

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"

HOBBS OCD

JUL 11 2018

RECEIVED

11-Jul-18

SOUTHWEST ROYALTIES INC
1001 Noble Energy Way
Houston TX 77070-7070

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

FLYING M STATE		No.001		D-15-9S-33E	30-025-00966-00-00	
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
07/10/2018	Plug / Plug Back	Kerry Fortner	Yes	No	10/13/2018	iKF1819253585
Comments on Inspection:		P/A -not OK to release Need to remove power pole from location and feeder lines and poles from main line				
FLYING M SA UNIT		No.061		F-16-9S-33E	30-025-20807-00-00	
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
07/10/2018	Plug / Plug Back	Kerry Fortner	Yes	No	10/13/2018	iKF1819145300
Comments on Inspection:		P/A - Not ready ot release need to remove power pole Below ground marker in place				
MCGUFFIN		No.001		F-29-9S-33E	30-025-21824-00-00	
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
07/10/2018	Plug / Plug Back	Kerry Fortner	Yes	No	10/13/2018	iKF1819145202
Comments on Inspection:		P/A -Not OK to release need to remove breaker box and meter from power pole Below ground marker				

FLYING M SA UNIT**No.311****P-33-9S-33E****30-025-22574-00-00**

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
07/10/2018	Plug / Plug Back	Kerry Fortner	Yes	No	10/13/2018	iKF1819144076
Comments on Inspection: P/A - Not ready ot release need to remove power pole Below ground marker in place						

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.

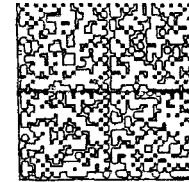
Sincerely, *Kerry Fortner*

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

SOUTHWEST ROYALTIES INC
Logan Boughal
1001 Noble Energy Way
Houston, TX 77070



HASLER

FIRST-CLASS MAIL

\$000.47⁰

07/13/2018 ZIP 88240
012E14642224

US POSTAGE