

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"*

06-Jul-20

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

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

[30-005-61240] PAULETTE PV STATE #003

OGRID: 258350

P-16-05S-25E 660 FSL 660 FEL

| Inspection Date | Type Inspection | Inspector | Corrective Action Due By | Inspection No. |
|-----------------|--------------------|--------------------|--------------------------|----------------|
| 3/17/2020 | Routine Inspection | [CZH] Chad Hensley | 10/7/2020 | iCZH207744193 |

Violations:

Rule

19.15.10.8 Safety Procedures for Drilling and Production

Violation

General Housekeeping Required

Comment:

STORED EQUIPMENT ON LOCATION.

19.15.16 Drilling and Production

Noncompliance with Permitting or Registration

Comment:

WELL NOT IN PRODUCTION. LAST PRODUCTION 7/01/2018.

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,



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

From: [Hensley, Chad, EMNRD](#)
To: ["kzimmerman@vnrenergy.com"](mailto:kzimmerman@vnrenergy.com)
Subject: [30-005-61240] PAULETTE PV STATE #003
Date: Monday, July 6, 2020 9:25:00 AM
Attachments: [grizzly_operating_LLC_paulettepvstate3_30-005-61240_7-6-20.pdf](#)

Kyle Zimmerman,

Attached is the Letter of Violation(LOV) for the Paulette PV State #3. 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

