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

<u>"Response Required - Deadline</u> <u>Enclosed"</u>

Field Inspection Program "Preserving the Integrity of Our Environment"

13-Oct-20

Sabinal Energy Operating, LLC 1780 HUGHES LANDING BLVD, STE 1200 THE WOODLANDS, TX 77380

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

[30-025-09388] LANGLIE LYNN QUEEN UNIT #003			OGRID: 328992	L-23-23S-36E 1980 FSL 660 FWL
Inspection Date 10/13/2020	Type Inspection Routine Inspection	Inspector [GR] Gary Robinson	Corrective Action Due By 1/11/2021	Inspection No. iGR2028726267
Violations:				
Rule			Violation	
19.15 Oil and Gas		Mechanical Integrity Failure Recorded		
Comment: Auto Generated Vie	olation - MIT Failure ex	kits.		
19.15.26 Injection		Detection of Deficient Mechanical Integrity		
Comment: Received and enter	ed operator reported MI	T and BHT, chart failed.		

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,

Harry Robenson





LETTER OF VIOLATION - Field Inspection

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

Oil Conservation Division * 1625 N. French Drive * Hobbs, NM 88240 Phone: 575-393-6161 * Fax: 575-393-0720 * www.emnrd.state.nm.us