State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez Governor

Ken McQueen Cabinet Secretary

Matthias Sayer Deputy Cabinet Secretary Heather Riley Division Director



Response Required - Deadline Enclosed

Field Inspection Program "Preserving the Integrity of Our Environment"

06-Jul-18

LLJ VENTURES, LLC DBA MARKER OIL & GAS P O BOX 3188 ROSWELL NM 88202

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.

			INSPECTIO	N DETAIL	SECTION		
BURNHAM Inspection Date	GRAYBURG Type Inspection		S UNIT No.001B Inspector	; Violation?	K-2-17S-30E *Significant Non-Compliance?	30-015-04045-00-0 Corrective Action Due By:	O Inspection No.
07/06/2018	Routine/Perio	dic	Tony Morales	Yes	No	10/9/2018	iTM1818742940
Comments of	on Inspection:	OK. All Equipm 19.15.29	ent and Location in	Good Shape.	PJ. STAINING AR	OUND WELL HEAD.	
BURNHAM Inspection Date	GRAYBURG		S UNIT No.003 Inspector	Violation?	I-2-17S-30E *Significant Non-Compliance?	30-015-04047-00-0 Corrective Action Due By:	O Inspection No.
07/06/2018	Routine/Perio	dic	Tony Morales	Yes	No	10/9/2018	iTM1818746285
Comments of	on Inspection:	OK. All Equipm 19.15.29 POW		n Good Shape.	PJ STAINING AR	OUND WELLHEAD	
FEDERAL Inspection Date	R No.001 Type Inspection)	Inspector	Violation?	G-10-17S-30E *Significant Non-Compliance?	30-015-04115-00-0 Corrective Action Due By:	0 Inspection No.
07/06/2018	Routine/Perio	dic	Tony Morales	Yes	No	10/9/2018	iTM1818739404
Comments	on Inspection:		nent and Location in TED MATERIAL C			ROUND WELL HEA	D.

FEDERAL I	R No.002				A-10-17S-30E *Significant	30-015-04170-00-0 Corrective	D
Date	Type Inspection	n	Inspector	Violation?	Non-Compliance?	Action Due By:	Inspection No.
07/06/2018	Routine/Peric	odic	Tony Morales	Yes	No	10/9/2018	iTM1818740342
Comments	on Inspection:	O K. All Equip: 19.15.29	ment and Location in	n Good Shape	. PJ STAINING A	ROUND WELLHEAD)
BURNHAM	GRAYBURG	G SAN ANDRE	S UNIT No.004		J-2-17S-30E	30-015-24800-00-0	0
Inspection Date	Type Inspectio	D	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
07/06/2018	Routine/Perio	odic	Tony Morales	Yes	No	10/9/2018	iTM1818744664
Comments	on Inspection:		nent and Location in GN NOT VISIBLE	•	PJ. HOA OFF WEI	LL HEAD STAINING	· · · · · · · · · · · · · · · · · · ·
BURNHAM	GRAYBURG	SAN ANDRE	S UNIT No.004A	<u> </u>	N-2-17S-30E	30-015-24804-00-0	0
Inspection Date	Type Inspectio	D	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
07/06/2018	Routine/Perio	odic	Tony Morales	Yes	No	10/9/2018	iTM1818747080
Comments	on Inspection:	OK. All Equipn 19.15.29 POW	nent and Location in ER OFF	1 Good Shape.	PJ STAINING A	ROUND WELL HEAI).

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.