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"

28-Oct-20

CANYON E & P COMPANY

251 O'Connor Ridge Blvd. Suite 265 Irving, TX 75038

Dear Operator:

LETTER OF VIOLATION - Field Inspection

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

[30-015-00954] ARTESIA METEX UNIT #040

OGRID: 269864

H-25-18S-27E 2310 FNL 990 FEL

Inspection Date

Type Inspection

Inspector

Corrective Action Due By

Inspection No.

9/16/2020

Routine Inspection

[CZH] Chad Hensley

1/15/2021

iCZH2026032464

Violations:

Rule

Violation

19.15.25.8 Wells to be Properly Abandoned

Noncompliance with Plugging Requirements

Comment:

NOI RECEIVED 12/3/2018. NO FURTHER ACTIVITY ON WELL.

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:
 "mike@canyonep.com"

 Subject:
 New Mexico EMNRD OC

 Subject:
 New Mexico EMNRD OCD Letter of Violation

 Date:
 Wednesday, October 28, 2020 9:46:00 AM

 Attachments:
 3001500954 10-28-20 canyon LOV.pdf 3001500948 10-28-20 canyon LOV.pdf 3001500950 10-28-20 canyon LOV.pdf

3001500950 10-28-20 canyon LOV.pdf 3001500959 10-28-20 canyon LOV.pdf 3001501190 10-28-20 canyon LOV.pdf

Mr. Myers,

Good morning and how are you? I hope all is well and you and your family are weathering this COVID storm well. I am writing you on the concerns of an idle wells. Attached is a LOV for the wells ARTESIA METEX UNIT #038, 039, 040, 044, 045 If you have any questions feel free to contact my cell.

Chad Hensley Artesia OCD

Cell: 575-703-1723

Office: 575-748-1283 x 112

