State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez Governor

David Martin Cabinet Secretary

Tony Delfin Deputy Cabinet Secretary David Catanach, Director Oil Conservation Division



Response Required - Deadline Enclosed

Field Inspection Program "Preserving the Integrity of Our Environment"

27-Jun-16

STEPHENS & JOHNSON OP CO PO BOX 2249

WICHITA FALLS TX 76307

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	V DETAIL	L SECTION		
GULF FEDERAL No.001 Inspection Date Type Inspection		, Inspector Violation?		M-23-26S-29E *Significant Non-Compliance?	30-015-24799-00-00 Corrective Action Due By: Inspection No.	
06/27/2016	Routine/Periodic	Gilbert Cordero	Yes	No	9/30/2016	iGC1617941789
	FEDERAL No.001	gn (Rule 19.15.16.8).		P-22-26S-29E	30-015-24955-00-	
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
06/27/2016	Routine/Periodic	Gilbert Cordero	Yes	No	9/30/2016	iGC1617941690
Comments of	n Inspection: No Well Sig	gn (Rute 19.15.16.8).				

Thank you for your prompt attention to this matter and your efforts in helping toprotect our environment and the infrastructure of the oil and gas industry.

Sincerely,

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COMPLIANCE OFFICER

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Artesia OCD District Office

* Significant Non-Compliance events are reported directly to the U.S. Environmental Protection Agency, Region VI, Dallas, Texas.

Oil Conservation Division * 811 S. First St. * Artesia, New Mexico 88210 Phone: 575-748-1283 * Fax: 575-748-9720 * http://www.emnrd.state.nm.us