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"

15-Oct-20

LLJ VENTURES, LLC DBA MARKER OIL & GAS

P.O. Box 3188 Roswell, NM 88202

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

OGRID: 372279 F-05-18S-31E 2210 FNL 2310 FWL [30-015-29976] SHINNERY FEDERAL #001

Inspection Date Type Inspection Inspector **Corrective Action Due By** Inspection No. 1/16/2020 iEZB2026145406 9/17/2020 Routine Inspection [EZB] Eugene Bolton

Violations:

Rule Violation

19.15.16.8 Sign on Wells Inaccurate Information

Comment:

Operator name on well sign is incorrect.

Noncompliance with Plugging 19.15.25.8 Wells to be Properly Abandoned Requirements

Comment:

LAST REPORTED PRODUCTION MAY 1, 2019. WELL MUST BE PROPERLY PLUGGED AND

ABANDONED OR PUT BACK ON PRODUCTION.

19.15.29 Releases Surface Leaks/Spills

Comment:

RELEASE AROUND TB WITHIN BERM. SEE PHOTOS.

19.15.10.8 Safety Procedures for Drilling and Production General Housekeeping Required

Comment:

ALL TRASH AND EXTRA EQUIP MUST BE REMOVED.

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,

Artesia OCD District Office

Note: Information in Detail Section comes directly from field inspector data entries - not all blanks will contain data.

Oil Conservation Division * 811 S. First St. * Artesia, NM 88210 Phone: 575-748-1283 * Fax: 575-748-9720 * www.emnrd.state.nm.us