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"

05-Jul-16

BREITBURN OPERATING LP

1401 MCKINNEY STREET SUITE 2400 HOUSTON TX 77010

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

ARTESIA UNIT No.045 F-3-18S-28E 30-015-01775-00-00 Inspection *Significant Corrective Inspection No. **Type Inspection** Violation? Inspector Date Non-Compliance? Action Due By: 07/05/2016 Routine/Periodic Yes No 10/8/2016 iTM1618742156 Tony Morales Violations Absent Well Identification Signs (Rule 103) General Housekeeping (Rule 114) PJ. LOCATION SIGN NOT VISIBLE Comments on Inspection: OK. All Equipment and Location in Good Shape.

DEBRIS AND OLD 55 GALLON DRUMS ON LOCATION

M-2-18S-28E 30-015-01781-00-00 ARTESIA UNIT No.063

Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 07/05/2016 10/8/2016 iTM1618735339 Routine/Periodic Tony Morales Yes No

Violations

Absent Well Identification Signs (Rule 103)

Comments on Inspection: OK. All Equipment and Location in Good Shape. LOCATION SIGN NOT VISIBLE 19.15.16.8

ARTESIA UNIT No.064 N-2-18S-28E 30-015-01784-00-00 Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Action Due By: Non-Compliance? 07/05/2016 Routine/Periodic Tony Morales Yes No 10/8/2016 iTM1618734244 Violations General Housekeeping (Rule 114) Comments on Inspection: OK, All Equipment and Location in Good Shape, PJ, STAINING AROUND WELL HEAD STAINED AREA APPROX 5' X 10' **ARTESIA UNIT No.043** E-3-18S-28E 30-015-01790-00-00 Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 07/05/2016 Routine/Periodic Tony Morales Yes No 10/8/2016 iTM1618740651 Violations Absent Well Identification Signs (Rule 103) Comments on Inspection: OK. All Equipment and Location in Good Shape. PJ. LOCATION SIGN NOT VISIBLE RULE 19.15.16.8 **ARTESIA UNIT No.059** M-3-18S-28E 30-015-01792-00-00 Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 07/05/2016 Routine/Periodic Yes No 10/8/2016 iTM1618744054 Tony Morales Violations Absent Well Identification Signs (Rule 103) Comments on Inspection: OK. All Equipment and Location in Good Shape. LOCATION NOT VISIBLE. ARTESIA UNIT No.055 K-3-18S-28E 30-015-01798-00-00 *Significant Inspection Corrective Inspection No. Type Inspection Inspector Violation? Action Due By: Date Non-Compliance? 07/05/2016 Routine/Periodic Tony Morales Yes No 10/8/2016 iTM1618742550 Violations General Housekeeping (Rule 114) Comments on Inspection: OK. All Equipment and Location in Good Shape. PJ. POWER OFF. OLD 55 GALLON DRUM ON LOCATION ARTESIA UNIT No.042 D-3-18S-28E 30-015-02547-00-00 *Significant Inspection Corrective Violation? Inspection No. Type Inspection Inspector Date Non-Compliance? Action Due By: 07/05/2016 Routine/Periodic Tony Morales Yes No 10/8/2016 iTM1618740983 **Violations** General Housekeeping (Rule 114) Comments on Inspection: OK. All Equipment and Location in Good Shape. PJO. CONTAMINATED MATERIAL **DEBRIS ON LOCATION** ARTESIA UNIT No.065 G-3-18S-28E 30-015-20273-00-00

Inspection *Significant Corrective Type Inspection Violation? Inspection No. Inspector Non-Compliance? Action Due By: Date iTM1618738328 07/05/2016 Routine/Periodic Tony Morales Yes No 10/8/2016

Violations

Absent Well Identification Signs (Rule 103)

Comments on Inspection: OK. All Equipment and Location in Good Shape. LOCATION SIGN NOT VISIBLE. RULE

19.15.16.8

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.