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

Field Inspection Program "Preserving the Integrity of Our Environment"





02-Jul-20

IACX Production LLC 5001 LBJ Freeway, Suite 300 Dallas, TX 75244

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

[30-005-61840] BEARD QQ FEDERAL #002

OGRID: 329877

C-18-07S-26E 660 FNL 1980 FWL

Inspection Date

Type Inspection

Inspector

Corrective Action Due By

Inspection No.

3/23/2020

Routine Inspection

[GC] Gilbert Cordero

10/02/2020

iGC208348199

Violations:

Rule

Violation

19.15.16.8 Sign on Wells Illegible or Unreadable

Comment:

SIGN IS NOT LEGIBLE

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.

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: <u>Cordero, Gilbert, EMNRD</u>

To: "keithhutchens@iacxproduction.com"; "tonyhines@iacx.com"; "russellgibbs@iacx.com"

Subject: Letter of Violation

Date: Thursday, July 2, 2020 1:42:00 PM

Attachments: <u>30-005-61840.pdf</u>

30-005-61689.pdf 30-005-61747.pdf 30-005-61746.pdf 30-005-62909.pdf

Good afternoon,

Attached please find a Letter of Violation (LOV) for each of these wells:

 Beard QQ Federal 002
 30-005-61840

 Albitus TH Federal 004
 30-005-61689

 Albitus TH Federal 003
 30-005-61747

 Albitus TH Federal 002
 30-005-61746

 Short RM Federal 004
 30-005-62909

Thank you,

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