State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

Tony Delfin

Acting Cabinet Secretary

David R. Catanach, Division Director

Oil Conservation Division



Response Required - Deadline Enclosed

Field Inspection Program

"Preserving the Integrity of Our Environment"

27-Jan-17

LARRY MARKER DBA MARKER OIL

PO BOX 3188

Roswell NM 88202-8202

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

NORTH SQ Inspection Date	UARE LAKE Type Inspection	UNIT No.043	Inspector	Violation?	H-29-16S-31E *Significant Non-Compliance?	30-015-04909-00-00 Corrective Action Due By:	Inspection No.
01/27/2017	Routine/Periodic Violations General Housekeeping (Rule 114)		Tony Morales	Yes	No	5/2/2017	iTM1702737588
Comments	on Inspection:	OK. All Equipm	ent and Location in ED MATERIAL N			OUND WELL HEAD.	
NORTH SQ Inspection Date	UARE LAKE Type Inspection	UNIT No.025	Inspector	Violation?	A-29-16S-31E *Significant Non-Compliance?	30-015-04913-00-00 Corrective Action Due By:	Inspection No.
01/27/2017	Routine/Periodic Violations Surface Leaks/Spills		Tony Morales	Yes	No	5/2/2017 i	TM1702737250
				•	. PJO. STAINING A DIL-BRINE AROUNI	ROUND WELL HEAD WELLHEAD.)

NORTH SQUARE LAKE UNIT No.060

J-29-16S-31E

30-015-04914-00-00

Inspection Date

Type Inspection

Inspector

*Significant Violation? Non-Compliance?

Corrective **Action Due By:**

Inspection No.

01/27/2017 Routine/Periodic

Comments on Inspection:

Tony Morales

Yes

5/2/2017 No

iTM1702734966

Violations

General Housekeeping (Rule 114)

OK. All Equipment and Location in Good Shape. PJ. STAINING AROUND WELL HEAD,

NORTH SQUARE LAKE UNIT No.153

Inspection Type Inspection Date

Inspector

*Significant Violation? Non-Compliance?

L-34-16S-31E

30-015-04993-00-00 Corrective

Inspection No.

01/27/2017 Routine/Periodic **Tony Morales**

Yes

Action Due By: No 5/2/2017

iTM1702750077

Violations

Absent Well Identification Signs (Rule 103)

Comments on Inspection:

OK. All Equipment and Location in Good Shape. PJ. STAINING AROUND WELL HEAD. LOCATION SIGN NOT VISIBLE. CONTAMINATED MATERIAL NEXT TO WELL HEAD.

NORTH SQUARE LAKE UNIT No.177

G-29-16S-31E *Significant 30-015-32907-00-00

Inspection Date

Type Inspection

Inspector

Violation?

Non-Compliance?

Corrective Action Due By:

Inspection No.

01/27/2017

Routine/Periodic

Tony Morales

Yes

No

5/2/2017

iTM1702738408

Violations

Surface Leaks/Spills

General Housekeeping (Rule 114)

Comments on Inspection:

OK. All Equipment and Location in Good Shape. PJO. STAINING AROUND WELL HEAD.

CONTAMINATED MATERIAL ON LOCATION.

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,

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Artesia 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.