

State of New Mexico  
Energy, Minerals and Natural Resources Department

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**Susana Martinez**  
Governor

**Ken McQueen**  
Cabinet Secretary-Designate

**Matthias Sayer**  
Deputy Cabinet Secretary

**David R. Catanach, Division Director**  
Oil Conservation Division



15-Jun-17

**SELLERS&FULTON OIL LLC**  
422 W MAIN SUITE 5 PO BOX 1176 Text158:  
ARTESIA NM 88210-

**LETTER OF VIOLATION - Inactive Well(s)**

Dear Operator:

Dear Operator:

A review of our records and recent inspection(s) indicate that the subject well(s) has been shut-in for an extended period of time. Rule 19.15.25.8 (3) **WELLS TO BE PROPERLY ABANDONED** of the Rules and Regulation of the Oil Conservation Division provides that a well may be shut-in no longer than sixty days after suspension of drilling operations, upon determining that the well is no longer usable (e.g., a dry hole), or one year after last production

To comply with guidelines as established in the Rules and Regulations, corrective actions must be taken immediately and the well(s) brought into compliance.

The detail section below indicates preliminary findings and/or probable nature of the violation.

The following options are

1. Immediately restore the well(s) to production, injection or disposal as applicable. Submit Form C-103 stating how and when wells became active and monthly file electronically Form C-115
2. Request 'Temporary Abandoned' status pursuant to Rule 19.15.25.13 on Form C-103, which requires that
3. Submit a proposal to 'Plug and Abandon' the well(s) pursuant to Rule 19.15.25.9 on Form C-103 and, you set a plug and conduct a mechanical integrity test proceed with
- . plugging procedures on a timely basis after the proposal has been evaluated, amended and/or approved .

In the event that a **"PLAN OF ACTION"** is not received within thirty days of this letter and all compliance issues completed by the "Corrective Action Due By" date shown above, further enforcement will occur

## RULE 19.15.16.8 SIGN ON WELLS

**A.** An operator shall identify wells and related facilities the division regulates by a sign, which shall remain in place until the operator plugs and abandons the well and closes the related facilities.

**B.** For drilling wells, the operator shall post the sign on the derrick or not more than 20 feet from the well.

**C.** The sign shall be of durable construction and the lettering shall be legible and large enough to be read under normal conditions at a distance of 50 feet.

**D.** The wells on each lease or property shall be numbered in non-repetitive, logical and distinctive sequence.

**F.** An operator shall have 90 days from the effective date of an operator name change to change the operator name on the well sign unless the division grants an extension of time, for good cause shown along with a schedule for making the changes.

Each sign shall show the:

- (1) well number;
- (2) property name;
- (3) operator's name;
- (4) location by footage, quarter-quarter section, township and range (or unit letter can be substituted for the quarter-quarter section), and
- (5) API number.

### IDLE WELL INSPECTION DETAIL SECTION

<b>FARMER FEDERAL 002</b>	I-12-16S-29E	30-015-02687-00-	Inspection No.
iTWG1716443286			
Inspection Date:	6/13/2017 12:01:21 PM	Corrective Action Due by:	9/16/2017
Type Inspection	Inspector	Violation?	*Significant Non-
Compliance?			
Routine/Periodic	Tim Gum	Yes	No
Comments on Inspection:	IDLE WELL . LAST REPORTED PRODUCTION --3/15. PJ.NO POWER, PJ NOT RUNING. OSCVS OPEN. FLOWLINE LINE VALVE OPEN . WHHP. BTTY EQUIPMENT --2 TKS & 1 SMALL GB, HP IN BTTY AREA. WIND SOCK NEEDS REPAIR.		
	RULE: 19.15.25.8 VILOATION.		

PICTURES TAKEN.

<b>HIGH LONESOME PENROSE UNIT</b>	H-15-16S-29E	30-015-02722-00-	Inspection No.
iTWG1716542216			
Inspection Date:	6/14/2017 11:43:33 AM	Corrective Action Due by:	9/17/2017
Type Inspection	Inspector	Violation?	*Significant Non-
Compliance?			
Routine/Periodic	Tim Gum	Yes	No
Comments on Inspection:	IDLE W NO DROP POLE. NO ELECTRIC SERSERVICE.ELL --LAST REPORTED PRODUCTION--11/15. PJ.PO. WHS. OSCVO.		
	RULE: 19.15.25.8 VILOATION		
	PICTURES TAKEN.		

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**HIGH LONESOME PENROSE UNIT**

G-15-16S-29E 30-015-02728-00- Inspection No.

iTWG1716539811

002

Inspection Date:	6/14/2017 11:03:27 AM	Corrective Action Due by:	9/17/2017
Type Inspection	Inspector	Violation?	*Significant Non-
Compliance?			
Routine/Periodic	Tim Gum	Yes	No
Comments on Inspection:	IDLE WELL. LAST REPORTED PRODUCTION --11/15. PJ.PO.NO ELECTRIC . SERVICE.OSCVO.. BTTY EQUIPMENT- 1 TK NO WIND SOCK & I GB. OLD WTR. STATION NO PUMPS.. RULE :19.15.25.8 VIOLATION. PICTURES TAKEN		

**HIGH LONESOME PENROSE UNIT**

J-15-16S-29E 30-015-02734-00- Inspection No.

iTWG1716542806

007

Inspection Date:	6/14/2017 11:53:22 AM	Corrective Action Due by:	9/17/2017
Type Inspection	Inspector	Violation?	*Significant Non-
Compliance?			
Routine/Periodic	Tim Gum	Yes	No
Comments on Inspection:	IDLE WELL-LAST REPORTED PRODUCTION -11/15. PJ.PO. WHS. RULE: 19.15.25.8 VIOLATION. PICTURES TAKEN .		

**ILES FEDERAL 001Y**

P-17-16S-29E

30-015-02754-00-

Inspection No.

iTWG1716536702

Inspection Date:	6/14/2017 10:11:34 AM	Corrective Action Due by:	9/17/2017
Type Inspection	Inspector	Violation?	*Significant Non-
Compliance?			
Routine/Periodic	Tim Gum	Yes	No
Comments on Inspection:	IDLE WELL . LAST REPORTED PRODUCTION --12/15 . PJ.PO NO DROP POLE NO ELECTRIC CONNECTION, OSCVO,WHHP. NO WELL SIGN. WRONG OPERATOR NAME ON BTTY SIGN . BTTY EQUIPMENT - 1 ACTIVE TK, NO WIND SOCK, & 1 TK OUT OF SERVICE. RULES: 19.15.25.8 & 19.15.16.8 VIOLATION . PICTURES TAKEN		

**WELCH ST 001**

B-21-18S-28E

30-015-24304-00-

Inspection No.

iTWG1716343720

Inspection Date:	6/12/2017 12:08:23 PM	Corrective Action Due by:	9/15/2017
Type Inspection	Inspector	Violation?	*Significant Non-
Compliance?			
Routine/Periodic	Tim Gum	Yes	No
Comments on Inspection:	IDLE WELL -LRP- 2/16. PJ .PO.OSCVO. TBG/FLOWLINE VALVE CLOSED. WRONG OPERATOR NAME OFN WELL. SIGN.NO API NO ON WELL SIGN. 2-TK BTTY, NET ON WTR TK NEEDS REPAIR . RULES: 19.15.25.8 & 19.15.16.8 VIOLATION		

PICTRES TAKEN.

**WELCH ST 004**

A-21-18S-28E

30-015-24557-00-

Inspection No.

iTWG1716339912

Inspection Date:	6/12/2017 11:05:08 AM	Corrective Action Due by:	9/15/2017
Type Inspection	Inspector	Violation?	*Significant Non-
Compliance?			
Routine/Periodic	Tim Gum	Yes	No
Comments on Inspection:	IDLE WELL --LRP--12/14. PJ.PO.OSCVO. TBG/FLOWLINE VALVE CLOSED. WHHP. 2-TK BTTY OK. NO API NO ON WELL SIGN. RULES: 19.15.25.8 & 19.15.16.8 VIOLATION PICTURES TAKEN		

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<b>ELK STATE 002</b>	<b>N-16-18S-28E</b>	<b>30-015-24578-00-</b>	<b>Inspection No.</b>
iTWG1716347440			
<b>Inspection Date:</b>	<b>6/12/2017 1:10:36 PM</b>	<b>Corrective Action Due by: 9/15/2017</b>	
<b>Type Inspection</b>	<b>Inspector</b>	<b>Violation?</b>	<b>*Significant Non-</b>
<b>Compliance?</b>			
Routine/Periodic	Tim Gum	Yes	No
<b>Comments on Inspection:</b>	IDLE WELL -- LRP---12/13. PJ.PO. TBG ? FLOWLINE VALVE CLOSED. OSCVO. WRONG OPERATOR NAME WELL SIGN. NO WELL DATA. . FLOWLINE TO THE ACTIVE ELK ST NO. WELL AND BTTY. RULES: 19.15.25.8 & 19.15.16.8 VIOLATION PICTURES TAKEN.		

<b>TRIGG FEDERAL 004</b>	<b>O-26-17S-27E</b>	<b>30-015-31571-00-</b>	<b>Inspection No.</b>
iTWG1716550714			
<b>Inspection Date:</b>	<b>6/14/2017 2:04:46 PM</b>	<b>Corrective Action Due by: 9/17/2017</b>	
<b>Type Inspection</b>	<b>Inspector</b>	<b>Violation?</b>	<b>*Significant Non-</b>
<b>Compliance?</b>			
Routine/Periodic	Tim Gum	Yes	No
<b>Comments on Inspection:</b>	IDLE WELL --LAST REPORTED PRODUCTION -12/15. PJ.PO. BTTY -EQUIPMENT -4 TKS NO WIND SOCK & 1 HT , TRANSFER PUMP IN SMALL TK. 1 FLOAT W/ WT TK & 1 INACTIVE TK ON LOCATION . WRONG API NO ON WELL SIGN: 30-015-20116. WELL MISS-SPOTTED IN GIS. RULES: 19.15.25.8 & 19.15.16.8 VIOLATION PICTURES TAKEN.		

Thank you for your prompt attention to this matter and your efforts in helping to protect our environment and the  
infra-  
structure of the oil and gas industry.

Sincerely,



Artesia OCD District Office

\* Significant Non-Compliance events are reported directly to the U.S. Environmental Protection Agency, Region VI, Dallas, Texas.