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



Response Required - Deadline Enclosed

Field Inspection Program
"Preserving the Integrity of Our Environment"

30-Aug-17

MEWBOURNE OIL CO

4801 Business Park Blvd. PO Box 5270 Hobbs NM 88240-8240

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 DETAIL	SECTION			
FEDERAL Inspection Date	JL 35 No.001 Type Inspection	Inspector	Violation?	O-35-18S-29E *Significant Non-Compliance?	30-015-25173-00- Corrective Action Due By:	00 Inspection No.	
08/30/2017	Routine/Periodic Violations General Housekeepin	Tony Morales g (Rule 114)	Yes	No	12/3/2017	iTM1724248217	
Comments		. All Equipment and Location in 15.10.8	Good Shape	. PJ. STAINING AF	ROUND WELL HEAI)	
SAND DUN	ES 35 FEDERAL	COM No.001		J-35-18S-29E	30-015-31395-00-00		
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.	
08/30/2017	Routine/Periodic Violations Emergency/Temporat	Tony Morales y Pits	Yes	No	12/3/2017	iTM1724250260	
Comments	IM	All Equipment and Location in PERMEABLE CONTAINMENT LDING TANK " RULE - R-895	Γ NO PLACA				

ZIRCON 2 DA STATE		No	No.001H		D-2-19S-29E	30-015-41133-00-00				
Inspection Date	Type Inspection	n	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.			
08/30/2017	Routine/Perio	odic	Tony Morales	Yes	No	12/3/2017	iTM1724248946			
	Violations									
	General Housekeeping (Rule 114)									
Comments	on Inspection:	OK. All Equipr 19.15.10.8	nent and Location in	Good Shape	. PJ STAINING AR	OUND WELLHEAD				
BRADLEY Inspection Date	36 B2EH STA Type Inspectio		No.001H Inspector	Violation?	E-36-18S-29E *Significant Non-Compliance?	30-015-42403-00-0 Corrective Action Due By:	0 Inspection No.			
08/30/2017	Routine/Perio Violations General Houseke	odic ceping (Rule 114)	Tony Morales	Yes	No	12/3/2017	iTM1724242999			
IPS (DK. All Equipment and Location in Good Shape. PJ. STAINING AROUND WELL HEAD PS ON LOCATION HOBBS NM 575-393-1417 REPLACING PUMP OFF CONTROL 9.15.10.8							

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, 00. 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.