State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez Governor

Ken McQueen Cabinet Secretary

Matthias Sayer Deputy Cabinet Secretary **David Catanach** Division Director



Response Required - Deadline Enclosed

Field Inspection Program "Preserving the Integrity of Our Environment"

08-May-17

BURNETT OIL CO INC

Burnett Plaza, Suite 1500 801 Cherry St., Unit 9 Fort Worth TX 76102-6102

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	V DETAIL	SECTION		
GRAYBUR Inspection Date	G JACKSON S Type Inspection	5 A UNIT No.02	21 Inspector	Violation?	J-14-17S-30E *Significant Non-Compliance?	30-015-04154-00-00 Corrective Action Due By:) Inspection No.
05/08/2017	Routine/Period Violations Absent Well Iden	lic	Tony Morales	Yes	No	8/11/2017	iTM1712833801
Comments	on Inspection:	OK. All Equipme	·			ROUND WELL HEAD).
GISSLER A Inspection Date	No.019 Type Inspection		Inspector	Violation?	J-14-17S-30E *Significant Non-Compliance?	30-015-32835-00-00 Corrective Action Due By:) Inspection No.
05/08/2017	Routine/Perio Violations General Housekee		Tony Morales	Yes	No	8/11/2017	iTM1712834912
Comments	on Inspection:	OK. All Equipme RULE 19.15.35.7		Good Shape	. PJO. STAINING A	ROUND WELL HEAD	+

GISSLER B Inspection	No.035				E-14-17S-30E *Significant	30-015-33495-00-0 Corrective	0			
Date	Type Inspectio	מי	Inspector	Violation?	Non-Compliance?	Action Due By:	Inspection No.			
05/08/2017	Routine/Perio Violations General Housek	odic eeping (Rule 114)	Tony Morales	Yes	No	8/11/2017	iTM1712843196			
Comments on Inspection: OK.			K. All Equipment and Location in Good Shape. PJ. STAINING AROUND WELL HEAD+. JLE 19.15.35.7B							
GISSLER A	No.026				J-14-17S-30E	30-015-34503-00-0	0			
Inspection Date	Type Inspectio	n	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.			
05/08/2017	Routine/Peri Violations	odic eeping (Rule 114)	Tony Morales	Yes	No	8/11/2017	iTM1712835072			
Comments o	n Inspection:	OK. All Equip	ment and Location in ULE 19.15.35.7B	Good Shape	. PJ. STAINING AR	OUND WELL HEAD	ł			
GISSLER B Inspection			• <i>,</i>		D-14-17S-30E *Significant	30-015-34688-00-0 Corrective				
Date 05/08/2017	Type Inspection Routine/Peri		Inspector Tony Morales	Violation? Yes	Non-Compliance? No	Action Due By: 8/11/2017	Inspection No. iTM1712841572			
	Violations General Housekeeping (Rule 114)									
Comments o	n Inspection:			Good Shap.	PJO. STAINING AF	ROUND WELL HEAD).			
GISSLER B Inspection			Inspector	Violation?	J-11-17S-30E *Significant	30-015-36380-00-0 Corrective	0 Inspection No.			
Date 05/08/2017	Type Inspection Routine/Periodic		Inspector Tony Morales	Yes	Non-Compliance? No	Action Due By: 8/11/2017	iTM1712848066			
05/06/2017	Violations	ceeping (Rule 114)	•	103	No	0/11/2017	11111/12040000			
Comments o	on Inspection:	OK. All Equip RULE 19.15.3		1 Good Shae.	PJO. STAINING AR	ROUND WELL HEAD)			
GISSLER B	No.055		······	<u> </u>	J-11-17S-30E	30-015-37243-00-0)0			
Inspection	Type Inspectio		Inspector	Violation?	*Significant	Corrective	Inspection No.			
Date 05/08/2017	Routine/Peri Violations	odic	Tony Morales	Yes	Non-Compliance? No	Action Due By: 8/11/2017	iTM1712848137			
Comments of	on Inspection:	ceeping (Rule 114) OK. All Equip RULE 19.15.3	oment and Location ir	n Good Shape	. PJO. STAINING A	ROUND WELL HEA	D			
GISSLER A	No.042				M-12-17S-30E	30-015-40846-00-0)0			
Inspection Date	Type Inspection	on	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.			
05/08/2017	Routine/Peri Violations		Tony Morales	Yes	No	8/11/2017	iTM1712846995			
Comments of	on Inspection:		oment and Location in	n Good Shape	. PJ. STAINING AR	OUND WELL HEAD	+			

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 1 0

Artesia OCD District Office

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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.