State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

Ken McQueen Cabinet Secretary

Matthias Sayer

Deputy Cabinet Secretary

David Catanach Division Director



Response Required - Deadline Enclosed

Field Inspection Program "Preserving the Integrity of Our Environment"

27-Oct-17

COLGATE OPERATING, LLC

306 W. Wall Street Suite 500 Midland TX 79701-9701

LETTER OF VIOLATION - Inspection

20 015 25671 00 00

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.

		Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
Routine/Peri	odic	Tony Morales	s Yes	No	1/30/2018	iTM1730036881
Violations						
General Housek	eeping (Rule 114)					
on Inspection:	• •		-	PJO STAINING A	AROUND WELLHEA	D
DELAWAR	E UNIT No.702			H-35-19S-29E	30-015-26026-00-0	00
Type Inspection	on	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
	Type Inspection Routine/Perion Violations General Housek on Inspection: DELAWAR Type Inspection	General Housekeeping (Rule 114) on Inspection: OK. All Equipm TANK BATTER	Type Inspection Inspector Routine/Periodic Tony Morales Violations General Housekeeping (Rule 114) on Inspection: OK. All Equipment and Location TANK BATTERIES OK. 19.13 TOELAWARE UNIT No.702 Type Inspection Inspector	Type Inspection Inspector Violation? Routine/Periodic Tony Morales Yes Violations General Housekeeping (Rule 114) on Inspection: OK. All Equipment and Location in Good Shape. TANK BATTERIES OK. 19.15.10.8 TOELAWARE UNIT No.702 Type Inspection Inspector Violation?	Type Inspection Inspector Violation? Routine/Periodic Tony Morales Yes No Violations General Housekeeping (Rule 114) on Inspection: OK. All Equipment and Location in Good Shape. PJO STAINING A TANK BATTERIES OK. 19.15.10.8 TOELAWARE UNIT No.702 Inspector Violation? H-35-19S-29E *Significant Non-Compliance?	Type Inspection Inspector Violation? Significant Non-Compliance? Action Due By: Routine/Periodic Tony Morales Yes No 1/30/2018 Violations General Housekeeping (Rule 114) on Inspection: OK. All Equipment and Location in Good Shape. The Tank Batteries ok. 19.15.10.8 TOELAWARE UNIT No.702 Inspection: Inspector Violation? H-35-19S-29E 30-015-26026-00-05 *Significant Non-Compliance? Action Due By:

INSPECTION DETAIL SECTION

E 26 100 20E

10/27/2017 Routine/Periodic **Tony Morales** Yes No 1/30/2018 iTM1730043340

Violations

DADIZWAY 26 CTATE No. 001

General Housekeeping (Rule 114)

OK. All Equipment and Location in Good Shape. PJO STAINING AROUND WELLHEAD **Comments on Inspection:**

FRESH OIL 19.15.10.5

PARKWAY DELAWARE UNIT No.922

M-36-19S-29E

30-015-26074-00-00

Inspection Date

Type Inspection

Inspector

Violation?

*Significant Non-Compliance?

Corrective Action Due By:

Inspection No.

10/27/2017 Routine/Periodic Tony Morales

Yes No 1/30/2018

iTM1730038694

Violations

General Housekeeping (Rule 114)

Comments on Inspection:

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

19.15.10.8

PARKWAY DELAWARE UNIT No.202

B-35-19S-29E

30-015-26083-00-00

Inspection Date

Type Inspection

Inspector

Violation?

*Significant Non-Compliance?

Corrective Action Due By:

Inspection No.

10/27/2017 Routine/Periodic **Tony Morales**

Yes

No

1/30/2018

iTM1730044357

Violations

General Housekeeping (Rule 114)

Comments on Inspection:

OK. All Equipmet and Location in Good Shape. PJO STAINING AROUND WELLHEAD.

TANK BATTERIES OK 19.15.10.8

PARKWAY 36 STATE No.003H

L-36-19S-29E *Significant 30-015-39236-00-00 Corrective

10/27/2017

Inspection

Date Routine/Periodic

Type Inspection

Inspector

Violation? Yes

Non-Compliance? No

Action Due By: 1/30/2018

Inspection No. iTM1730037517

Violations

General Housekeeping (Rule 114)

Comments on Inspection:

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

TANK BATTERIES OK FLARE OK 19.15.10.8

Tony Morales

PARKWAY 36 STATE No.004H

Type Inspection Inspector

M-36-19S-29E

*Significant Non-Compliance? 30-015-39237-00-00 Corrective

Inspection No.

Date 10/27/2017

Inspection

Routine/Periodic

Tony Morales

Violation? Yes

No

Action Due By: 1/30/2018

iTM1730040512

Violations

General Housekeeping (Rule 114)

Comments on Inspection:

OK. All Equipment and Location in Good Shape. PJO STAINING AROUND WELLHEAD+.

STAINED AREA APPROX 25' X 45' OLD TUBING / SUCKER RODS ON LOCATION'

SAMMY LICON, RELIEF PUMPER SL PUMPING SERVICES HOBBS NM

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,

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.