

State of New Mexico  
Energy, Minerals and Natural Resources Department

Susana Martinez  
Governor

David Martin  
Cabinet Secretary

Tony Delfin  
Deputy Cabinet Secretary

David Catanach, Director  
Oil Conservation Division



**\*Response Required - Deadline Enclosed\***

*Field Inspection Program*  
*"Preserving the Integrity of Our Environment"*

**HOBBS OCD**  
**JUL 21 2016**  
**RECEIVED**

20-Jul-16

**KEY ENERGY SERVICES, LLC**  
418 South Grimes  
Hobbs NM 88240

**LETTER OF VIOLATION - Inspection**

Dear Operator:

The following inspection(s) indicate that the well, equipment, location or operational status of the well(s) 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(s) 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**

ATHA No.001		M-31-21S-36E		30-025-04861-00-00	
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By: Inspection No.
07/20/2016	Routine/Periodic	Mark Whitaker	Yes	No	10/23/2016 iMAW1620259494
Violations					
Surface Damage/Restoration					
Comments on Inspection:		DO NOT RELEASE BONDS. Last well on lease. Location not ready to release. P&A marker does not have the API number or Section, Twp, Range. Anchors have not been removed. Polylines running from north side of location down the west side. Hole around P&A marker. Power poles on north side of location. Well signs on location. Concrete slabs and other debris on east side of location. NEED TO CORRECT P&A MARKER AND FILL IN HOLE AROUND MARKER. NEED TO REMOVE SIGNS, ANCHORS, CONCRETE SLABS, AND ALL POLLYLINES IN THEIR ENTIRETY. NEED TO REMOVE POWER POLES BACK TO PRIMARY SYSTEM TO THE NORTH. IF POWER LINES ARE NOT THE PROPERTY OF OPERATOR, SUBMIT REQUEST TO POWER PROVIDER TO REMOVE ALL SERVICE. (FURNISH OCD A COPY OF ALL CORRESPONDENCE.) 1ST NOTICE.			

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,

  
Petroleum Engr. Specialist

Hobbs OCD District Office

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

\*Significant Non-Compliance events are reported directly to the EPA, Region VI, Dallas, Texas.

EMNRD  
OIL CONSERVATION DIVISION  
1625 N FRENCH DRIVE  
HOBBS NM 88240



HASLER

FIRST-CLASS MAIL

**\$000.46<sup>5</sup>**

07/20/2016 ZIP 88240  
012E14642224

US POSTAGE

KEY ENERGY SERVICES, LLC  
418 SOUTH GRIMES  
HOBBS, NM 88240