State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez Governor

Ken McQueen Cabinet Secretary

Matthias Sayer Deputy Cabinet Secretary David Catanach Division Director



Response Required - Deadline Enclosed

Field Inspection Program "Preserving the Integrity of Our Environment"

15-Jun-17

PRIMERO OPERATING INC

PO BOX 1433 ROSWELL NM 88202

LETTER OF VIOLATION - Inspection

Dear Operator:

The following inspection(s) indicate that the well, equipment, location or operational status of the well(s) 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(s) 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.

| | | INSPECTIO | N DETAIL | SECTION | | |
|--|-----------------|--|---|--|--|----------------------|
| MONUMENT STATE Inspection Date Type Inspectior | | No.001 Inspector | Violation? | A-34-20S-36E *Significant Non-Compliance? | 30-025-37145-00- Corrective Action Due By: | 00 Inspection No. |
| 06/15/2017 | Routine/Perio | dic Mark Whitaker | Yes | No | 9/18/2017 | iMAW1716654482 |
| | Violations | | | | | |
| | Surface Damage/ | Restoration | | | | |
| Comments o | n Inspection: | RULE 19.15.25.10.D requires that w Plugging completed 05/16/2016. NE POLYLINES & ANY OTHER DEE CONDUIT RISER, & METER BAS PURCHASER TO REMOVE MET OCD WITH A COPY OF REQUES | EED TO REM BRIS FROM SE FROM PC ER BASE AN | IOVE ALL PRODUC SITE, NEED TO REM WER POLE, AND N ND BLIND FLANGE | TION EQUIPMENT NOVE TRANSFORM EED TO CONTACT | IERS, GAS |

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 Divison Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon this well.

vitalen P.E.S. 1-16 Sincerely

Hobbs OCD District Office

Note: Information in Detail Section comes directly from field inspector data entries - not all blanks will contain data. *Significant Non-Compliance events are reported directly to the EPA, Region VI, Dallas, Texas. EMNRD OIL CONSERVATION DIVISION 1625 N FRENCH DRIVE HOBBS NM 88240



PRIMERO OPERATING INC PO BOX 1433 ROSWELL, NM 88202-1433