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



Field Inspection Program "Preserving the Integrity of Our Environment"

PECOS RIVER OP INC

1405 E. JOHN ST. #2 SEATTLE WA 98112

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

HELEN COLLINS FEDERAL COM No.001

L-5-7S-26E *Significant 30-005-61424-00-00

Inspection Date 11/07/2016

Type Inspection Routine/Periodic Inspector

Gilbert Cordero

Violation? Yes

Non-Compliance? No

Corrective Action Due By: 2/10/2017

Inspection No. iGC1631241871

Comments on Inspection:

FIRE HAZARD RULE 19.15.10.8. AREA NEEDS TO BE CLEANED TO AT LEAST 150'

FROM WELL AND TANKS. WELL SIGN RULE 19.15.16.8. SIGN IS NOT LEGIBLE

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

Compliance Officer

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.