State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

David Martin

Cabinet Secretary

David Catanach. Director

Tony Delfin

Deputy Cabinet Secretary

Oil Conservation Division



Response Required - Deadline Enclosed

Field Inspection Program "Preserving the Integrity of Our Environment"

05-Jul-16

BREITBURN OPERATING LP

140) 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? Date Inspector 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) Comments on Inspection: OK. All Equipment and Location in Good Shape. PJ. LOCATION SIGN NOT VISIBLE **DEBRIS AND OLD 55 GALLON DRUMS ON LOCATION**

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

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

Routine/Periodic

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 Non-Compliance? **Action Due By:** 07/05/2016 Routine/Periodic iTM1618734244 Tony Morales Yes No 10/8/2016 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 Date Type Inspection Inspector Violation? Inspection No. Non-Compliance? Action Due By: 07/05/2016 Routine/Periodic iTM1618740651 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. PJ. LOCATION SIGN NOT VISIBLE RULE 19.15.16.8 ARTESIA UNIT No.059 M-3-18S-28E 30-015-01792-00-00 *Significant Inspection Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? **Action Due By:** 07/05/2016 Routine/Periodic 10/8/2016 iTM1618744054 Yes No 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 Inspection *Significant Corrective Inspection No. Type Inspection Violation? Date Inspector Non-Compliance? Action Due By: 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 Inspection *Significant Corrective Inspection No. Type Inspection Violation? Inspector Date Non-Compliance? Action Due By: iTM1618740983 07/05/2016 Routine/Periodic **Tony Morales** Yes No 10/8/2016 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

Date Type Inspection Inspector Violation? Non-Compliance? Action Due By: Inspection No.

07/05/2016 Routine/Periodic Tony Morales Yes No 10/8/2016 iTM1618738328

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.