State Of New Mexico Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham

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Sarah Cottrell Propst

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Deputy Cabinet Secretary

Adrienne Sandoval
Division Director



Field Inspection Program
"Preserving the Integrity of Our Environment"

28-Dec-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

[30-025-05430] C S CAYLOR SR ESTATE #003

OGRID: 258350

D-06-17S-37E 660 FNL 665 FWL

Inspection DateType InspectionInspectorCorrective Action Due ByInspection No.12/10/2020Routine Inspection[EZB] Eugene Bolton3/31/2021iEZB2034547984

Violations:

Rule Violation

19.15.10.8 Safety Procedures for Drilling and Production

General Housekeeping Required

Comment

Unused chem tanks, discarded equip, abandoned equip, remove hydrocarbon / soil mix at wellhead, ensure overturned containment vat is without chem and ground is clear.

19.15.16.8 Sign on Wells

Absent Well
Identification Sign

Comment:

Sign not located.

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,

Eugene Bolton, Compliance Ofc.

Ego Bli

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