## Energy, Minerals and Natural Resources Department

Susana Martinez Governor

David Martin Cabinet Secretary

Tony Delfin Deputy Cabinet Secretary **Da**v Oil

David Catanach, Director Oil Conservation Division



## \*Response Required - Deadline Enclosed\*

Field Inspection Program "Preserving the Integrity of Our Environment"

22-Jul-16

TANDEM ENERGY CORPORATION 2700 POST OAK BLVD SUITE 1000 HOUSTON TX 77056

**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		
BALLARD Inspection	GRAYBURG SAN ANDRES	UNIT No.003		C-5-18S-29E *Significant	30-015-03295-00-00 Corrective	)
Date	Type Inspection	Inspector	Violation?	Non-Compliance?	Action Due By:	Inspection No.
07/22/2016	Routine/Periodic	Tony Morales	Yes	No	10/25/2016 i	iTM1620437944
	Violations	·				
	General Housekeeping (Rule 114)					
Comments	on Inspection: OK. All Equipm	ent and Location in	Good Shape	PJ, STAINING ARC	OUND WELL HEAD	
BALLARD Inspection	GRAYBURG SAN ANDRES	UNIT No.001B	Violation?	M-5-18S-29E *Significant	30-015-03303-00-00 Corrective	)
Date	Type Inspection	mspector	V IVIAUVIIA	Non-Compliance?	Action Due By:	Inspection No.
Date 07/22/2016	Routine/Periodic	Tony Morales	Yes	Non-Compliance? No	-	Inspection No. TM1620434589
	** *	•		-	-	-
	Routine/Periodic	•		-	-	-

Inspection	Type Inspection	<b>I- - - - - -</b>	17:-1-4: 9	*Significant	Corrective	Inonesting M-
Date 07/22/2016	Routine/Periodic	Inspector	Violation?	Non-Compliance?	•	Inspection No.
5772272010	Violations General Housekeeping (R	Tony Morales	Yes	No	10/25/2016	iTM162043874
Comments		· · ·	Cood Share	DI STAINING AD		
		II Equipment and Location ir	i Good Snape			
BALLARD Inspection Date	GRAYBURG SAN A Type Inspection	NDRES UNIT No.002C	Violation?	N-5-18S-29E *Significant	30-015-03306-00- Corrective	00 Inspection No.
07/22/2016	Routine/Periodic	-	Yes	Non-Compliance? No	Action Due By: 10/25/2016	iTM162043547;
0112212010	Violations General Housekeeping (Ru	Tony Morales	105	INO	10/23/2010	11102045547.
Comments of		Equipment and Location in	Good Shape	PL STAINING AR	OUND WELL HEAT	)
		NDRES UNIT No.004B	r Oood Shape			······································
Inspection	GRAIDURG SAN A	INDKES UNIT NO.004D		J-5-18S-29E *Significant	30-015-20975-00- Corrective	vv
Date	Type Inspection	Inspector	Violation?	Non-Compliance?	Action Due By:	Inspection No.
07/22/2016	Routine/Periodic Violations	Tony Morales	Yes	No	10/25/2016	iTM1620439439
	Absent Well Identification	Signs (Rule 103)				
Comments o	on Inspection: OK. Al	l Equipment and Location in	Good Shape	. LOCATION SIGN	NOT VISIBLE	
BALLARD ( Inspection Date	GRAYBURG SAN A	NDRES UNIT No.006A Inspector	Violation?	C-5-18S-29E *Significant	30-015-24117-00- Corrective	00 Inspection No.
Date	1 ypc mapeenon	•	violation:	Non-Compliance?	Action Due By:	mapterion roa
07/22/2016	Routine/Periodic	Tony Morales	Vac	No	10/25/2016	- iTM1620437742
07/22/2016	Routine/Periodic Violations	Tony Morales	Yes	No	10/25/2016	iTM1620437742
07/22/2016		•	Yes	No	10/25/2016	iTM1620437742
	Violations General Housekeeping (Ru	•				
Comments o	Violations General Housekeeping (Ru	ıle 114)				).
Comments o FRAVIS E F Inspection	Violations General Housekeeping (Ru on Inspection: OK. A)] FEDERAL No.001	ile 114) I Equipment and Location in	Good Shape.	PJO, STAINING AR K-6-18S-29E *Significant	OUND WELL HEAI 30-015-24486-00-( Corrective	). )0
Comments o FRAVIS E F Inspection Date	Violations General Housekeeping (Ru on Inspection: OK. All FEDERAL No.001 Type Inspection	ule 114) 1 Equipment and Location in Inspector	Good Shape. Violation?	PJO, STAINING AR K-6-18S-29E *Significant Non-Compliance?	OUND WELL HEAI 30-015-24486-00-0 Corrective Action Due By:	). )0 Inspection No.
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Comments o FRAVIS E F Inspection Date 07/22/2016 Comments o	Violations General Housekeeping (Ru on Inspection: OK. A)) FEDERAL No.001 Type Inspection Routine/Periodic Violations Fire Walls and Dikes on Inspection: OK. A))	Ile 114) I Equipment and Location in Inspector Tony Morales Equipment and Location in	Good Shape. Violation? Yes	PJO, STAINING AR K-6-18S-29E *Significant Non-Compliance? No PJ. TANK BATTEI	OUND WELL HEAI 30-015-24486-00-0 Corrective Action Due By: 10/25/2016 RIES NO CONTAINM	). J0 Inspection No. iTM1620444731 MENT.
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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.

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Sincerely, ŶÇ, EN1 Artesia OCD Dis acict 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.