State Of New Mexico Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham

Governor

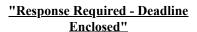
Sarah Cottrell Propst

Cabinet Secretary

Todd E. Leahy, JD, PhD

Deputy Cabinet Secretary

Adrienne Sandoval Division Director



Field Inspection Program "Preserving the Integrity of Our Environment"



12-Jan-21

LEGACY RESERVES OPERATING, LP

303 W Wall **Suite 1800** Midland, TX 79701

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

[30-025-35446] EMERALD #003 OGRID: 240974 I-24-19S-38E 2310 FSL 990 FEL

Inspection Date Type Inspection Inspector Corrective Action Due By Inspection No. 1/12/2021 4/12/2021 Routine Inspection [EZB] Eugene Bolton iEZB211255756

Violations:

Rule Violation

19.15.10.8 Safety Procedures for Drilling and Production Substandard Equipment and/or Needs Repair

Repair all leak sources of hydrocarbon and prod water.

19.15.29 Releases Surface Leaks/Spills

Comment:

Remove all hydrocarbon/prod water/soil mix for around wellhead and extension.

19.15.10.8 Safety Procedures for Drilling and Production General Housekeeping Required

Comment:

Properly label poly tank for current chem, remove misleading labels.

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. Hobbs OCD District Office

En Bla

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