State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez Governor

David Martin Cabinet Secretary

Tony Delfin Deputy Cabinet Secretary David Catanach, Director Oil Conservation Division



Response Required - Deadline Enclosed

Field Inspection Program
"Preserving the Integrity of Our Environment"

30-Aug-16

REMNANT OIL OPERATING, LLC PO BOX 5375 MIDLAND TX 79704

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.

		INSPECTIO	N DETAII	L SECTION		
PENJACK Inspection Date	FEDERAL Type Inspection	No.001 Inspector	Violation?	D-6-10S-26E •Significant Non-Compliance?	30-005-60531-00-0 Corrective Action Due By:	Inspection No.
08/30/2016	Routine/Periodic	Gilbert Cordero	Yes	No	12/3/2016	iGC1624333728
Comments	on Inspection: Well	Sign (Rule 19.15.16.8). OPER.	ATOR (LEG	ACY) ON WELL SI	SN IS NOT CORRECT	
JJ FEDERA Inspection Date	L Type Inspection	No.001 Inspector	Violation?	I-1-10S-25E *Significant Non-Compliance?	30-005-60559-00-0 Corrective Action Due By:) Inspection No.
08/30/2016	Routine/Periodic	Gilbert Cordero	Yes	No	12/3/2016	iGC1624338499
Comments	on Inspection: Well	Sign (Rule 19.15.16.8). OPER/	ATOR (LEG	ACY) ON WELL SIG	IN IS NOT CORRECT	
LUKE FED Inspection Date	ERAL COM Type Inspection	No.001 Inspector	Violation?	F-24-10S-25E *Significant Non-Compliance?	30-005-61469-00-00 Corrective Action Due By:) Inspection No.
08/30/2016	Routine/Periodic	Gilbert Cordero	Yes	No	12/3/2016	iGC1624344286
Comments of	on Inspection: Well	Sign (Rule 19.15.16.8). OPER/	ATOR (LEG	ACY) ON WELL SIC	N IS NOT CORRECT	

TYRELL F	EDERAL COM	No.00	1		C-13-10S-25E *Significant	30-005-61781-00-0 Corrective	0
Date	Type Inspection	Inspe	tor Vi	olation?	Non-Compliance?	Action Due By:	Inspection No.
08/30/2016	Routine/Period	ic Gilbe	rt Cordero	Yes	No	12/3/2016	iGC162434220
Comments of	on Inspection:	Well Sign (Rule 19.15.	16.8). OPERATO	OR (LEG	ACY) ON WELL SIG	GN IS NOT CORRECT	[
SUZANNE	FENEDAT	No.001		ā.	A-23-10S-25E	30-005-61947-00-0	M
SUZAININE I Inspection	FEDERAL	110.001			A-23-103-23E *Significant	Corrective	10
Date	Type Inspection	Inspe	tor Vi	olation?	Non-Compliance?	Action Due By:	Inspection No.
08/30/2016	Routine/Periodi	c Gilbe	rt Cordero	Yes	No	12/3/2016	iGC162434461
Comments of		Vell Sign (Rule 19.15. IGN IS NOT LEGIBL		OR (LEG/	ACY) ON WELL SIC	GN IS NOT CORRECT	Γ.
LISA FEDE	RAL	No.001			L-13-10S-25E	30-005-62109-00-0	0
Inspection		-			*Significant	Corrective	YNI
Date	Type Inspection	Inspec		olation?	Non-Compliance?	Action Due By:	Inspection No.
08/30/2016	Routine/Periodi		rt Cordero	Yes	No	12/3/2016	iGC1624341906
Comments o	on Inspection: V	Vell Sign (Rule 19.15.	16.8). OPERATC	DR (LEGA	ACY) ON WELL SIC	SN IS NOT CORRECT	
TYRELL FI	EDERAL COM	No.00	2		G-13-10S-25E	30-005-62217-00-0	0
Inspection		_			*Significant	Corrective	To an other No.
Date	Type Inspection	Inspec		olation?	Non-Compliance?	Action Due By:	Inspection No.
08/30/2016	Routine/Periodi		rt Cordero	Yes	No	12/3/2016	iGC1624342533
Comments o	on Inspection: V	Vell Sign (Rule 19.15.	6.8). OPERATO	OR (LEGA	ACY) ON WELL SIC	IS NOT CORRECT	
PENJACK I Inspection	FEDERAL	No.002			O-12-10S-25E *Significant	30-005-62465-00-0 Corrective	0
Date	Type Inspection	Ілѕрес	tor Vie	lation?	Non-Compliance?	Action Due By:	Inspection No.
08/30/2016	Routine/Periodi	c Gilbe	rt Cordero	Yes	No	12/3/2016	iGC1624337999
Comments o	on Inspection: V	ell Sign (Rule 19.15.)	6.8). OPERATC	R (LEGA	ACY) ON WELL SIG	IN IS NOT CORRECT	•
MCCREA F	FF COM	No.002			B-1-10S-25E	30-005-62474-00-0	Δ
Inspection		110.002			*Significant	Corrective	v
Date	Type Inspection	Inspec	tor Vie	lation?	Non-Compliance?	Action Due By:	Inspection No.
08/30/2016	Routine/Periodi	c Gilbe	rt Cordero	Yes	No	12/3/2016	iGC1624335333
Comments o	n Inspection: W	/ell Sign (Rule 19.15.1	6.8). OPERATO	R (LEGA	ACY) ON WELL SIG	N IS NOT CORRECT	•
PENJACK F	FEDERAL	No.003			H-12-10S-25E	30-005-62495-00-0	n
Inspection		1101000			*Significant	Corrective	
Date	Type Inspection	Inspec	ior Via	lation?	Non-Compliance?	Action Due By:	Inspection No.
08/30/2016	Routine/Periodic	: Gilbe	rt Cordero	Yes	No	12/3/2016	iGC1624338262
Comments o	n Inspection: W	ell Sign (Rule 19.15.1	6.8). OPERATO	R (LEGA	ACY) ON WELL SIG	N IS NOT CORRECT	· · · · · · · · · · · · · · · · · · ·
PENJACK F	TEDERAL	No.004			K-6-10S-26E	30-005-62544-00-0	0
Inspection					*Significant	Corrective	
Date	Type Inspection	Inspec	or Vio	lation?	Non-Compliance?	Action Due By:	Inspection No.
)8/30/2016	Routine/Periodic	c Gilbe	rt Cordero	Yes	No	12/3/2016	iGC1624331314
0/00/2010	n Inspection: W	ell Sign (Rule 19.15.1	6.8). OPERATO	R (LEGA	CY) ON WELL SIG	N IS NOT CORRECT	
Comments or							
Comments of	EDERAL	No.006]	L-7-10S-26E	30-005-62562-00-00	D
Comments or PENJACK F Inspection					*Significant	Corrective	
Comments of PENJACK F Inspection Date	Type Inspection	Inspect		lation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
Comments of PENJACK F Inspection Date	Type Inspection Routine/Periodic	Inspect Gilber	t Cordero	lation? Yes	*Significant Non-Compliance? No	Corrective Action Due By:	

Oil Conservation Division * 811 S. First St. * Artesia, New Mexico 88210 Phone: 575-748-1283 * Fax: 575-748-9720 * http://www.emnrd.state.nm.us -----

PENJACK Inspection	FEDERAL	No	007		I-7-10S-26E	30-005-62611-00-00 Corrective)
Date	Type Inspection	a	Inspector	Violation?	*Significant Non-Compliance?	Action Due By:	Inspection No.
08/30/2016	Routine/Perio	dic	Gilbert Cordero	Yes	Ňo	12/3/2016	iGC162433062
Comments	on Inspection:	Well Sign (Rule AND SIGN IS I		ATOR (LEG	ACY) ON WELL SI	GN IS NOT CORRECT	
PENJACK	FEDERAL	Ne	.008		O-6-105-26E	30-005-62672-00-00)
Inspection Date	Type Inspection	1	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
08/30/2016	Routine/Perio	dic	Gilbert Cordero	Yes	No	12/3/2016	iGC1624331742
Comments	on Inspection:	Well Sign (Rule	19.15.16.8). OPER.	ATOR (LEG	ACY) ON WELL SIC	GN IS NOT CORRECT	
JJ FEDERA Inspection	L Type Inspection	No.002	Instruction	Violation9	K-1-10S-25E *Significant	30-005-62678-00-00 Corrective	
Date 08/30/2016			Inspector Gilbert Cordero	Violation? Yes	Non-Compliance? No	Action Due By:	Inspection No.
	Routine/Perio				1.0	, ,	iGC1624336951
Comments	on Inspection:	SIGN IS NOT L		ATOR (LEG	ACY) ON WELL SIC	GN IS NOT CORRECT,	
PENJACK I Inspection	FEDERAL	No	.009		G-6-10S-26E *Significant	30-005-62916-00-00 Corrective)
Date	Type Inspection		Inspector	Violation?	Non-Compliance?	Action Due By:	Inspection No.
08/30/2016	Routine/Perio	dic	Gilbert Cordero	Yes	No	12/3/2016 i	iGC1624332080
Comments of	n Inspection:	Well Sign (Rule	19.15.16.8). OPER/	ATOR (LEG	ACY) ON WELL SIC	GN IS NOT CORRECT	
JJ FEDERA Inspection	L No.003				F-1-10S-25E •Significant	30-005-63168-00-00 Corrective	I
Date	Type Inspection	l	Inspector	Violation?	Non-Compliance?	Action Due By:	Inspection No.
08/30/2016	Routine/Perio	dic	Gilbert Cordero	Yes	No	•	GC1624336682
Comments o	n Inspection:	No Well Sign (R	ule 19.15.16.8).		- <u> </u>		
-	FEDERAL No.	.010			I-12-10S-25E	30-005-63591-00-00	i
Inspection Date	Type Inspection		Inspector	Violation?	*Significant Non-Compliance?	Corrective	Inspection No.
08/30/2016	Routine/Period		Gilbert Cordero	Yes	Non-Compliance: No	Action Due By: 12/3/2016 i	GC1624337864
	Koutine/1 cho	110	Ontern conterio	103	110	12/3/2010 1	
Comments o	a Inspection:	Well Sign (Rule	19.15.16.8). OPER/	ATOR (LEG.	ACY) ON WELL SIG	N IS NOT CORRECT	
	-		19.15.16.8). OPERA	ATOR (LEG	ACY) ON WELL SIG	IN IS NOT CORRECT	
PENJACK I	en Inspection: SEDERAL No.		19.15.16.8). OPER/	ATOR (LEG	B-12-10S-25E	30-005-63592-00-00	
PENJACK I Inspection	FEDERAL No.	.011Q		ATOR (LEG.	B-12-10S-25E •Significant	30-005-63592-00-00 Corrective	Inspection No.
PENJACK I Inspection Date	FEDERAL No. Type Inspection	.011Q	Inspector		B-12-10S-25E	30-005-63592-00-00 Corrective Action Due By:	Inspection No.
PENJACK I Inspection Date 08/30/2016	FEDERAL No. Type Inspection Routine/Period	.011Q dic	Inspector Gilbert Cordero	Violation? Yes	B-12-10S-25E *Significant Non-Compliance? No	30-005-63592-00-00 Corrective Action Due By:	
PENJACK I Inspection Date 08/30/2016 Comments o	EDERAL No. Type Inspection Routine/Period n Inspection:	.011Q dic Well Sign (Rule	Inspector Gilbert Cordero	Violation? Yes	B-12-10S-25E *Significant Non-Compliance? No ACY) ON WELL SIG	30-005-63592-00-00 Corrective Action Due By: 12/3/2016 in SN IS NOT CORRECT	Inspection No. GC1624337543
PENJACK I Inspection Date 08/30/2016 Comments o FYRELL 13 Inspection	FEDERAL No. Type Inspection Routine/Period n Inspection: FEDERAL C	.011Q dic Well Sign (Rule OM No.004	Inspector Gilbert Cordero 19.15.16.8). OPERA	Violation? Yes	B-12-10S-25E *Significant Non-Compliance? No ACY) ON WELL SIG A-13-10S-25E *Significant	30-005-63592-00-00 Corrective Action Due By: 12/3/2016 if SN IS NOT CORRECT 30-005-63703-00-00 Corrective	Inspection No. GC1624337543
PENJACK I Inspection Date 08/30/2016 Comments o Comments o FYRELL 13 Inspection Date	FEDERAL No. Type Inspection Routine/Period n Inspection: FEDERAL Co Type Inspection	011Q dic Well Sign (Rule OM No.004	Inspector Gilbert Cordero 19.15.16.8). OPERA Inspector	Violation? Yes ATOR (LEG, Violation?	B-12-10S-25E *Significant Non-Compliance? No ACY) ON WELL SIG A-13-10S-25E *Significant Non-Compliance?	30-005-63592-00-00 Corrective Action Due By: 12/3/2016 if N IS NOT CORRECT 30-005-63703-00-00 Corrective Action Due By:	Inspection No. GC1624337543 Inspection No.
PENJACK I Inspection Date 98/30/2016 Comments o VYRELL 13 Inspection Date 8/30/2016	FEDERAL No. Type Inspection Routine/Period n Inspection: FEDERAL Co Type Inspection Routine/Period	.011Q dic Well Sign (Rule OM No.004 dic	Inspector Gilbert Cordero 19.15.16.8). OPERA Inspector Gilbert Cordero	Violation? Yes ATOR (LEG.	B-12-10S-25E *Significant Non-Compliance? No ACY) ON WELL SIG A-13-10S-25E *Significant	30-005-63592-00-00 Corrective Action Due By: 12/3/2016 if N IS NOT CORRECT 30-005-63703-00-00 Corrective Action Due By:	Inspection No. GC1624337543
PENJACK I Inspection Date 08/30/2016 Comments o FYRELL 13 Inspection Date 08/30/2016	FEDERAL No. Type Inspection Routine/Period n Inspection: FEDERAL Co Type Inspection Routine/Period	011Q dic Well Sign (Rule OM No.004	Inspector Gilbert Cordero 19.15.16.8). OPERA Inspector Gilbert Cordero	Violation? Yes ATOR (LEG, Violation?	B-12-10S-25E *Significant Non-Compliance? No ACY) ON WELL SIG A-13-10S-25E *Significant Non-Compliance?	30-005-63592-00-00 Corrective Action Due By: 12/3/2016 if N IS NOT CORRECT 30-005-63703-00-00 Corrective Action Due By:	Inspection No. GC1624337543
PENJACK I Inspection Date 08/30/2016 Comments o FYRELL 13 Inspection Date 08/30/2016 Comments o	FEDERAL No. Type Inspection Routine/Period n Inspection: FEDERAL Co Type Inspection Routine/Period	.011Q dic Well Sign (Rule OM No.004 dic No Well Sign (R	Inspector Gilbert Cordero 19.15.16.8). OPERA Inspector Gilbert Cordero	Violation? Yes ATOR (LEG, Violation?	B-12-10S-25E *Significant Non-Compliance? No ACY) ON WELL SIG A-13-10S-25E *Significant Non-Compliance? No	30-005-63592-00-00 Corrective Action Due By: 12/3/2016 if N IS NOT CORRECT 30-005-63703-00-00 Corrective Action Due By:	Inspection No. GC1624337543
PENJACK I Inspection Date 08/30/2016 Comments o FYRELL 13 Inspection Date 08/30/2016 Comments o	FEDERAL No. Type Inspection Routine/Period n Inspection: FEDERAL Control Type Inspection Routine/Period n Inspection:	.011Q dic Well Sign (Rule OM No.004 dic No Well Sign (R	Inspector Gilbert Cordero 19.15.16.8). OPERA Inspector Gilbert Cordero	Violation? Yes ATOR (LEG, Violation?	B-12-10S-25E *Significant Non-Compliance? No ACY) ON WELL SIG A-13-10S-25E *Significant Non-Compliance? No M-1-10S-25E	30-005-63592-00-00 Corrective Action Due By: 12/3/2016 if SN IS NOT CORRECT 30-005-63703-00-00 Corrective Action Due By: 12/3/2016 if 30-005-63711-00-00	Inspection No. GC1624337543
PENJACK I Inspection Date 08/30/2016 Comments o FYRELL 13 Inspection Date 08/30/2016 Comments o (J 1 FEDER Inspection	FEDERAL No. Type Inspection Routine/Period n Inspection: FEDERAL Control Type Inspection Routine/Period n Inspection: AL COM No.	.011Q dic Well Sign (Rule OM No.004 dic No Well Sign (R	Inspector Gilbert Cordero 19.15.16.8). OPERA Inspector Gilbert Cordero ule 19.15.16.8).	Violation? Yes ATOR (LEG, Violation? Yes	B-12-10S-25E *Significant Non-Compliance? No ACY) ON WELL SIG A-13-10S-25E *Significant Non-Compliance? No M-1-10S-25E *Significant	30-005-63592-00-00 Corrective Action Due By: 12/3/2016 if SN IS NOT CORRECT 30-005-63703-00-00 Corrective Action Due By: 12/3/2016 if 30-005-63711-00-00 Corrective Action Due By:	Inspection No. GC1624337543 Inspection No. GC1624338867

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Oil Conservation Division * 811 S. First St. * Artesia, New Mexico 88210 Phone: 575-748-1283 * Fax: 575-748-9720 * http://www.emnrd.state.nm.us

COMANCH	IE HILL 18 FE	D No.001			2-18-10S-26E	30-005-63815-00-0	0
Inspection Date	Type Inspection	. •	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
08/30/2016	Routine/Period	lic	Gilbert Cordero	Yes	No	12/3/2016	iGC1624330046
Comments on Inspection: Well Sign (Rule 19.15.16.8). OPERATOR (LEGACY) ON WELL SIGN IS NOT CO							

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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, let. Compliance OAF, were 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.