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 SandovalDivision Director



"Response Required - Deadline Enclosed"

Field Inspection Program
"Preserving the Integrity of Our Environment"

02-Nov-20

STEVENSON OIL COMPANY, INC.

1709 N. 9th Lovington, NM 88260

Dear Operator:

LETTER OF VIOLATION - Field Inspection

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

[30-005-20558] SUN STATE #001 OGRID: 258867 M-36-07S-30E 660 FSL 660 FWL

Inspection DateType InspectionInspectorCorrective Action Due ByInspection No.11/2/2020Routine Inspection[GR] Gary Robinson6/9/2021iGR2030752288

Violations:

Rule Violation

19.15.26 Injection Detection of Deficient Mechanical Integrity

Comment:

 ${\it FAILED~MIT, WELL~HAS~NOT~BEEN~REPAIRED~SINCE~LAST~FAILURE~IN7-2018.~NO~BHT~WAS~DONE~IN~2020.}$

Well is on second and final extension, well must be repaired, T/A'd or plugged by extension date of 6-9-2021.

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,

Lary Kolonson

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