State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

Ken McQueen Cabinet Secretary

Matthias Sayer

Deputy Cabinet Secretary

David CatanachDivision Director



Response Required - Deadline Enclosed

Field Inspection Program
"Preserving the Integrity of Our Environment"

03-Oct-17

JOHN A YATES JR

PO Box 900

Artesia NM 88211-8211

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.

STATE B N Inspection Date	o.004 Type Inspection	ı	Inspector	Violation?	K-5-19S-28E *Significant Non-Compliance?	30-015-02182-00-0 Corrective Action Due By:	Inspection No.
10/03/2017	Routine/Perio Violations General Houseke		Tony Morales	Yes	No	1/6/2018	iTM1727638283
Comments	on Inspection:	OK All Equipr	nent and Location ir	Good Shape	J. STAINING A	ROUND LOCATION	AND
	•				RD/WINDSOCK 19	-	AND
STATE B N Inspection Date		WELL HEAD			RD/WINDSOCK 19 K-5-19S-28E *Significant	0.15.10.5 30-015-02183-00-0 Corrective	
Inspection	O.001 Type Inspection Routine/Perion Violations	WELL HEAD	TANK BATTERY	NO PLACAR	RD/WINDSOCK 19 K-5-19S-28E	30-015-02183-00-0	00

STATE C No.003 F-5-19S-28E 30-015-02185-00-00

Inspection *Significant Corrective
Date Type Inspection Inspector Violation? Non-Compliance? Action Due By:

10/03/2017 Routine/Periodic Tony Morales Yes No 1/6/2018 iTM1727637712

Inspection No.

Violations

General Housekeeping (Rule 114)

Comments on Inspection: OK. All Equipment and Location in Good Shape. PJO. STAINING AROUND LOCATION

AND WELL HEAD 19.15.10.8

STATE A No.005 O-5-19S-28E 30-015-02186-00-00

Inspection *Significant Corrective **Type Inspection** Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 10/03/2017 Routine/Periodic Tony Morales 1/6/2018 iTM1727638555 Yes No

Violations

General Housekeeping (Rule 114)

Comments on Inspection: OK. All Equipment and Location in God Shape. PJ. STAINING AROUND WELL HEAD

19.15.10.8

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.