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"

28-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.

		INSPECTIO	N DETAIL	SECTION		·
NORTH SQUARE LAKE UNIT No.092 Inspection Date Type Inspection		No.092 Inspector	Violation?	P-27-16S-31E *Significant Non-Compliance?	30-015-04887-00-0 Corrective Action Due By:	Inspection No.
06/28/2016	Routine/Periodic Violations General Housekeeping (R	Tony Morales	Yes	No	10/1/2016	iTM1618038797
		Il Equipment and Location in AMINATED MATERIAL O	-		OUND WELL HEAD 30-015-04913-00-	
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
06/28/2016	Routine/Periodic Violations General Housekeeping (F	Tony Morales	Yes	No	10/1/2016	iTM1618047022
Comments on Inspection: OK. All Equip		II Equipment and Location in NED AREA APPROX 10' X		. PJO. STAINING A	AROUND WELL HEA	AD

NORTH SOUARE LAKE UNIT No. 174 P-34-16S-31E 30-015-04988-00-00 Inspection *Significant Corrective Type Inspection Violation? Inspection No. Inspector Date Non-Compliance? Action Due By: 06/28/2016 Routine/Periodic Tony Morales Yes No 10/1/2016 iTM1618040088 Violations General Housekeeping (Rule 114) Comments on Inspection: OK. All Equipment and Location in Good Shape. PJ. STAINING AROUND WELL HEAD. STAINED AREA APPROX 15' X 30' NORTH SQUARE LAKE UNIT No.067 K-27-16S-31E 30-015-10121-00-00 Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 06/28/2016 Routine/Periodic Tony Morales Yes No 10/1/2016 iTM1618043223 Violations General Housekeeping (Rule 114) Comments on Inspection: OK. All Equipment and Location in Good Shape. PJ. CONTAMINATED MATERIAL ON LOCATION LOCATION SIGN DOWN NORTH SQUARE LAKE UNIT No.091 O-27-16S-31E 30-015-10270-00-00 Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 06/28/2016 Routine/Periodic Tony Morales Yes No 10/1/2016 iTM1618042496 **Violations** General Housekeeping (Rule 114) OK. All Equipment and Location in Good Shape. PJ. STAINING AROUND WELL HEAD+.. Comments on Inspection: STAINED AREA APPROX 10' X 10' NORTH SQUARE LAKE UNIT No.114 C-34-16S-31E 30-015-10271-00-00 Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Non-Compliance? Action Due By: Date 06/28/2016 Routine/Periodic Tony Morales Yes No 10/1/2016 iTM1618040763 Violations General Housekeeping (Rule 114) OK. All Equipment and Location in Good Shape. PJ STAINING AROUND WELL HEAD. Comments on Inspection: CONTAMINATED MATERIAL NEXT TO WELL HEAD NORTH SQUARE LAKE UNIT No.116 A-34-16S-31E 30-015-10272-00-00 Inspection *Significant Corrective Inspection No. Type Inspection Violation? Inspector Non-Compliance? Action Due By: Date 06/28/2016 Routine/Periodic **Tony Morales** Yes No 10/1/2016 iTM1618038453 **Violations** General Housekeeping (Rule 114) OK. All Equipment and Location in Good Shape. PJ. STAINING AROUND WELL HEAD. Comments on Inspection: CONTAMINATED MATERIAL ON LOCATION NORTH SQUARE LAKE UNIT No.156 J-34-16S-31E 30-015-21771-00-00 Inspection *Significant Corrective Inspection No. Type Inspection Inspector Violation? Non-Compliance? Action Due By: Date iTM1618039599 06/28/2016 Routine/Periodic Tony Morales Yes Nο 10/1/2016

OK. All Equipment and Location in Good Shape. PJO. STAINING AROUND WELL HEAD

Violations

Comments on Inspection:

General Housekeeping (Rule 114)

STAINED AREA APPROX 10' X 10

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.