State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

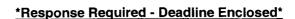
Ken McQueen Cabinet Secretary

Matthias Sayer

Deputy Cabinet Secretary

David Catanach

Division Director



Field Inspection Program "Preserving the Integrity of Our Environment"

23-May-17

SEELY OIL CO 815 W 10TH ST FORT WORTH TX 76102

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

ARCO FEDERAL No.001

Inspection

Date

05/23/2017

Type Inspection Routine/Periodic

Inspector

Tony Morales

Violation?

Yes

*Significant Non-Compliance? No

H-9-17S-30E

30-015-20851-00-00 Corrective Action Due By: 8/26/2017

Inspection No. iTM1714347407

Violations

Absent Well Identification Signs (Rule 103)

General Housekeeping (Rule 114)

Comments on Inspection:

Idle Well (Rule 201) ???

PJ. NO LOCATION SIGN. HOA OFF

OLD SUCKER RODS TUBING ON LOCATION. TANK BATTERIES NO SECONDARY IMPERMEABLE CONTAINMENT NO WINDSOCK / PLACARDS STAINING RULES

19.15.16.8 / 19.15.35.7B

ARCO FEDERAL No.004

F-9-17S-30E

30-015-21276-00-00

Inspection

05/23/2017

Type Inspection Date

Inspector

Violation?

*Significant Non-Compliance?

Corrective Action Due By:

Inspection No.

Routine/Periodic

Tony Morales

Yes

No

8/26/2017

iTM1714348801

Violations

Absent Well Identification Signs (Rule 103)

Comments on Inspection:

OK. All Equipment and Location in Good Shape. PJ. POWER OFF. LOCATION SIGN NOT

VISIBLE RULE 19.15.16.8

ARCO FEDERAL No.005

Inspection **Type Inspection** Date

C-9-17S-30E 30-015-21436-00-00 *Significant

Corrective

Inspection No.

05/23/2017

Routine/Periodic

Inspector Tony Morales Violation? Yes

Non-Compliance? No

Action Due By: 8/26/2017

iTM1714345573

Violations

Absent Well Identification Signs (Rule 103)

Comments on Inspection:

OK. All Equipment and Location in Good Shape. PJ.. LOCATION SIGN NOT VISIBLE rule

ARCO FEDERAL No.006

Type Inspection

Inspector

Violation?

*Significant Non-Compliance?

B-9-17S-30E

30-015-21437-00-00 Corrective Action Due By:

Inspection No.

Date 05/23/2017

Inspection

Routine/Periodic

Tony Morales

Yes

No

8/26/2017

iTM1714346215

Violations

General Housekeeping (Rule 114)

Comments on Inspection:

OK. All Equipment and Location in Good Shape. PJ OLD POWER BOXES / SUCKER RODS /

DEBRIS ON LOCATION RULE 19,15.35.7B

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.