State Of New Mexico Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham Governor

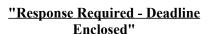
Sarah Cottrell Propst
Cabinet Secretary

Todd E. Leahy, JD, PhD

Deputy Cabinet Secretary

Adrienne Sandoval

Division Director



Field Inspection Program
Preserving the Integrity of Our Environment"



30-Jun-21

BXP Operating, LLC P.O. Box 7227

Dallas, TX 75209

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

[30-025-00113] EAST CAPROCK SWD #002

OGRID: 329487

B-14-12S-32E 330 FNL 2310 FEL

Inspection Date 3/19/2021

Type Inspection

Inspector

Corrective Action Due By

Inspection No.

Routine Inspection

[GR] Gary Robinson

6/17/2021

iGR2118135952

Violations:

Rule V

Violation

19.15 Oil and Gas

Mechanical Integrity Failure Recorded

Comment:

MIT failure was added OPERATOR REPORTED FAILED MIT - WELL IS SHUT IN - HAS NOT BEEN REPAIRED SINCE 4-10-2017

FAILURE.

Lary Robinson

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,

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