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"

26-Apr-21

BLACKBEARD OPERATING, LLC

1751 River Run Suite 405 Fort Worth, TX 76107 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

[30-025-28396] STATE A A/C 1 #116 OGRID: 370767 D-10-23S-36E 1260 FNL 1310 FWL

Inspection DateType InspectionInspectorCorrective Action Due ByInspection No.4/26/2021Routine Inspection[GR] Gary Robinson7/25/2021iGR2111658149

Violations:

Rule Violation

Hary Kolonson

19.15 Oil and Gas Mechanical Integrity Failure Recorded

Comment:

Operator conceded failure, Chalo said well would not load or hold pressure.

WELL WAS SHUT IN.

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,

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