Rule 114) Comments on Inspection: OK. All Equipment and Location in Good Shape. PJO. STAINING AROUND WELL HEAD TANK BATTERY NO WINDSOCK OLD CONTAIMENT TIN ON LOCATION ARIES 20 FEDERAL COM No.004H M-20-18S-30E 30-015-40427-00-00 *Significant Corrective Inspection Type Inspection Inspection No. Inspector Violation? Date Non-Compliance? Action Due By: 08/04/2016 Routine/Periodic Tony Morales Yes 11/7/2016 iTM1621736166 No Violations General Housekeeping (Rule 114) Comments on Inspection: OK, All Equipment and Location in Good Shape. PJO. FLARE OK. STAINING AROUND WELL HEAD OLD TUBING / POLYPIPE ON LOCATION

BRADLEY 30 FEDERAL COM No.004H D-30-18S-30E 30-015-40934-00-00 Inspection *Significant Corrective Type Inspection Violation? Inspection No. Inspector Date Non-Compliance? Action Due By: 08/04/2016 Routine/Periodic 11/7/2016 iTM1621740779 **Tony Morales** Yes No Violations General Housekeeping (Rule 114)

Comments on Inspection: OK. All Equipment and Location in Good Shape. PJ. STAINING AROUND WELL HEAD ARIES 20 MP FEDERAL COM No.001H

M-20-18S-30E - 30-015-41695-00-00

Inspection

Type Inspection Date

Inspector

*Significant Violation? Non-Compliance?

Corrective Action Due By:

Inspection No.

08/04/2016

Routine/Periodic

Tony Morales

Yes No 11/7/2016

iTM1621732177

Violations

General Housekeeping (Rule 114)

Comments on Inspection:

OK. All Equipment and Location in Good:Shape. PJ STAINING AROUND WELL HEAD

POLY PIPE ON LOCATION. OPEN PIT

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,

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.