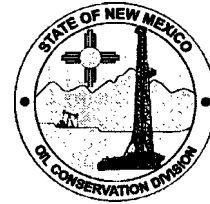


State Of New Mexico

Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor
Sarah Cottrell Propst
Cabinet Secretary
Todd E. Leahy, JD, PhD
Deputy Cabinet Secretary

Gabriel Wade
Division Director



HOBBS OCD "Response Required - Deadline Enclosed"

MAR 04 2019

Field Inspection Program

"Preserving the Integrity of Our Environment"

RECEIVED

01-Mar-19

BURK ROYALTY CO., LTD.
P.O. Box 94903
Wichita Falls, TX 76308

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

[30-025-02507] W H MILNER FEDERAL #004

OGRID: 3053

C-35-20S-34E 990 FNL 1650 FWL

Inspection Date	Type Inspection	Inspector	Corrective Action Due By	Inspection No.
3/1/2019	Routine Inspection	[GR] Gary Robinson	5/30/2019	iGR196037864

Violations:

Rule	Violation	Comment
19.15 Oil and Gas	Mechanical Integrity Failure Recorded	Auto Generated Violation - MIT Failure exits.

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.

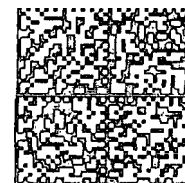
Sincerely,

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

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OIL CONSERVATION DIVISION
1625 N FRENCH DRIVE
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