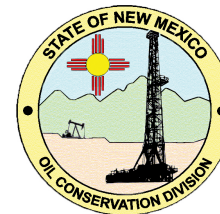


State Of New Mexico

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"*

02-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

[30-005-61412] STANCEL FEDERAL #007

OGRID: 258350

F-22-05S-24E 1980 FNL 1980 FWL

Inspection Date	Type Inspection	Inspector	Corrective Action Due By	Inspection No.
3/18/2020	Routine Inspection	[GC] Gilbert Cordero	10/02/2020	iGC207830869

Violations:

Rule	Violation
19.15.16.8 Sign on Wells	Absent Well Identification Sign

Comment:
MISSING WELL SIGN

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,


Staff Manager

NMOCD NM South

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: [Cordero, Gilbert, EMNRD](#)
To: Kfroebel@vnreenergy.com; kzimmerman@vnreenergy.com
Subject: Letter of Violation
Date: Thursday, July 2, 2020 1:02:00 PM
Attachments: [30-005-61800.pdf](#)
[30-005-61412.pdf](#)
[30-005-63137.pdf](#)

Good afternoon,

Attached are Letters of Violation (LOV) for the following wells:

Benedict Federal Com 001	30-005-61800
Stancel Federal 007	30-005-61412
Monaghan QY Federal 013	30-005-63137

Thank you,

Gilbert Cordero
Staff Manager
NMOCD NM South
Office 575.748.1283 ext.114
Cell 575.626.0830