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

"Response Required - Deadline Enclosed"

Field Inspection Program "Preserving the Integrity of Our Environment"

22-Nov-19

CHISHOLM ENERGY OPERATING, LLC 801 Cherry Street Fort Worth, TX 76102

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

[30-025-35622] DIAMONDBACK 24 FEDERAL COM #001			OGRID: 372137	O-24-19S-32E 710 FSL 1980 FEL
Inspection Date 11/19/2019	Type Inspection Routine Inspection	Inspector [GR] Gary Robinson	Corrective Action Due By 2/17/2020	Inspection No. iGR1932352299
Violations:				
Rule		Violation		
19.15.26 Injection			Detecti	on of Deficient Mechanical Integrity
Comment:				
Operator conceded	failure as per Jennifer Elro	od. Well would not hold p	ressure. Well was shut in.	
19.15 Oil and Gas			Mecha	nical Integrity Failure Recorded
Comment: Auto Generated Vie	olation - MIT Failure exits			•



Print

LETTER OF VIOLATION - Field Inspection

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, Hary Kolor 20

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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