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"

12-Jul-16

HARLOW ENTERPRISES LLC #26 CHALK BLUFF RD. ARTESIA NM 88210

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.

INCREOTION BETAIL CECTION

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.

ADKINS STATE No.001				- -	F-17-18S-28E	30-015-01893-00-00	
Inspection Date	Type Inspection	n	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
07/12/2016	Routine/Periodic		Tony Morales	Yes	No	10/15/2016	iTM1619438856
	Violations						
	General Housek	ceping (Rule 11	4)				
Comments on Inspection: OK. All Equip ON LOCATION			uipment and Location in Good Shape. PJ. OLD SUCKER RODS AND TUBING				
TAHELINBAK No.001					P-17-18S-28E 30-015-24459-00-00		
Inspection Date	Type Inspection		Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
07/12/2016	Routine/Periodic		Tony Morales	Yes	No	10/15/2016	iTM1619436862
	Violations		•				
	Absent Well Identification Signs (Rule 103)						
	Fire Walls and Dikes						
	General Housekeeping (Rule 114)						
Comments on Inspection:		OK. All Equipment and Location in Good Shape. PJ, TANK BATTERY, NO CONTAINMENT. LOCATION SIGN NOT VISIBLE OLD STAIR WELL AND SEPARATOR TANK ON LOCATION					

TAHELITDID No.001

I-17-18S-28E

30-015-24490-00-00

Inspection Date

Type Inspection

Inspector

Violation?

*Significant

Corrective

Inspection No.

07/12/2016

Routine/Periodic

Tony Morales

Yes

Non-Compliance? No

Action Due By: 10/15/2016

iTM1619437134

Violations

Fire Walls and Dikes

Comments on Inspection:

OK. All Equipment and Location in Good Shape. PJ. TANK BATTERY NO CONTAINMENT.

TEXACO STATE No.001

Comments on Inspection:

M-16-18S-28E

30-015-24656-00-00

Inspection

Date

Type Inspection

Inspector

Violation? Non-Compliance?

*Significant Corrective

Inspection No.

07/12/2016

Routine/Periodic

Tony Morales

Yes

No

Action Due By: 10/15/2016

iTM1619436409

Violations

Fire Walls and Dikes

General Housekeeping (Rule 114)

OK. All Equipment and Location in Good Shape.

PJ. STAINING AROUND WELL HEAD.

TANK BATTERY NO CONTAINEMNT OLD TUBING STAIR WELL ON LOCATION

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 Distric

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.