State Of New Mexico Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham Governor

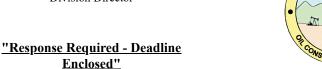
Sarah Cottrell Propst

Cabinet Secretary

Todd E. Leahy, JD, PhD

Deputy Cabinet Secretary

Adrienne Sandoval
Division Director



Field Inspection Program
"Preserving the Integrity of Our Environment"

22-Sep-20

CFM OIL, LLC P.O. Box 1176 Artesia, NM 88210 **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

[30-015-00973] FEDERAL T #001

OGRID: 280554

A-29-18S-27E 330 FNL 330 FEL

Inspection Date 9/15/2020

Type InspectionRoutine Inspection

Inspector[CZH] Chad Hensley

Corrective Action Due By 12/21/2020

Inspection No. iCZH2025941140

Violations:

Rule

Violation

Surface Leaks/Spills

19.15.29 Releases Comment:

STAINING AROUND WELL HEAD. LEAKING AROUND GEAR CASING.

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

Artesia OCD District Office

Note: Information in Detail Section comes directly from field inspector data entries - not all blanks will contain data.

From: Hensley, Chad, EMNRD

To: "cfmoilcomp1176@hotmail.com"
Cc: "lesliewpatterson@msn.com"

Subject: Letters of Violation

Date: Tuesday, September 22, 2020 8:40:00 AM

Attachments: <u>3001500978 9-22-20 CFM LOV.pdf</u>

3001500973 9-22-20 CFM LOV.pdf 3001500970 9-22-20 CFM LOV.pdf 3001500976 9-22-20 CFM LOV.pdf 3001500977 9-22-20 CFM LOV.pdf 3001523187 9-22-20 CFM LOV.pdf

Louis Fulton,

Attached is the Letter of Violation(LOV) for the following wells:

[30-015-00978] FEDERAL G #002

[30-015-00973] FEDERAL T #001

[30-015-00970] FEDERAL B #002

[30-015-00976] FEDERAL T #003

[30-015-00977] FEDERAL G #001

[30-015-23187] COBB FEDERAL #001

If you have any questions feel free to contact me on my cell.

Thank you,

Chad Hensley Compliance Officer Artesia OCD

Office: 575-748-1283 x 112

Cell: 575-703-1723

