Top Morales & Gilbert Cordero,

The violations on the attached documents have been resolved.

Thanks,

Tanner Riewe

 Production Engineer

 Office:
 (575) 393-5905

 Cell:
 (575) 602-3009

 Fax:
 (575) 393-7259

 Email:
 triewe@mewbourne.com



NM OIL CONSERVATION ARTESIA DISTRICT NOV 0 7 2016

RECEIVED 8-1/0.

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"

30-Sep-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.

			INSPECTIO	N DETAIL	SECTION		
ZIRCON 2 EH STATE Inspection Date Type Inspection		L	No.001H Inspector		E-2-19S-29E *Significant Non-Compliance?	30-015-40572-00-00 Corrective Action Due By: Inspection No.	
09/30/2016	Routine/Perio Violations Surface Leaks/Sp General Houseke	ills	Tony Morales	Yes	No	1/3/2017	iTM1627430638
Comments	on Inspection:	STAINED A	uipment and Location in AREA APPROX 20' X 8 PIECES ON LOCATIO	30' CONTÂM	IINATED MATERIA	AL ON LOCATION	