State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

Ken McQueenCabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

David CatanachDivision Director



Response Required - Deadline Enclosed

Field Inspection Program
"Preserving the Integrity of Our Environment"

26-Oct-17

DEVON ENERGY PRODUCTION COMPANY, LP

PO Box 250

Artesia NM 88210

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.

DIAMOND Inspection Date	PWU 22 Type Inspection	No.002F	[pector Violati	E-22-19S-29E *Significan Non-Complian	t Corrective	Inspection No.
10/26/2017	Routine/Perio		ny Morales Yo	Non-complian	•	iTM1729931338
Comments	on Inspection:	OK. All Equipment a 19.15.10.8	nd Location in Good S	hape. PJ. STAININ	G AROUND WELL HEAD	
DIAMOND Inspection Date	PWU 22 Type Inspection	No.003I	I pector Violat	I-21-19S-29E *Significan ion? Non-Compliar		Inspection No.
10/26/2017	Routine/Peri Violations General Housek	odic To eeping (Rule 114)	ny Morales Y	_		iTM1729932702
Comments	on Inspection:	OK. All Equipment a	and Location in Good S	shape. PJO. STAINING	G AROUND WELL HEAD	

DIAMOND PWU 22 P-21-19S-29E No.004H 30-015-40036-00-00 Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Non-Compliance? Date Action Due By: 10/26/2017 Routine/Periodic Tony Morales Yes No 1/29/2018 iTM1729933393 Violations General Housekeeping (Rule 114) **Comments on Inspection:** OK. All Equipment and Location in Good Shape. PJO. STAINING AROUND WELL HEAD 19.15.10.8 **ONYX PWU 29** No.006H H-29-19S-29E 30-015-40514-00-00 Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Non-Compliance? Date Action Due By: 10/26/2017 Routine/Periodic Tony Morales Yes No 1/29/2018 iTM1729936757 **Violations** General Housekeeping (Rule 114) Comments on Inspection: OK. All Equipment and Location in Good Shape. PJO. STAINING AROUND WELL HEAD SINK HOLE 100' WEST 100' NORTH FROM PUMP JACK VISIBLE FROM LOCATION ENTRANCE 19.15.10.8 PUMPER HOSTILE H-29-19S-29E **CORAL PWU 28** No.006H 30-015-40516-00-00 Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Non-Compliance? Action Due By: Date 10/26/2017 1/29/2018 iTM1729935936 Routine/Periodic Tony Morales Yes No **Violations** General Housekeeping (Rule 114) **Comments on Inspection:** OK. All Equipment and Location in Good Shape. PJO. STAINING AROUND WELL HEAD SINK HOLE 100' WEST 100' NORTH FROM PUMP JACK VISIBLE FROM LOCATION ENTRANCE 19.15.10.8 PUMPER HOSTILE

I-21-19S-29E 30-015-41007-00-00 **DIAMOND PWU 22** No.007H Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Non-Compliance? Action Due By: Date 10/26/2017 Routine/Periodic No 1/29/2018 iTM1729932886 Tony Morales Yes Violations General Housekeeping (Rule 114) Comments on Inspection: OK. All Equipment and Location in God Shape. PJ. STAINING AROUND 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

DEAD MEN NOT MARKED.

plug and abandon this well.

19.15.10.8

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.