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"

29-Jun-18

BURNETT OIL CO INC

Burnett Plaza, Suite 1500 801 Cherry St., Unit 9 Fort Worth TX 76102-6102

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		
JACKSON Inspection Date	B No.017 Type Inspection	1	Inspector	Violation?	M-1-17S-30E *Significant Non-Compliance?	30-015-04039-00-00 Corrective Action Due By:) Inspection No.
06/29/2018	Routine/Peric	odic	Tony Morales	Yes	No	10/2/2018	iTM1818047718
Comments	on Inspection:	OK. All Equipm 19.15.29	ent and Location ir	Good Shape.	PJ STAINING AR	OUND WELLHEAD	
JACKSON Inspection Date	B FEDERAL Type Inspection		Inspector	Violation?	M-1-17S-30E *Significant Non-Compliance?	30-015-40139-00-00 Corrective Action Due By:) Inspection No.
06/29/2018	Routine/Peric	dic	Tony Morales	Yes	No	10/2/2018	iTM1818047536
Comments	on Inspection:	OK. All Equipm 19.15.29	ent and Location ir	n Good Shape.	PJO STAINING A	ROUND WELLHEAD	
JACKSON Inspection Date	B No.053 Type Inspection	1	Inspector	Violation?	M-1-17S-30E *Significant Non-Compliance?	30-015-40942-00-00 Corrective Action Due By:) Inspection No.
06/29/2018	Routine/Peric	dic	Tony Morales	Yes	No	10/2/2018	iTM1818047829
Comments	on Inspection:	OK. All Equipm 19.15.29	ent and Location ir	n Good Shape.	PJO STAINING A	ROUND WELLHEAD	

JACKSON Inspection Date 06/29/2018	B No.057 Type Inspection Routine/Perio	•	Violation? Yes	L-1-17S-30E *Significant Non-Compliance? No	30-015-41003-00- Corrective Action Due By: 10/2/2018	00 Inspection No. iTM1818047114
Comments	on Inspection:	OK. All Equipment and Location i	n Good Shape.	PJO STAINING A	ROUND WELLHEA	D
JACKSON Inspection Date	B No.064 Type Inspection	Inspector	Violation?	L-1-17S-30E *Significant Non-Compliance?	30-015-41277-00- Corrective Action Due By:	00 Inspection No.
06/29/2018	Routine/Perio	dic Tony Morales	Yes	No	10/2/2018	iTM1818047339
Comments	on Inspection:	OK. All Equipment and Location i 19.15.29	n Good Shape.	PJO STAINING A	ROUND WELLHEA	D

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,

Dong Moraled CD

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.