State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez Governor

Ken McQueen Cabinet Secretary

Matthias Sayer Deputy Cabinet Secretary Heather Riley Division Director



Response Required - Deadline Enclosed

Field Inspection Program "Preserving the Integrity of Our Environment"

26-Apr-18

ROVER OPERATING, LLC

17304 PRESTON ROAD, SUITE 300

DALLAS TX 75252

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	L SECTION		
PAN AM STATE No.001 Inspection Date Type Inspection		Inspector	Violation?	I-28-17S-28E *Significant Non-Compliance?	30-015-10102-00-(Corrective Action Due By;	0 Inspection No.	
04/25/2018	Routine/Periodic Violations		Tony Morales	Yes	No		TM1811533027
	General Houseke	eping (Rule 114)					
Comments	on Inspection:	OK. All Equipm TANK BATTE	nent and Location ir RY NO PLACARD	Good Shape 19.15.10.8	. PJO STAINING AR	OUND WELLHEAD	
PAN AM ST	FATE No.004				L-28-175-28E	30 015 22055 00 0	
PAN AM ST Inspection Date	FATE No.004 Type Inspection	· · · · · · · · · · · · · · · · · · ·	Inspector	Violation?	I-28-17S-28E *Significant Non-Compliance?	30-015-23055-00-0 Corrective	
Inspection Date			-		*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
Inspection	Type Inspection		Inspector Tony Morales	Violation? Yes	*Significant	Corrective	
Inspection Date	Type Inspection Routine/Perio	dic	-		*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.

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.