Tor Morales & Gilbert Cordero,

 $\mathcal{U}_{\mathsf{he}}$ violations on the attached documents have been resolved.

Thanks,

Tanner Riewe

Production Engineer

Office: (575) 393-5905 Cell: (575) 602-3009

Fax: (575) 393-7259

Email: triewe@mewbourne.com



NM OIL CONSERVATION

ARTESIA DISTRICT

NOV 07 2016

RECEIVED

8-16

State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

David Martin

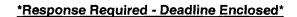
Cabinet Secretary

Tony Delfin

Deputy Cabinet Secretary

David Catanach. Director

Oil Conservation Division



Field Inspection Program

"Preserving the Integrity of Our Environment"

01-Aug-16

NM OIL CONSERVATION

ARTESIA DISTRICT

NOV 07 2016

MEWBOURNE OIL CO

PO Box 5270

Hobbs NM 88241-8241

RECEIVED

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.

INSPECTION DETAIL SECTION

INOCO PRINCIPA ENTATES NOCOLO

Type Inspection

Inspector

Violation?

L-2-18S-30E *Significant

Corrective Non-Compliance? Action Due By:

Inspection No.

08/01/2016 Routine/Periodic

Inspection

Date

Tony Morales

Yes

No

11/4/2016

30-015-26654-00-00

iTM1621450973

Violations

Tank Battery Equipment (Rules 114, 115)

General Housekeeping (Rule 114)

Comments on Inspection:

OK. All Equipment and Location in Good Shape. PJ. STAINING AROUND WELL HEAD.

TANK BATTERIES STAINING AROUND DRAIN. NO WIND SOCK. TUBING ON

LOCATION.

ILOCO HILLUSISTIANTE No-005

E-2-18S-30E

30-015-27450-00-00

Inspection

Type Inspection Date

Inspector

Violation?

*Significant Non-Compliance?

Corrective Action Due By:

Inspection No.

08/01/2016

Routine/Periodic

Tony Morales

Yes

No

11/4/2016

iTM1621451205

Violations

General Housekeeping (Rule 114)

Comments on Inspection:

OK. All Equipment and Location in Good Shape. PJ. STAINING AROUND WELL HEAD.

TUBING ON LOCATION

O-2-18S-30E

30-015-27555-00-00

Inspection

Type Inspection Date

Inspector

*Significant Violation? Non-Compliance? Corrective

Action Due By:

Inspection No.

iTM1621451748

08/01/2016 Routine/Periodic Tony Morales Yes No 11/4/2016

Violations

Tank Battery Equipment (Rules 114, 115)

Surface Leaks/Spills

General Housekeeping (Rule 114)

Comments on Inspection:

OK. All Equipment and Location in Good Shape. PJ. TANK BATTERIES NEEDS

CONTAINMENT REPAIR. STAINING AROUND HEATER TREATOR, LOCATION SIGN

NOT VISIBLE. STAINING AROUND WELL HEAD OLD TUBING ON LOCATION.

BRADLEY 36 B2EH STATE COM No.001H E-36-18S-29E 30-015-42403-00-00 Inspection *Significant Corrective Inspection No. Type Inspection Inspector Violation? Date Non-Compliance? Action Due By: 08/01/2016 Routine/Periodic Tony Morales Yes No 11/4/2016 iTM1621438059 Violations General Housekeeping (Rule 114) Comments on Inspection: OK. All Equipment and Location in Good Shape. PJO. STAINING AROUND WELL HEAD. PILE OF TRASH ON LOCATION

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.