State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez Governor

Ken McQueen Cabinet Secretary

Matthias Sayer Deputy Cabinet Secretary David Catanach Division Director



Response Required - Deadline Enclosed

Field Inspection Program "Preserving the Integrity of Our Environment"

02-Nov-17

THREE FORKS RESOURCES, LLC

555 17th Street Suite 975 Denver CO 80202

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

BULL MOC Inspection Date	OSE FEE No.0 Type Inspection		pector	Violation?	D-10-7S-33E *Significant Non-Compliance?	30-041-20903-00-0 Corrective Action Due By:	0 Inspection No.
10/30/2017	Routine/Perio	dic Ma	ark Whitaker	Yes	No	12/1/2017 i	MAW1730340192
	Violations						
Absent Well Identification Signs (Rule 103)							
Comments on Inspection: Wrong operator of record on well sign (Rule 19.15.16.8). NEED TO CORRECT WELL SIGN TO SHOW CURRENT OPERATOR AND EMERGENCY CONTACT NUMBER. IST NOTICE.							
BIG STICK FEE No.001							
BIG STICK	FEE No.001				M-3-7S-33E	30-041-20905-00-0	0
BIG STICK Inspection Date	FEE No.001 Type Inspection	ı Insp	pector	Violation?	M-3-7S-33E *Significant Non-Compliance?	30-041-20905-00-0 Corrective Action Due By:	0 Inspection No.
Inspection			pector ark Whitaker		*Significant	Corrective Action Due By:	-
Inspection Date	Type Inspection			Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
Inspection Date	Type Inspection Routine/Perio Violations		ark Whitaker	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.

Oil Conservation Division * 1625 N. French Drive * Hobbs, New Mexico 88240 Phone: 575-393-6161 * Fax: 575-393-0720 * http://www.emnrd.state.nm.us 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 Divison Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon this well.

able hitaky P.E.S. Sincerely

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.

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EMNRD OIL CONSERVATION DIVISION 1625 N FRENCH DRIVE HOBBS NM 88240



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