Morales & Gilbert Cordero,

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

Thanks,

Tony

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

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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"

04-Aug-16

MEWBOURNE OIL CO

PO Box 5270 Hobbs NM 88241-8241 C11-7-16

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 | | |
|--------------------------------------|---|-----------------------|----------------|------------|--|--|---------------------|
| SAVNIICO NII Inspection Date | NO 29 INCIDERAN Type Inspection | L No.001 | Inspector | Violation? | E-29-18S-30E *Significant Non-Compliance? | 30-015-28139-00-0 Corrective Action Due By: | 0 Inspection No. |
| 08/04/2016 | Routine/Periodic Violations | | Tony Morales | Yes | No | 11/7/2016 | iTM1621742677 |
| | Tank Battery Equip | nent (Rules 114, | , 115) | | | | |
| | General Housekeepi | ng (Rule 114) | | | | | |
| Comments | Т | ANK BATTER | | | | OUND WELL HEAD G CHEMICAL TANK | ON |
| | T L | ANK BATTER OCATION | | | | | |
| | Т | ANK BATTER OCATION | | | BARB WIRE TUBIN | G CHEMICAL TANK | |
| SAVN110 INII Inspection | T L NO 1915FEDIERAN | ANK BATTER OCATION | RY NEEDS WINDS | SOCK OLD | BARB WIRE TUBIN O-19-18S-30E *Significant | G CHEMICAL TANK 30-015-28329-00-0 Corrective | 0 |
| SAVN11(0) FN11 Inspection Date | T L NO 1945FEDERAN Type Inspection Routine/Periodic | ANK BATTER OCATION | RY NEEDS WINDS | SOCK OLD | BARB WIRE TUBIN O-19-18S-30E *Significant Non-Compliance? | G CHEMICAL TANK 30-015-28329-00-0 Corrective Action Due By: | 0 Inspection No. |

| Inspection | NO 29 FEDERAL SWD No.0 Type Inspection | | 0.001 Inspector | | | 30-015-28698-00-0 Corrective |) Inspection No. |
|---|---|-------------------------|---|------------------------------|---------------------------------|---------------------------------|---------------------|
| Date Type Inspection 08/04/2016 Routine/Peri | | | - | | Non-Compliance? | Action Due By: | - |
| 08/04/2010 | Violations | Juic | Tony Morales | Yes | No | 11/7/2016 | iTM1621745040 |
| | Tank Battery Eq General Housek | | | | | | |
| Comments of | on Inspection: | OK. All Equ STAINING | ipment and Location in AROUND DRAINS C D 55 GALLON DRUM | OLD CONTA | INMENT CONTAMI | | |
| ARIES 20 F | EDERAL CO | M No.002H | | | E-20-18S-30E | 30-015-38392-00-0 | 0 |
| Inspection Date | Type Inspectio | | Inspector | Violation? | *Significant Non-Compliance? | Corrective | Inspection No. |
| 08/04/2016 | Routine/Perio Violations | odic | Tony Morales | Yes | No | 11/7/2016 | iTM1621732549 |
| | General Housek | eeping (Rule 114 | | | | | |
| Comments of | on Inspection: | | ipment and Location in RKED 55 GALLON I | | | AROUND LOCATION | I. |
| ARIES 20 F | EDERAL CO | M No.003H | | | L-20-18S-30E | 30-015-39432-00-0 | 0 |
| Inspection Date | Type Inspectio | n | Inspector | Violation? | *Significant Non-Compliance? | Corrective Action Due By: | Inspection No. |
| 08/04/2016 | Routine/Perio | odic | Tony Morales | Yes | No | 11/7/2016 | iTM1621736559 |
| | Violations | | | | | | |
| | General Housek | | | | | | |
| Comments o | on Inspection: | - | pment and Location in G ON LOCATION | Good Shape | . PJO. STAINING A | ROUND WELL HEA | D |
| BRADLEY | 30 FEDERAL | . No.003H | | | E-30-18S-30E | 30-015-40168-00-0 | 0 |
| Inspection Date | Type Inspection | n | Inspector | Violation? | *Significant Non-Compliance? | Corrective Action Due By: | Inspection No. |
| 08/04/2016 | Routine/Perio | | Tony Morales | Yes | No | 11/7/2016 | iTM1621741968 |
| 00/04/2010 | Violations General Houseko | | · | 105 | No | 11///2010 | 111110217 11700 |
| Comments of | on Inspection: | OK. All Equi | pment and Location in ERY NO WINDSOC | | | | D |
| ARIES 20 FEDERAL COM No.004H Inspection | | | | M-20-18S-30E *Significant | 30-015-40427-00-0 Corrective | 0 | |
| Date | Type Inspectio | | Inspector | Violation? | Non-Compliance? | | Inspection No. |
| 08/04/2016 | Routine/Perio | | Tony Morales | Yes | No | 11/7/2016 | iTM1621736166 |
| Commente | General Housek | | | Cood Sta | | OTA INING A DOUD! | ` |
| Comments | on Inspection: | | pment and Location in O OLD TUBING / PO | | | | |
| BRADLEY I | 30 FEDERAL | COM No.0 |)4H | | D-30-18S-30E *Significant | 30-015-40934-00-0 Corrective | |
| Date | Type Inspection | | Inspector | Violation? | Non-Compliance? | Action Due By: | Inspection No. |
| 08/04/2016 | Routine/Peric | | Tony Morales | Yes | No | 11/7/2016 | iTM1621740779 |
| | General Housekeeping (Rule 114) on Inspection: OK. All Equipment and Location in Good Shape. PJ. STAINING AROUND WELL HEAD | | | | | | |
| | | | | | | | |

| ANNUES 20 MIP ISEDIERAIL COM No. CO1H | | | | M-20-18S-30E *Significant | 30-015-41695-00-0 Corrective | 0 | |
|--|-----------------|------------------|------------|------------------------------|---------------------------------|----------------|--|
| Date | Type Inspection | Inspector | Violation? | Non-Compliance? | Action Due By: | Inspection No. | |
| 08/04/2016 | Routine/Peric | dic Tony Morales | Yes | No | 11/7/2016 | iTM1621732177 | |
| | Violations | | | | | | |
| General Housekeeping (Rule 114) | | | | | | | |
| Comments on Inspection: OK. All Equipment and Location POLY PIPE ON LOCATION. C | | | - | . PJ STAINING ARC | OUND WELL HEAD | | |

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, R 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.