

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

Heather Riley
Division Director



Response Required - Deadline Enclosed

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

18-Jan-18

BC OPERATING, INC.
P O Box 50820
Midland TX 79710-9710

CERTIFIED MAIL
7014 1200 0002 1826 6349

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

PEARSON SWD No.001

H-33-21S-33E

30-025-24438-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
01/17/2018	Routine/Periodic	Mark Whitaker	Yes	No	2/23/2018	iMAW1801823942

Violations

Absent Well Identification Signs (Rule 103)

Unauthorized Injection

Operating W/O MI (Rules 106,107,108)

Comments on Inspection: Wrong operator of record on well sign. Unauthorized injection into wellbore. NEED TO CORRECT WELL SIGN TO SHOW CURRENT OPERATOR OF RECORD (RULE 19.15.16.8). NEED TO IMMEDIATELY SHUT WELL IN (RULE 19.15.26). NEED TO SUBMIT C103 DETAILING WORK PERFORMED WITH CORRESPONDING DATES AND C103 SHOWING FIRST DATE OF INJECTION, RATES, AND PRESSURES. SUBMIT C105. REVIEW AND COMPLY WITH ORDER R-14205 (REQUIRES LOG REVIEW PRIOR TO RUNNING MIT), SCHEDULE MIT TEST WITH HOBBS OFFICE. AMEND C-115'S TO SHOW VOLUMES INJECTED. 1ST LETTER OF NON-COMPLIANCE.

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,  Mark Whitaker, P.E.S.

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.

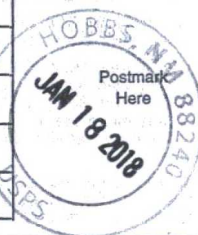
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PS Form 3800, August 2006

See Reverse for Instructions

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OIL CONSERVATION DIVISION
1625 N FRENCH DRIVE
HOBBS NM 88240



HASLER

\$006.59⁰

01/18/2018 ZIP 88240
012E14642224

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- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

BC OPERATING, INC.
P.O. BOX 50820
MIDLAND, TEXAS
79710-9710



9590 9402 2262 6225 7707 97

2. Article Number (Transfer from service label)

7014 1200 0002 1826 6349

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

- ☐ Agent
☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

- D. Is delivery address different from item 1?** ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

- | | |
|--|---|
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| <input checked="" type="checkbox"/> Certified Mail® | <input type="checkbox"/> Registered Mail Restricted Delivery |
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