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

<u>"Response Required - Deadline</u> <u>Enclosed"</u>

Field Inspection Program "Preserving the Integrity of Our Environment"



17-Nov-20

ARMSTRONG ENERGY CORP P.O. Box 1973 Roswell, NM 88202

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

[30-025-41074] WEST LOVINGTON 20 #001			OGRID: 1092	D-20-17S-37E 387 FNL 627 FWL
Inspection Date 11/16/2020	Type Inspection Routine Inspection	Inspector [EZB] Eugene Bolton	Corrective Action Due By 2/20/2021	Inspection No. iEZB2032127981
Violations:				
Rule				Violation
19.15.10.8 Safety Procedures for Drilling and Production				Unauthorized Release
Comment:				
Overflow on all 4 tanks needs controls. Releases at 3 tanks and separator.				
19.15.10.8 Safety Procedures for Drilling and Production				Substandard Equipment and/or Needs Repair
Comment: Ensure 4 tanks have functional overflow indication. Chem tank at wellhead has no identification. Chem tub has no net.				

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 <u>occur</u>. 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,

En BLE

Compliance Officer, EMNRD-OCD

Hobbs OCD District Office

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

Oil Conservation Division * 1625 N. French Drive * Hobbs, NM 88240 Phone: 575-393-6161 * Fax: 575-393-0720 * www.emnrd.state.nm.us