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"

20-Jul-16

SANDLOTT ENERGY (JACKIE BREWER DBA) PO BOX 711 LOVINGTON NM 88260

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.

STATE No.061 nspection ne/Periodic	Inspector	Violation?	C-32-18S-28E *Significant	30-015-02146-00-00 Corrective	
e/Periodic			Non-Compliance?	Action Due By:	Inspection No.
	Tony Morales	Yes	No	10/23/2016 i	TM1620235849
•	tule 103)				
		•	PJ. STAINING A	ROUND LOCATION.	
	Inspector	Violation?	A-32-18S-28E *Significant Non-Compliance?	30-015-02148-00-00 Corrective Action Due By:	Inspection No.
	Tony Morales	Yes	No	10/23/2016 iT	ГМ1620238896
i i S fr	t Well Identification Signs (R Il Housekeeping (Rule 114) ction: OK, All Equipr	Well Identification Signs (Rule 103) Il Housekeeping (Rule 114) Ction: OK. All Equipment and Location in OLD TUBING AND PJ ON LOCA' STATE No.355 Inspection Inspector ne/Periodic Tony Morales	Well Identification Signs (Rule 103) Il Housekeeping (Rule 114) Ction: OK. All Equipment and Location in Good Shape. OLD TUBING AND PJ ON LOCATION. STATE No.355 Inspection Inspector Violation? ne/Periodic Tony Morales Yes	well Identification Signs (Rule 103) Il Housekeeping (Rule 114) ction: OK, All Equipment and Location in Good Shape. PJ. STAINING A OLD TUBING AND PJ ON LOCATION. STATE No.355 A-32-18S-28E *Significant Inspection Inspector Violation? Non-Compliance? ne/Periodic Tony Morales Yes No	Well Identification Signs (Rule 103) Il Housekeeping (Rule 114) ction: OK. All Equipment and Location in Good Shape. OLD TUBING AND PJ ON LOCATION. STATE No.355 A-32-18S-28E Strate No.355 A-32-18S-28E Inspection Inspector Violation? Non-Compliance? Action Due By: ne/Periodic

Inspection	ATES STATE	L NO.055			B-32-18S-28E *Significant	30-015-02152-00- Corrective	00
Date	Type Inspectio	n	Inspector	Violation?	Non-Compliance?	-	Inspection No.
07/20/2016	Routine/Perie Violations	odic	Tony Morales	Yes	No	10/23/2016	iTM162023869
	Absent Well Ide	ntification Sign	s (Rule 103)				
Comments	on Inspection:	OK. All Equ	ipment and Location i	n Good Shape	LOCATION SIGN	NOT VISIBLE.	
RESLER Y	ATES STATE	No.368			G-32-18S-28E	30-015-10286-00-	00
Inspection	T		•	TT-1 41.0	*Significant	Corrective	T.,
Date	Type Inspectio		Inspector	Violation?	Non-Compliance?		Inspection No.
07/20/2016	Routine/Peric		Tony Morales	Yes	No	10/23/2016	iTM162023720
C	Absent Well Ide	÷	•	a			
	on Inspection:	~	ipment and Location in	n Good Shape		NOT VISIBLE.	
Inspection	ATES STATE Type Inspectio		Turneten.	Violation?	H-32-18S-28E *Significant	30-015-20094-00-0 Corrective	00 Ins pec tion No.
Date 07/20/2016			Inspector		Non-Compliance? No	Action Due By: 10/23/2016	iTM1620238432
0772072010	Routine/Peric Violations Absent Well Idea		Tony Morales	Yes	NO	10/23/2010	11W1020256452
	General Housek						
Comments	on Inspection:	OK. All Equ OLD PJ. ON	ipment and Location in LOCATION. OLD TO NNING THROUGH LO	JBING AND			
RESLER Y	ATES STATE	No.379			G-32-18S-28E	30-015-20115-00-0	00
Inspection			. .		*Significant	Corrective	T Africa BT-
Date	Type Inspection		Inspector	Violation?	Non-Compliance?	Action Due By:	Inspection No.
07/20/2016	Routine/Perio Violations	dic	Tony Morales	Yes	No	10/23/2016	iTM1620237509
		tification Signs	(Rule 103)				
	Absent weil ider						
	General Houseke	eping (Rule 114)				
Comments		OK. All Equ) pment and Location in LOCATION	Good Shape.	LOCATION SIGN	NOT VISIBLE OLD	
	General Houseke	OK. All Equ TUBING ON	pment and Location in	Good Shape.	LOCATION SIGN	NOT VISIBLE OLD	00
	General Houseke on Inspection: ATES STATE	OK. All Equ TUBING ON No.376	pment and Location in				
RESLER Y Inspection Date	General Houseke on Inspection: ATES STATE Type Inspection	OK. All Equ TUBING ON No.376	pment and Location in LOCATION Inspector	Violation?	F-32-18S-28E *Significant Non-Compliance?	30-015-20123-00-0 Corrective Action Due By:	Inspection No.
RESLER Y Inspection Date	General Houseke on Inspection: ATES STATE Type Inspection Routine/Perio	OK. All Equ TUBING ON No.376	pment and Location in		F-32-18S-28E *Significant	30-015-20123-00-0 Corrective	Inspection No.
RESLER Y	General Houseke on Inspection: ATES STATE Type Inspection Routine/Perio Violations Absent Well Ider	OK. All Equ TUBING ON No.376 dic	pment and Location in LOCATION Inspector Tony Morales (Rule 103)	Violation?	F-32-18S-28E *Significant Non-Compliance?	30-015-20123-00-0 Corrective Action Due By:	
RESLER Y Inspection Date 07/20/2016	General Houseke on Inspection: ATES STATE Type Inspection Routine/Perio Violations	OK. All Equ TUBING ON No.376 dic tuffication Signs eping (Rule 114 OK. All Equi	pment and Location in LOCATION Inspector Tony Morales (Rule 103)	Violation? Yes Good Shape.	F-32-18S-28E *Significant Non-Compliance? No PJ. LOCATION SIG	30-015-20123-00-0 Corrective Action Due By: 10/23/2016 GN NOT MOUNTED.	Inspection No. iTM1620236828
RESLER Y Inspection Date 07/20/2016 Comments of	General Houseke on Inspection: ATES STATE Type Inspection Routine/Perio Violations Absent Well Ider General Houseke on Inspection:	OK. All Equ TUBING ON No.376 dic dic eping (Rule 114 OK. All Equi OLD PJ, SUG	Inspector Tony Morales (Rule 103)	Violation? Yes Good Shape.	F-32-18S-28E *Significant Non-Compliance? No PJ. LOCATION SIG	30-015-20123-00-0 Corrective Action Due By: 10/23/2016 GN NOT MOUNTED.	Inspection No. iTM1620236828
RESLER Y Inspection Date 07/20/2016 Comments of	General Houseke on Inspection: ATES STATE Type Inspection Routine/Perio Violations Absent Well Ider General Houseke	OK. All Equ TUBING ON No.376 dic dic dic eping (Rule 114 OK. All Equi OLD PJ, SUC No.353	Inspector Tony Morales (Rule 103)	Violation? Yes Good Shape.	F-32-18S-28E *Significant Non-Compliance? No PJ. LOCATION SIG	30-015-20123-00-0 Corrective Action Due By: 10/23/2016 EN NOT MOUNTED. ROUND WELL HEAT	Inspection No. iTM1620236828
RESLER Y Inspection Date 07/20/2016 Comments of RESLER Y Inspection Date	General Houseke on Inspection: ATES STATE Type Inspection Routine/Perio Violations Absent Well Ider General Houseke on Inspection: ATES STATE	OK. All Equ TUBING ON No.376 dic tuffication Signs eping (Rule 114 OK. All Equi OLD PJ, SU(No.353	pment and Location in LOCATION Inspector Tony Morales (Rule 103)) pment and Location in CKER RODS, TUBING	Violation? Yes Good Shape. 3 ON LOCAT	F-32-18S-28E *Significant Non-Compliance? No PJ. LOCATION SIG ION. STAINING AF B-32-18S-28E *Significant	30-015-20123-00-0 Corrective Action Due By: 10/23/2016 GN NOT MOUNTED. ROUND WELL HEAT 30-015-22141-00-0 Corrective	Inspection No. iTM1620236828)) O Inspection No.
RESLER Y Inspection Date 07/20/2016 Comments of RESLER Y Inspection	General Houseke on Inspection: ATES STATE Type Inspection Routine/Perio Violations Absent Well Ider General Houseke on Inspection: ATES STATE Type Inspection	OK. All Equ TUBING ON No.376 dic tification Signs eping (Rule 114 OK. All Equi OLD PJ, SUC No.353	Inspector Tony Morales (Rule 103)) pment and Location in CKER RODS, TUBING Inspector Tony Morales	Violation? Yes Good Shape. G ON LOCAT Violation?	F-32-18S-28E *Significant Non-Compliance? No PJ. LOCATION SIG ION. STAINING AI B-32-18S-28E *Significant Non-Compliance?	30-015-20123-00-0 Corrective Action Due By: 10/23/2016 GN NOT MOUNTED. ROUND WELL HEAT 30-015-22141-00-0 Corrective Action Due By:	Inspection No. iTM1620236828 0

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RESLER Y	ATES STATE No.382			F-32-18S-28E	30-015-26366-00-	00			
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.			
07/20/2016	Routine/Periodic	Tony Morales	Yes	No	10/23/2016	iTM1620236570			
	Violations								
	Absent Well Identification Signs (Rule 103)								
Comments of	on Inspection: OK. All Equ	ipment and Location in	Good Shape.	PJ. LOCATION SI	GN NOT VISIBLE.				

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,

D, CO 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.