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"

02-Jul-18

PREMIER OIL & GAS INC 901 WATERFALL WAY SUITE 201 RICHARDSON TX 75080

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		
DALE H PARKE A TRACT 1 No.010 Inspection Date Type Inspection			Inspector	Violation?	L-22-17S-30E *Significant Non-Compliance?	30-015-04255-00-0 Corrective Action Due By:	00 Inspection No.
07/02/2018	Routine/Periodic Violations General Housekeeping (Rule 114)		Tony Morales	Yes	No	10/5/2018	iTM1818337196
Comments of	on Inspection:	OK. All Equi	pment and Location in	Good Shape.	PJO OLD TUBIN	NG ON LOCATION	
DALE H PARKE A TRACT 1 N Inspection Date Type Inspection			Inspector	Violation?	D-22-17S-30E *Significant Non-Compliance?	30-015-30455-00- Corrective Action Due By:	00 Inspection No.
07/02/2018	Routine/Periodic		Tony Morales	Yes	No	10/5/2018	iTM1818332930
Comments	on Inspection:	OK. All Equi 19.15.29	ipment and Location in	Good Shape.	. PJ. STAINING AI	ROUND WELL HEAI)
DALE H PARKE A TRACT 1 No.019 Inspection Date Type Inspection		Inspector	Violation?	E-22-17S-30E *Significant Non-Compliance?	30-015-30705-00- Corrective Action Due By:	OO Inspection No.	
07/02/2018	Routine/Peri	odic	Tony Morales	Yes	No	10/5/2018	iTM1818333887
Comments	on Inspection:	OK. All Equ	ipment and Location in	n Good Shape	. PJO STAINING	AROUND PJ 19.15.2	9

DALE H PARKE A TRACT 1 No.021 C-22-17S-30E 30-015-30730-00-00 *Significant Corrective Inspection Violation? Inspection No. Type Inspection Inspector Non-Compliance? Date **Action Due By:** 07/02/2018 Routine/Periodic **Tony Morales** Yes 10/5/2018 iTM1818347200 **Comments on Inspection:** OK. All Equipment and Location in Good Shape. PJ STAINING AROUND WELLHEAD 19.15.29 DALE H PARKE A TRACT 1 No.020 D-22-17S-30E 30-015-30733-00-00 *Significant Inspection Corrective Type Inspection Inspector Violation? Inspection No. Non-Compliance? Action Due By: Date iTM1818348810 07/02/2018 Routine/Periodic Tony Morales Yes 10/5/2018 **Comments on Inspection:** OK. All Equipment and Location in Good Shape. PJ. STAINING AROUND WELLHEAD / PJ 19.15.29 A-22-17S-30E 30-015-30738-00-00 DALE H PARKE A TRACT 1 No.023 *Significant Inspection Corrective Inspection No. Violation? Type Inspection Inspector Action Due By: Date Non-Compliance? iTM1818344211 07/02/2018 Routine/Periodic Tony Morales Yes No 10/5/2018 Comments on Inspection: OK. All Equipment and Location in Good Shape. PJ STAINING AROUND WELLHEAD 19.15.29 C-23-17S-30E GISSLER A No.006 30-015-33588-00-00 Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Non-Compliance? Date Action Due By: No 10/5/2018 iTM1818342025 07/02/2018 Routine/Periodic **Tony Morales** Yes PJO STAINING AROUND WELLHEAD Comments on Inspection: OK. All Equipment and Location in Good Shape. 19.15.29 DALE H PARKE A TRACT 1 No.029 C-22-17S-30E 30-015-35732-00-00 *Significant Corrective Inspection Inspection No. Type Inspection Inspector Violation? **Action Due By:** Non-Compliance? Date iTM1818347546 07/02/2018 Routine/Periodic **Tony Morales** Yes No 10/5/2018 OK. All Equipment and Location in Good Shape. PJ STAINING AROUND AROUND Comments on Inspection: WELLHEAD CONTAMINATED MATERIAL ON LOCATION 19.15.29 C-22-17S-30E 30-015-36299-00-00 DALE H PARKE A TRACT 1 No.031 *Significant Corrective Inspection Violation? Inspection No. Inspector **Type Inspection** Action Due By: Date Non-Compliance? iTM1818348141 **Tony Morales** Yes No 10/5/2018 07/02/2018 Routine/Periodic **Comments on Inspection:** OK. All Equipment and Location in Good Shape. PJ STAINING AROUND WELLHEAD / **FRESHOIL** E-22-17S-30E 30-015-37795-00-00 DALE H PARKE A TRACT 1 No.040 *Significant Corrective Inspection Inspection No. Violation? Type Inspection Inspector Date Non-Compliance? Action Due By: iTM1818334686 07/02/2018 Yes No 10/5/2018 Routine/Periodic **Tony Morales** Violations General Housekeeping (Rule 114) PJO OLD TUBING / SUCKER RODS ON **Comments on Inspection:** OK. All Equipment and Location in Good Shape.

LOCATION

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.