State Of New Mexico Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham Govenor Sarah Cottrell Propst Cabinet Secretary Vacant Deputy Cabinet Secretary

Gabriel Wade Division Director

"Response Required - Deadline Enclosed"



LETTER OF VIOLATION - Field Inspection

Field Inspection Program "Preserving the Integrity of Our Environment"

09-Jan-19

LEGACY RESERVES OPERATING, LP 303 W Wall Suite 1600 Midland, TX 79701

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

[30-025-20547] SOUTH JUSTIS UNIT #012

OGRID: 240974

F-11-25S-37E 1650 FNL 2310 FWL

Inspection Date 10/22/2018 Type Inspection Routine Inspection

Inspector [GB] George Bower Corrective Action Due By 4/20/2019 Inspection No. iGB1829520547

Violations:

UIC mit FA:/ure, Rule- 19, 15, 26.11

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.

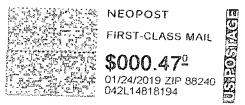
Sincerely, Hobbs ØCD Off.

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



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