

State Of New Mexico

Energy, Minerals and Natural Resources Department

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Governor

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"Response Required - Deadline Enclosed"

Field Inspection Program

"Preserving the Integrity of Our Environment"

12-Nov-20

Grizzly Operating, LLC

5847 San Felipe, Suite 3000

Houston, TX 77057

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

[30-025-05365] STATE O #009

OGRID: 258350

M-31-16S-37E 660 FSL 815 FWL

Inspection Date	Type Inspection	Inspector	Corrective Action Due By	Inspection No.
10/29/2020	Routine Inspection	[EZB] Eugene Bolton	2/15/2021	IEZB2030346133

Violations:

Rule

19.15.10.8 Safety Procedures for Drilling and Production

Violation

General Housekeeping Required

Comment:

Weeds, discarded metal & other debris/equip.

19.15.16.8 Sign on Wells

Illegible or Unreadable

Comment:

Replace sign with API # and all info, per rule.

19.15.10.8 Safety Procedures for Drilling and Production

Substandard Equipment and/or Needs Repair

Comment:

Containment tub with fluid and hydrocarbons has no net. No fence.

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,



Compliance Officer, EMNRD-OCD

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
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