State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

David Martin

Cabinet Secretary

David Catanach, Director

Oil Conservation Division

Tony Delfin

Deputy Cabinet Secretary



Response Required - Deadline Enclosed

Field Inspection Program

"Preserving the Integrity of Our Environment"

22-Jun-16

LARRY MARKER DBA MARKER OIL

PO BOX 3188

Roswell NM 88202-8202

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.

INSPECTION DETAIL SECTION O-25-16S-30E 30-015-03925-00-00

NORTH SQUARE LAKE UNIT No.069 Inspection

Type Inspection

Inspector

Violation?

*Significant Non-Compliance?

Corrective Action Due By:

Inspection No.

06/22/2016 Routine/Periodic

Comments on Inspection:

Tony Morales

Yes

No

9/25/2016

iTM1617431428

Violations

Absent Well Identification Signs (Rule 103)

OK. All Equipment and Location in Good Shape. LOCATION SIGN NOT VISIBLE.

NORTH SQUARE LAKE UNIT No.052

Inspector

I-25-16S-30E *Significant 30-015-03927-00-00

Inspection

Date

Type Inspection Date

Violation?

Non-Compliance?

Corrective Action Due By:

Inspection No.

06/22/2016 Routine/Periodic **Tony Morales**

Yes

No

9/25/2016

iTM1617432840

Violations

Absent Well Identification Signs (Rule 103)

Comments on Inspection:

OK. All Equipment and Location in Good Shape. PJO. LOCATION SIGN NOT VISIBLE

NORTH SQUARE LAKE UNIT No.117

E-36-16S-30E

30-015-04019-00-00

Inspection Date

Type Inspection

Inspector

Violation?

*Significant Non-Compliance? Corrective Action Due By:

Inspection No.

06/22/2016

Routine/Periodic

Tony Morales

Yes

No

лсион ине ву: - 9/25/2016

iTM1617436719

Violations

Absent Well Identification Signs (Rule 103)

Comments on Inspection:

OK. All Equipment and Location in Good Shape. PJO.

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.