State Of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor
Sarah Cottrell Propst
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Deputy Cabinet Secretary

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"Response Required - Deadline Enclosed"

Field Inspection Program
"Preserving the Integrity of Our Environment"

25-Feb-20

TANDEM ENERGY CORPORATION
5065 Westheimer Rd
Ste 920
Houston, TX 77056

LETTER OF VIOLATION - Field Inspection

Dear Operator:

The following inspection indicates that the well, equipment, location or operational status of the well 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 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

[30-015-03209] OLD LOCO UNIT #009 OGRID: 236183 I-32-17S-29E 1980 FSL 660 FEL

Inspection Date	Type Inspection	Inspector	Corrective Action Due By	Inspection No.
2/20/2020	Routine Inspection	[DRS] Danny Smolik	5/20/2020	iDRS205153262

Violations:

Rule	Violation
19.15 Oil and Gas	Mechanical Integrity Failure Recorded

Comment:
Auto Generated Violation - MIT Failure exits.

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 Division 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.