

State Of New Mexico

Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor
Sarah Cottrell Propst
Cabinet Secretary
Todd E. Leahy, JD, PhD
Deputy Cabinet Secretary

Adrienne Sandoval
Division Director



**"Response Required - Deadline
Enclosed"**

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

05-Aug-19

KEY ENERGY SERVICES, LLC
P.O. Box 99
2105 Avenue O
Eunice, NM 88231

LETTER OF VIOLATION - Field Inspection

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

[30-025-10500] CHRISTMAS #003

OGRID: 19797

B-28-22S-37E 330 FNL 2310 FEL

Inspection Date 8/5/2019	Type Inspection Routine Inspection	Inspector [GR] Gary Robinson	Corrective Action Due By 11/3/2019	Inspection No. iGR1921751948
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Violations:

Rule

19.15.26 Injection

Violation

Detection of
Deficient
Mechanical Integrity

Comment:

FAILED MIT TEST, RULE: 19.15.26.11, CHARTS ARE IN WELL FILE, CAL DATE 7-30-2019, SER# 0147, 1000#, JAMES W/ KEY RAN PUMP TRUCK. START PRES 370# AND END PRES 315# IN 32 MIN. CALLED RANDY TO SHUT IN WELL.

19.15 Oil and Gas

Mechanical Integrity
Failure Recorded

Comment:

Auto Generated Violation - MIT Failure exits.

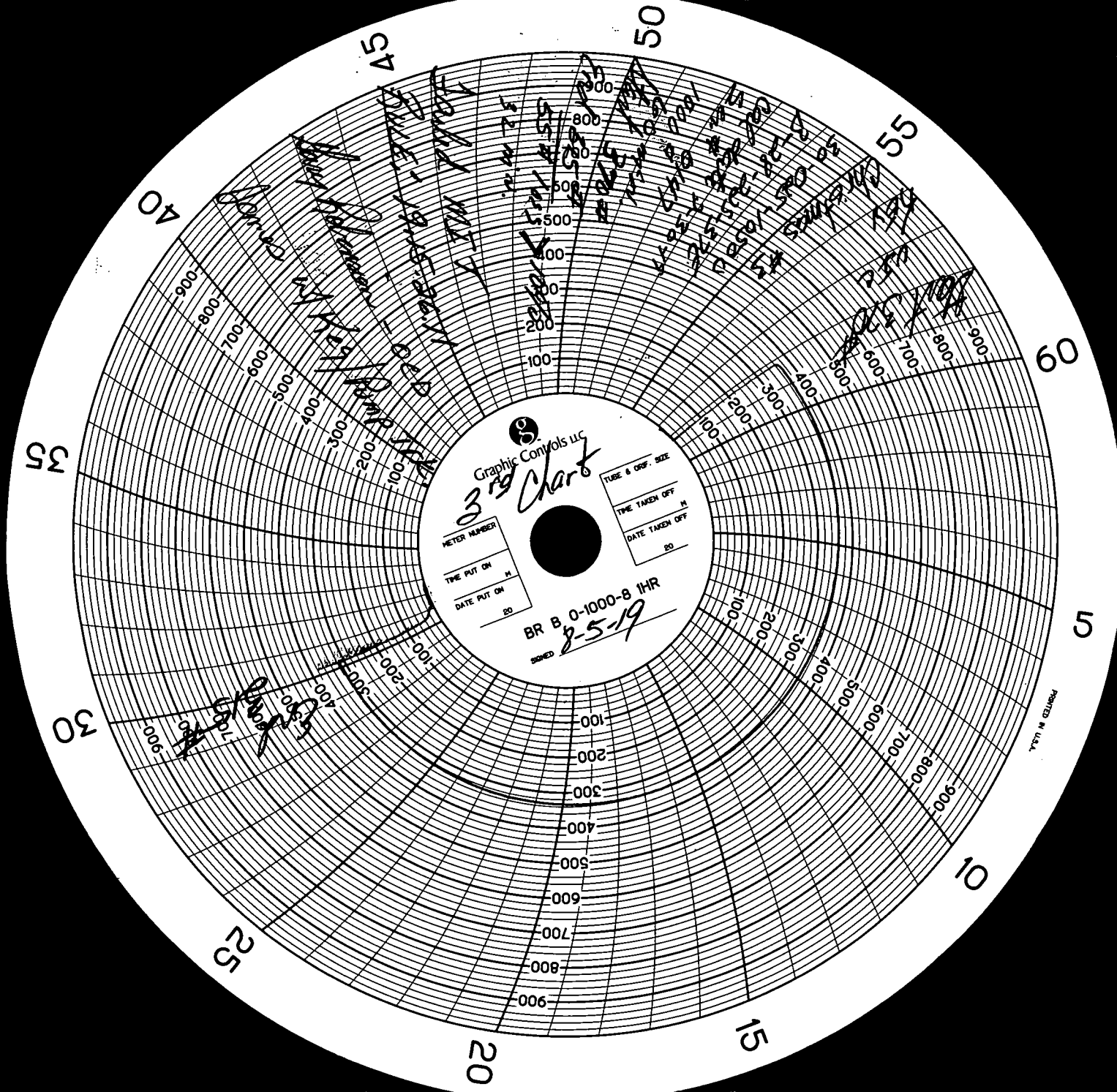
In the event that a satisfactory response is not received to this letter of direction by the "Corrective Action Due By:" date shown above, further enforcement will occur. Such enforcement may include this office applying to the Division for an order summoning you to a hearing before a Division Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon this well.

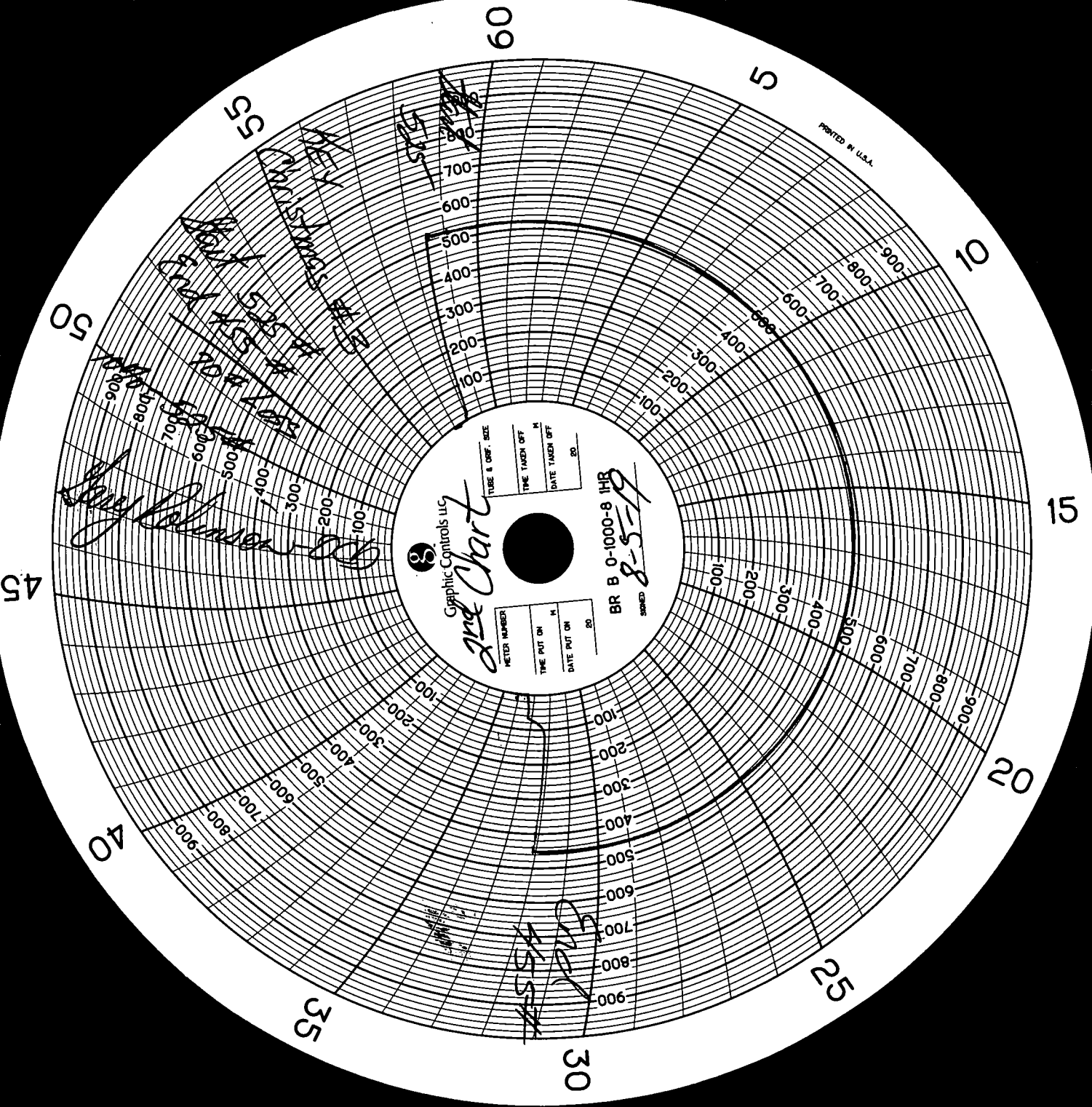
Sincerely,

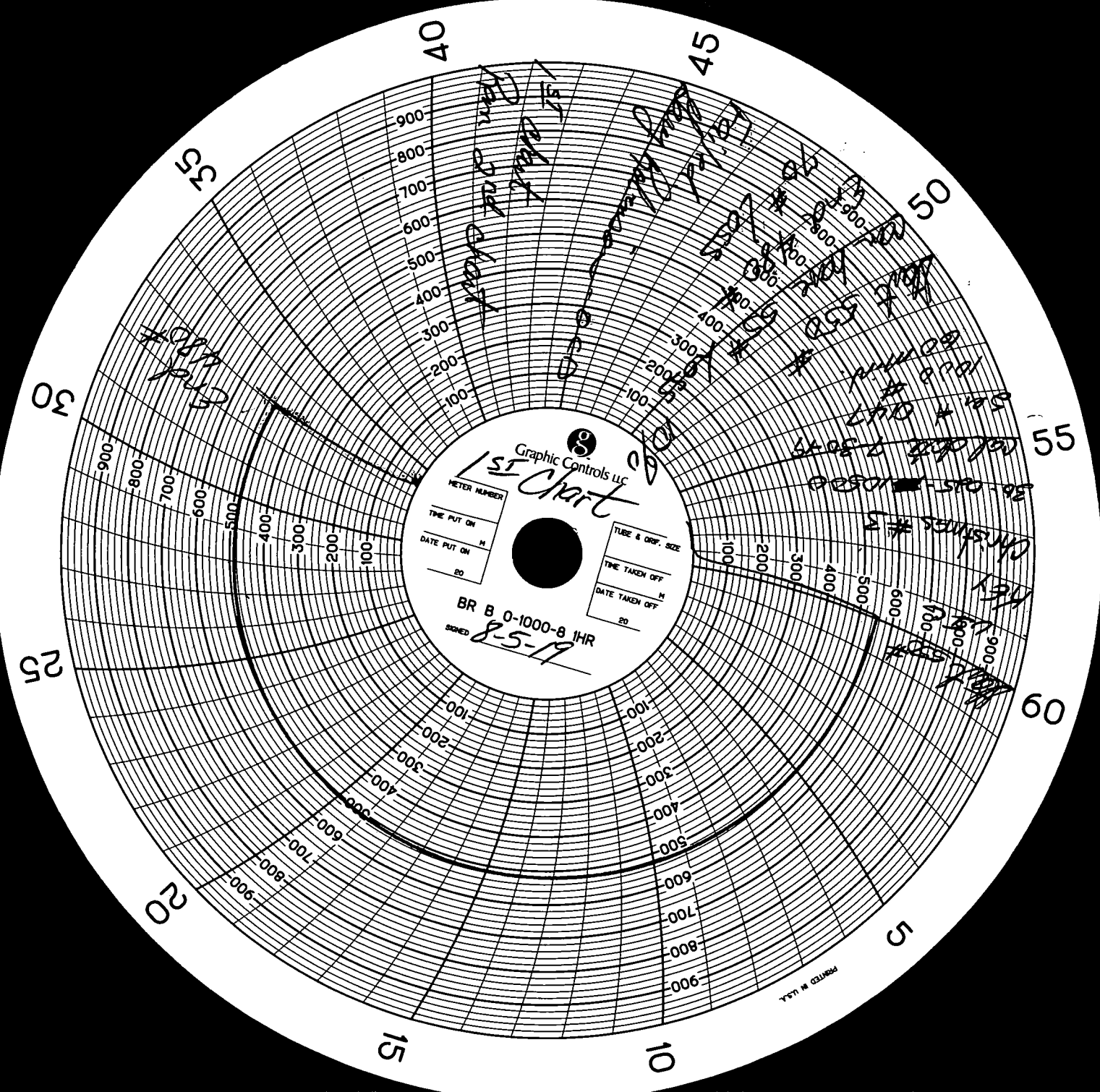
Hobbs OCD District Office

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







State of New Mexico
Energy, Minerals and Natural Resources Department
Oil Conservation Division Hobbs District Office

BRADENHEAD TEST REPORT

Operator Name Key Energy		API Number 30-025-10500	
Property Name Christmas		Well No. #3	

1. Surface Location

UL - Lot B	Section 28	Township 21S	Range 37E	Feet from 330	N/S Line N	Feet From 2310	E/W Line E	County LEA
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Well Status

TA'D WELL YES	NO	SHUT-IN YES	NO	INJ INJ	SWD	OIL OIL	PRODUCER GAS	DATE 8-8-19
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OBSERVED DATA

	(A) Surface	(B) Intern(1)	(C) Intern(2)	(D) Prod Csg	(E) Tubing
Pressure	0	0	N/A	0	0
Flow Characteristics					
Pull	Y/N	Y/N	Y/N	Y/N	CO2
Steady Flow	Y/N	Y/N	Y/N	Y/N	WTR
Surges	Y/N	Y/N	Y/N	Y/N	GAS
Down to nothing	Y/N	Y/N	Y/N	Y/N	Type of fluid
Gas or Oil	Y/N	Y/N	Y/N	Y/N	Inferred for
Water	Y/N	Y/N	Y/N	Y/N	Water used if
					applies

Remarks - Please state for each string (A,B,C,D,E) pertinent information regarding bleed down or continuous build up if applies.

**Failed
MIT**

Signature:		OIL CONSERVATION DIVISION	
Printed name:		Entered into RBDMS	
Title:		Re-test	
E-mail Address:			
Date:	Phone:		
Witness: Key Energy			

INSTRUCTIONS ON BACK OF THIS FORM