State Of New Mexico Energy, Minerals and Natural Resources Department

HOBBS OCD

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"

STATE OF NEW MEANS

LETTER OF VIOLATION - Field Inspection

MAY **01** 2019

RECEIVED

01-May-19

BLACKBEARD OPERATING, LLC

1751 River Run Suite 405 Fort Worth, TX 76107

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

[30-025-28515] STATE A A/C 1 #120

OGRID: 370767

C-10-23S-36E 25 FNL 1345 FWL

Inspection Date

Type Inspection

Inspector

Corrective Action Due By

Inspection No.

4/29/2019

Routine Inspection

[GR] Gary Robinson

7/28/2019

iGR1911947338

Violations:

Rule

Violation

19.15 Oil and Gas

Mechanical Integrity Failure Recorded

Comment:

MIT failure was added

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

EMNRD OIL CONSERVATION DIVISION 1625 N FRENCH DRIVE HOBBS NM 88240



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BLACKBEARD OPERATING, LLC 1751 RIVER RUN **SUITE 405** FORT WORTH, TX 76107