

State Of New Mexico

Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham

Governor

Sarah Cottrell Propst

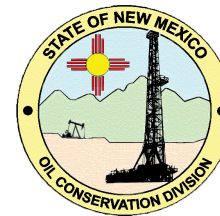
Cabinet Secretary

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"

31-Dec-20

BASIC ENERGY SERVICES, LP

P.O. Box 1375

Artesia, NM 88210

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

[30-025-07701] HOBBS SWD #016

OGRID: 246368

P-16-19S-38E 660 FSL 660 FEL

Inspection Date	Type Inspection	Inspector	Corrective Action Due By	Inspection No.
12/30/2020	Routine Inspection	[EZB] Eugene Bolton	3/31/2021	iEZB2036539538

Violations:

Rule

19.15.10.8 Safety Procedures for Drilling and Production

Violation

Substandard
Equipment and/or
Needs Repair

Comment:

Need spill prevention device on tanks, and nets over recycle basins when and after being used.

19.15.29 Releases

Surface Leaks/Spills

Comment:

Large prod water spill area off south edge of well pad. Spill and runoffs at 3 loading ports, 6 designated prod water tanks and 1 crude tank, all with evidence of hydrocarbon spillover. Remove moist hydrocarbon soils and standing fluids from berm liner.

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,



Eugene Bolton, Compliance Ofc.
Hobbs OCD District Office

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