State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

Ken McQueen

Cabinet Secretary

Matthias Saver

Deputy Cabinet Secretary

Heather Riley Division Director



Response Required - Deadline Enclosed

Field Inspection Program "Preserving the Integrity of Our Environment"

05-Mar-18

ENDEAVOR ENERGY RESOURCES, LP

110 N. Marienfeld Ste 200 Midland TX 79701-9701

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.

INSPECTION DETAIL SECTION

TIRANO CNG STATE No.001				N-36-24S-28E	30-015-27853-00-00	
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/05/2018	Routine/Periodic	Tony Morales	Yes	No	6/8/2018	iTM1806444541
	Violations					
	General Housekeeping (Rule 114)					
	<u> </u>					

OK. All Equipment and Location in Good Shape. PJO. STAINING AROUND WELL HEAD / **Comments on Inspection:** TANK BATTERIES. TANK BATTERIES NO WINDSOCK OLD TANK BATTERY ON LOCATION 19.15.10.8

TIRANO CNG STATE No.003					L-36-24S-28E	30-015-28065-00-00			
Inspection Date	Type Inspection	n	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.		
03/05/2018	Routine/Peri	odic	Tony Morales	Yes	No	6/8/2018	iTM1806445315		
	Violations								
	Absent Well Ide	ntification Signs	(Rule 103)						
Comments on Inspection:		OK. All Equipment and Location in Good Shape. PJ POWER OFF. OPERATOR NAME- NANCE- ON LOCATION SIGN IS WRONG SPOKE TO MICHAEL IMPACT CHEMICAL HOBBS NM CHEMICAL TREATMENT 19.15.16.8							

TIRANO CNG STATE No.004

K-36-24S-28E

30-015-28066-00-00

Inspection Date

03/05/2018

Type Inspection Routine/Periodic Inspector

Violation?

*Significant Non-Compliance?

Corrective **Action Due By:**

Inspection No.

Tony Morales

Yes

No

6/8/2018

iTM1806445892

Violations

Absent Well Identification Signs (Rule 103)

General Housekeeping (Rule 114)

Comments on Inspection:

OK. All Equipment and Location in Good Shape. PJO. STAINING AROUND WELL HEAD. OLD TUBING ON LOCATION 19.15.10.8 OPERATOR NAME-NANCE- ON LOCATION

SIGN IS WRONG 19.15.16.8

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.