State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

Ken McOueen

Cabinet Secretary

Matthias Saver

Deputy Cabinet Secretary

Heather Riley

Division Director



Response Required - Deadline Enclosed

Field Inspection Program
"Preserving the Integrity of Our Environment"

09-May-18

MEWBOURNE OIL CO

4801 Business Park Blvd. PO Box 5270 Hobbs NM 88240-8240

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

30-015-31353-00-00 P-18-17S-29E EMPIRE 18 STATE No.003 *Significant Corrective Inspection Inspection No. Inspector Violation? **Type Inspection Action Due By:** Non-Compliance? Date iTM1812945609 8/12/2018 05/09/2018 Routine/Periodic **Tony Morales** Yes No Violations General Housekeeping (Rule 114) OK. All Equipment and Location in Good Shape. PJO. STAINING AROUND WELLHEAD Comments on Inspection: 19.15.10.8 LOCATION BEING USED AS STORAGE. TANK BATTERIES OK 30-015-33769-00-00 I-18-17S-29E **EMPIRE 18 STATE No.007** *Significant Corrective Inspection Inspection No. Violation? Inspector **Type Inspection** Non-Compliance? **Action Due By:** Date iTM1812949061 8/12/2018 No Routine/Periodic Tony Morales Yes 05/09/2018

Violations

General Housekeeping (Rule 114)

Comments on Inspection: OK, All Equip

OK, All Equipment and Location in Good Shape. PJO STAINING AROUND WELLHEAD

19.15.10.8

EMPIRE 18 STATE No.008

J-18-17S-29E

30-015-33771-00-00

Inspection Date

Type Inspection

Inspector

Violation? Non-Compliance?

*Significant Corrective

Action Due By:

Inspection No.

05/09/2018 Routine/Periodic **Tony Morales**

Yes

No 8/12/2018

iTM1812949373

Violations

General Housekeeping (Rule 114)

Comments on Inspection:

OK. All Equipment and Location in Good Shape. PJ STAINING AROUND WELLHEAD OLD

TUBING ON LOCATION 19.15.10.8

EMPIRE 18 STATE No.010

I-18-17S-29E

30-015-36735-00-00

Inspection

Date

Inspector

Violation?

*Significant Non-Compliance?

Corrective Action Due By:

Inspection No.

05/09/2018

Type Inspection Routine/Periodic

Tony Morales

Yes

No

8/12/2018

iTM1812948719

Violations

General Housekeeping (Rule 114)

Comments on Inspection:

OK. All Equipment and Location in Good Shape. PJ STAINING AROUND WELLHEAD

FRESH OIL LEAK? 20' SOUTH OF WELLHEAD 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.