State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

Ken McQueen Cabinet Secretary Heather Riley
Division Director

Matthias Sayer

Deputy Cabinet Secretary



Response Required - Deadline Enclosed

Field Inspection Program
"Preserving the Integrity of Our Environment"

29-Jun-18

BURNETT OIL CO INC

Burnett Plaza, Suite 1500 801 Cherry St., Unit 9 Fort Worth TX 76102-6102

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		
JACKSON B No.017 Inspection Date Type Inspection			Inspector	Violation?	M-1-17S-30E *Significant Non-Compliance?	30-015-04039-00-0 Corrective Action Due By:	O Inspection No.
06/29/2018	Routine/Periodic		Tony Morales	Yes	No	10/2/2018	iTM1818047718
Comments	on Inspection:	OK. All Equip 19.15.29	ment and Location in	Good Shape.	PJ STAINING AR	OUND WELLHEAD	
JACKSON B FEDERAL No.051 Inspection Date Type Inspection		Inspector	Violation?	M-1-17S-30E *Significant Non-Compliance?	30-015-40139-00-00 Corrective Action Due By:	O Inspection No.	
06/29/2018	Routine/Periodic		Tony Morales	Yes	No	10/2/2018	iTM1818047536
Comments	on Inspection:	OK. All Equip 19.15.29	ment and Location in	Good Shape.	PJO STAINING A	ROUND WELLHEAD	•
JACKSON Inspection Date	B No.053 Type Inspectio	n	Inspector	Violation?	M-1-17S-30E *Significant Non-Compliance?	30-015-40942-00-00 Corrective Action Due By:	O Inspection No.
06/29/2018	Routine/Perio	odic	Tony Morales	Yes	No	10/2/2018	iTM1818047829
Comments on Inspection:		OK. All Equip 19.15.29	ment and Location in	Good Shape.	PJO STAINING A	ROUND WELLHEAD	

JACKSON B No.057 L-1-17S-30E 30-015-41003-00-00

Inspection *Significant Corrective **Type Inspection** Inspector Violation? Inspection No. Date **Action Due By:** Non-Compliance? 06/29/2018 Routine/Periodic **Tony Morales** Yes No 10/2/2018 iTM1818047114

Comments on Inspection: OK. All Equipment and Location in Good Shape. PJO STAINING AROUND WELLHEAD

JACKSON B No.064

L-1-17S-30E 30-015-41277-00-00 Inspection *Significant Corrective

Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? **Action Due By:** 06/29/2018 Routine/Periodic **Tony Morales** Yes No 10/2/2018 iTM1818047339

Comments on Inspection: OK. All Equipment and Location in Good Shape. PJO STAINING AROUND WELLHEAD

19.15.29

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

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.