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"

15-Dec-17

XTO ENERGY, INC

500 W. ILLINOIS, STE 100 MIDLAND TX 79701

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 | | |
|--|--|----------------------------------|----------------------|---|--|------------------------------|----------------|
| REMUDA BASIN 19 FEE No.001 Inspection Date Type Inspection | | Inspector | Violation? | C-19-23S-30E *Significant Non-Compliance? | 30-015-28398-00- Corrective Action Due By: | 00 Inspection No. | |
| 12/15/2017 | Routine/Peric Violations General Houseke | dic eping (Rule 114) | Tony Morales | Yes | No | 3/20/2018 | iTM1734938252 |
| Comments | on Inspection: | OK. All Equipn 19.15.10.8 | nent and Location ir | n God Shape. | PJ. STAINING | AROUND WELL HE | AD. |
| REMUDA I | BASIN 19 FEI | DERAL No.001 | | A-19-23S-30E 30-015-28902-00-00 | | | |
| Inspection Date | Type Inspectio | 1 | Inspector | Violation? | *Significant Non-Compliance? | Corrective Action Due By: | Inspection No. |
| 12/15/2017 | Routine/Peric Violations | dic | Tony Morales | Yes | No | 3/20/2018 | iTM1734938855 |
| | General Houseke | eping (Rule 114) | | | | | |
| Comments on Inspection: OK. All Equip 19.15.10.8 | | ment and Location in Good Shape. | | PJO STAINING AROUND WELLHEAD | | | |

| REMUDA I Inspection Date | BASIN STATI Type Inspectio | - | Inspector | Violation? | D-19-23S-30E *Significant Non-Compliance? | 30-015-31335-00- Corrective Action Due By: | 00 Inspection No. |
|---|--|-------------------------------|----------------------------------|-------------|---|--|----------------------|
| 12/15/2017 | Routine/Perio Violations General Houseke | odic eeping (Rule 114) | Tony Morales | Yes | No | 3/20/2018 | iTM1734937881 |
| Comments | on Inspection: | OK. All Equipn POWER OFF / | nent and Location in TAGGED | Good Shape. | PJ. STAINING | G AROUND WELL H | EAD. |
| NASH UNI Inspection Date | Г No.045H Type Inspectio | n | Inspector | Violation? | D-18-23S-30E *Significant Non-Compliance? | 30-015-42048-00- Corrective Action Due By: | 00 Inspection No. |
| 12/15/2017 | Routine/Perio Violations Absent Well Ide | odic ntification Signs (R | Tony Morales ule 103) | Yes | No | 3/20/2018 | iTM1734934385 |
| Comments on Inspection: OK. All Equ WRONG 19 | | | pment and Location in Good Shape | | API NUMBER ON LOCATION SIGN IS | | |

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,

COArtesia 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.