State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

Ken McQueen Cabinet Secretary **David Catanach**Division Director



Matthias Sayer

Deputy Cabinet Secretary

Response Required - Deadline Enclosed

Field Inspection Program
"Preserving the Integrity of Our Environment"

05-Oct-17

STEPHENS & JOHNSON OP CO

POBOX 2249

WICHITA FALLS TX 76308

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

STATE BN	No.003			I-11-19S-28E	30-015-02212-00-	00
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
10/05/2017	2017 Routine/Periodic Violations General Housekeeping (Rule 114)		ales Yes	No	1/8/2018	iTM1727831031
Comments	on Inspection:	OK. All Equipment and Loca OLD OPEN TOP TANK ON			AROUND WELL HE	AD.
STATE BN Inspection Date	No.004 Type Inspection	Inspector	Violation?	J-11-19S-28E *Significant Non-Compliance?	30-015-02213-00- Corrective Action Due By:	00 Inspection No.
10/05/2017	Routine/Period Violations General Housekee	,	rales Yes	No	1/8/2018	iTM1727831818
Comments	-	OK. All Equipment and Loca 19.15.10.8 TANK BATTER HEATOR TREATOR TANK	RIES NO PLACARI		AROUND WELL HE	

EAST MILLMAN UNIT No.301 M-11-19S-28E 30-015-28457-00-00 Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 10/05/2017 Routine/Periodic Tony Morales Yes No 1/8/2018 iTM1727837458 Violations General Housekeeping (Rule 114) Comments on Inspection: OK. All Equipment and Location in Good Shape. PJ. STAINING AROUND WELL HEAD OLD SUCKER RODS / TUBING ON LOCATION 16.15.10.5 I-11-19S-28E MILLMAN 11 STATE No.002 30-015-28712-00-00

Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 10/05/2017 1/8/2018 Routine/Periodic Tony Morales Yes No iTM1727831275

Violations

General Housekeeping (Rule 114)

Comments on Inspection: OK. All Equipment and Location in Goo Shape. PJ. STAINING AROUND WELL HEAD.

OLD TUBING / SUCKER RODS / OLD TANK / CONTAMINATED MATERIAL ON

LOCATION 19.15.10.8

B-14-19S-28E **EAST MILLMAN UNIT No.237** 30-015-39033-00-00

Tony Morales

Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: iTM1727841867

Yes

No

1/8/2018

10/05/2017 Routine/Periodic Violations

General Housekeeping (Rule 114)

Comments on Inspection: OK. All Equipment and Location in Good Shape. PJ. STAINING AROUND WELL HEAD

19.15.10.8

EAST MILLMAN UNIT No.241 B-14-19S-28E 30-015-39960-00-00

*Significant Corrective Inspection Violation? Inspection No. Type Inspection Inspector Date Non-Compliance? Action Due By: Tony Morales Yes No 1/8/2018 iTM1727840536

10/05/2017 Routine/Periodic Violations

General Housekeeping (Rule 114)

Comments on Inspection: OK. All Equipment and Location in Good Shape. PJ. OLD TUBING ON LOCATION

19.15.10.8

F-14-19S-28E **EAST MILLMAN UNIT No.244** 30-015-40405-00-00

*Significant Corrective Inspection Type Inspection Inspector Violation? Inspection No. Non-Compliance? Action Due By: Date iTM1727844584 10/05/2017 Yes No 1/8/2018 Routine/Periodic Tony Morales

Violations

General Housekeeping (Rule 114)

Comments on Inspection: PJ. STAINING AROUND WELL HEAD. OK. All Equipment and Location in Good Shape.

OLD TUBING ON LOCATION 19.15.10.8

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,

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.