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"

22-Sep-20

REMNANT OIL OPERATING, LLC

P.O. Box 5375 Midland, TX 79704

Dear Operator:

LETTER OF VIOLATION - Field Inspection

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

[30-015-00725] SOUTH RED LAKE II UNIT #034

OGRID: 370922

C-02-18S-27E 330 FNL 2310 FWL

Inspection Date

Type Inspection

Inspector

Corrective Action Due By

Inspection No.

8/24/2020

Routine Inspection

[CZH] Chad Hensley

12/21/2020

iCZH2023738513

Violations:

Rule

Violation

19.15.25.8 Wells to be Properly Abandoned

Noncompliance with Plugging Requirements

Comment:

IDLE WELL. LAST PRODUCTION DATE WAS 3/1/2019

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.

From: Hensley, Chad, EMNRD
To: "will@remnantoil.com"

Subject: New Mexico EMNRD OCD Letters of Violation

Date: Tuesday, September 22, 2020 8:35:00 AM

Attachments: 3001500715 9-22-20 remnant LOV.pdf
3001500725 9-22-20 remnant LOV.pdf

Everett Gray,

Attached is the Letter of Violation(LOV) for the following wells: South Red Lake II Unit #34 South Red Lake II Unit #37

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

