

State Of New Mexico

Energy, Minerals and Natural Resources Department

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**"Response Required - Deadline
Enclosed"**

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

30-Aug-19

Flint Oak Energy, LLC
1703 Westfield Loop Rd
Houston, TX 77073

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

[30-025-01433] SHAHARA STATE UNIT #006

OGRID: 328733

K-16-17S-33E 1960 FSL 1650 FWL

Inspection Date	Type Inspection	Inspector	Corrective Action Due By	Inspection No.
8/30/2019	Routine Inspection	[GR] Gary Robinson	11/28/2019	iGR1924234355

Violations:

Rule	Violation
19.15.26 Injection	Detection of Deficient Mechanical Integrity
Comment: Operator reported and conceded failure.	
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 Flint Oak Energy		API Number 30-025-01433
Property Name SAHARA ST.		Well No. 46

Surface Location									
UL - Lot K	Section 16	Township 17S	Range 33E		Feet from 1960	N/S Line S	Feet From 1650	E/W Line W	County LEA

Well Status							DATE	
TA'D WELL YES	NO	SHUT-IN YES	NO	INJ INJECTOR	SWD	OIL PRODUCER	GAS	8-30-19

OBSERVED DATA

	(A)Surface	(B)Interm(1)	(C)Interm(2)	(D)Prod Csg	(E)Tubing
Pressure					
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 injected for waterflood if applies
Gas or Oil	Y / N	Y / N	Y / N	Y / N	
Water	Y / N	Y / N	Y / N	Y / N	

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

Failed OPERATOR Conceded Failure.

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

INSTRUCTIONS ON BACK OF THIS FORM

PERFORMING BRADENHEAD TEST

General Procedure for Bradenhead Test

Identify: All valves prior to testing

Gauges: Install on each casing string to record pressure.

Assure: That all valves are in good working condition and closed at least 24 hours prior to testing.

Open: Each valve (Bradenhead, intermediate and casing valves) is to be opened separately.

Check Gauges: Record pressure on each gauge and casing string on BHT form. Open valves to atmosphere and record results on BHT form.

Designate what applies to the result of opening the valves for each string:

- | | |
|------------------------|-----------|
| • Blow or Puff | Yes or No |
| • Bled down to Nothing | Yes or No |
| • Steady Flow | Yes or No |
| • Oil or Gas | Yes or No |
| • Water | Yes or No |

Start: Injection or SWD pump so tubing pressure can be read.

Instructions below apply to the District 1 Hobbs office since this must be reported on a form.

In case of pressure:

1. Record pressure reading on gauge.
2. Bleed and note time elapsed to bleed down.
3. Leave valve open for additional observation.
4. Note any fluids expelled.

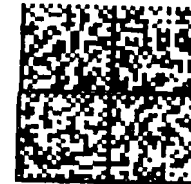
In absence of Pressure:

1. Leave valve open for additional observation.
2. Note types of fluids expelled.
3. Note if fluids persist throughout test.

Note: Tubing pressure on injection or SWD wells.

Test will be signed by person performing test with a contact phone number.

EMNRD
OIL CONSERVATION DIVISION
1625 N FRENCH DRIVE
HOBBS NM 88240



NEOPOST
FIRST-CLASS MAIL

\$000.50⁰

08/30/2019 ZIP 88240
042L14818194

US POSTAGE

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HOUSTON, TX, 77073