State Of New Mexico Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham Governor Sarah Cottrell Propst Cabinet Secretary Todd E. Leahy, JD, PhD Deputy Cabinet Secretary

Adrienne Sandoval Division Director

"Response Required - Deadline Enclosed"



Field Inspection Program "Preserving the Integrity of Our Environment"

08-Aug-19

Permian Water Solutions, LLC 600 Travis Street, Suite 4700 Houston, TX 77002

LETTER OF VIOLATION - Field Inspection

Dear Operator:

The following inspection indicates that the well, equipment, location or operational status of the well 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 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

[30-015-28084] DUNAWAY #002			OGRID: 373626	F-23-22S-27E 1443 FNL 1698 FWL
Inspection Date 8/8/2019	Type Inspection Routine Inspection	Inspector [GC] Gilbert Cordero	Corrective Action Due By 11/6/2019	Inspection No. iGC1922033594
Violations:				
Rule			Violation	
19.15.16.8 Sign on Wells			Inaccurate Information	
Comment: OPERATOR NAM	E NOT CORRECT (P	YOTE WATER SOLUTIO	NS). API NUMBER MISSING	

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 Division Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon this well.

Sincerely. lilbert (ordero / Staff MGR Artesia OCD District Office

Note: Information in Detail Section comes directly from field inspector data entries - not all blanks will contain data.

Oil Conservation Division * 811 S. First St. * Artesia, NM 88210 Phone: 575-748-1283 * Fax: 575-748-9720 * www.emnrd.state.nm.us