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

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

[30-015-02827] L GULF STATE #001

OGRID: 280554

A-36-16S-29E 660 FNL 660 FEL

Inspection Date 9/21/2020

Type InspectionRoutine Inspection

Inspector
[CZH] Chad Hensley

Corrective Action Due By 1/20/2021

Inspection No. iCZH2026532735

Violations:

Rule

Violation

19.15.10.8 Safety Procedures for Drilling and Production

Unauthorized Release

Comment:

STAINING AROUND WELL HEAD AND 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

Chad Henry

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

From: <u>Hensley, Chad, EMNRD</u>

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

Subject: New Mexico EMNRD OCD Letter of Violation

Date: Wednesday, October 28, 2020 10:20:00 AM

Attachments: 3001502827 10-28-20-20 CFM LOV.pdf

Louis Fulton,

L GULF STATE #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

