

State Of New Mexico

Energy, Minerals and Natural Resources Department

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"Response Required - Deadline Enclosed"

Field Inspection Program

"Preserving the Integrity of Our Environment"

15-Oct-20

Grizzly Operating, LLC
5847 San Felipe, Suite 3000
Houston, TX 77057

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

[30-025-23718] STATE WG #001

OGRID: 258350

O-31-16S-38E 660 FSL 1980 FEL

Inspection Date	Type Inspection	Inspector	Corrective Action Due By	Inspection No.
9/25/2020	Routine Inspection	[EZB] Eugene Bolton	1/15/2121	iEZB2026947189

Violations:

Rule

19.15.16.18 Well and Lease Equipment

Comment:

DESTROYED POWERLINES WITH PJ MAIN AND HOA SWITCHES ON.

19.15.25.8 Wells to be Properly Abandoned

Comment:

Please complete C-103 regarding disposition and future intentions.

19.15.29 Releases

Comment:

Release extending from wellhead.

Violation

Substandard Equipment and/or Needs Repair

Noncompliance with Plugging Requirements

Surface Leaks/Spills

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,

Hobbs OCD District Office

Note: Information in Detail Section comes directly from field inspector data entries - not all blanks will contain data.

Oil Conservation Division * 1625 N. French Drive * Hobbs, NM 88240
Phone: 575-393-6161 * Fax: 575-393-0720 * www.emnrd.state.nm.us