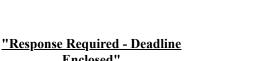
State Of New Mexico Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham Governor Sarah Cottrell Propst Cabinet Secretary

Todd E. Leahy, JD, PhD Deputy Cabinet Secretary Adrienne Sandoval Division Director





LETTER OF VIOLATION - Field Inspection

Field Inspection Program "Preserving the Integrity of Our Environment"

Enclosed"

06-Jul-20

Grizzly Operating, LLC 5847 San Felipe, Suite 3000 Houston, TX 77057

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

[30-005-61063] CINDY FEDERAL #001

OGRID: 258350

G-24-08S-22E 1980 FNL 1980 FEL

Inspection Date

Type Inspection

Inspector

Corrective Action Due By

Inspection No.

4/7/2020

Routine Inspection

[CZH] Chad Hensley

10/7/2020

iCZH209849951

Violations:

Rule

Violation

19.15.25.8 Wells to be Properly Abandoned Noncompliance with Plugging Requirements

Comment:

LAST PRODUCTION DATE. 1/1/18

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.

Chad Hensley
Artesia OCD District Office

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

From: Hensley, Chad, EMNRD

 To:
 "kzimmerman@vnrenergy.com"

 Subject:
 [30-005-61063] CINDY FEDERAL #001

 Date:
 Monday, July 6, 2020 1:52:00 PM

Attachments: 3000561063 grizzly operating llc 7 06 2020 LOV.pdf

Kyle Zimmerman,

Attached is the Letter of Violation(LOV) for the Cindy Federal #1. If you have any questions feel free to contact me on my cell.

Thank you,

Chad Hensley Compliance Officer Artesia OCD

Office: 575-748-1283 x 112

Cell: 575-703-1723

