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"

16-Jan-18

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.

TODD 36 K STATE No.005 K-36-23S-31E 30-015-28521-00-00 Inspection *Significant Corrective Type Inspection Inspector Violation? Non-Compliance? Inspection No. Date Action Due By: 01/16/2018 Routine/Periodic Tony Morales Yes 4/21/2018 iTM1801641268 No

INSPECTION DETAIL SECTION

Violations

General Housekeeping (Rule 114)

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

19.15.10.8

TODD 36 N STATE No.014 N-36-23S-31E 30-015-28762-00-00
Inspection *Significant Corrective

Date Type Inspection Inspector Violation? Non-Compliance? Action Due By: Inspection No. 01/16/2018 Routine/Periodic Tony Morales Yes No 4/21/2018 iTM1801639652

Violations

General Housekeeping (Rule 114)

Comments on Inspection: OK. All Equipment and Location in Good Shape. PJ HOA OFF. STAINING AROUND

WELL HEAD 19.15.10.8

TODD 36 B STATE No.020H B-36-23S-31E 30-015-38044-00-00 Inspection *Significant Corrective **Type Inspection** Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 01/16/2018 Routine/Periodic Tony Morales 4/21/2018 iTM1801644852 Yes No **Violations** General Housekeeping (Rule 114) **Comments on Inspection:** PJO. STAINING AROUND WELL OK. All Equipment and Location in Good Shape. HEAD TANK BATTERIES WINDSOCK NEEDS REPLACING 19.15.10.8 **ALDABRA 25 FEDERAL COM** No.001H M-25-23S-31E 30-015-38612-00-00 Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 01/16/2018 Routine/Periodic Tony Morales Yes No 4/21/2018 iTM1801646185 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 ALDABRA 25 FEDERAL No.003H N-25-23S-31E 30-015-38614-00-00 Inspection *Significant Corrective **Type Inspection** Violation? Non-Compliance? Inspection No. Inspector Date Action Due By: iTM1801647599 01/16/2018 Routine/Periodic Tony Morales Yes No 4/21/2018

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.

PJO. STAINING AROUND WELL

OK. All Equipment and Location in Good Shape.

Sincerely,

Artesia OCD District Office

Violations

Comments on Inspection:

General Housekeeping (Rule 114)

HEAD 19.15.10.8

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.