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

Response Required - Deadline Enclosed

Field Inspection Program "Preserving the Integrity of Our Environment"

04-Aug-16

BREITBURN OPERATING LP

1401 MCKINNEY STREET SUITE 2400 HOUSTON TX 77010

LETTER OF VIOLATION -

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

GUAJALO Inspection	FE A STATE No.001		K-5-19S-29E *Significant	30-015-22422-00-00 Corrective				
Date	Type Inspection	Inspector	Violation?	Non-Compliance?	Action Due By:	Inspection No.		
08/04/2016	Routine/Periodic	Gilbert Cordero	Yes	No	11/7/2016	iGC1621738461		
Comments	on Inspection: No Well Sign (I	Rule 19.15.16.8).						
CONOCO 7 STATE No.002				L-7-19S-29E *Significant	30-015-23693-00-00 Corrective			
Date	Type Inspection	Inspector	Violation?	Non-Compliance?	Action Due By:	Inspection No.		
08/04/2016	Routine/Periodic	Gilbert Cordero	Yes	No	11/7/2016	iGC1621744023		
Comments on Inspection: No Well Sign (Rule 19.15.16.8).								
CONOCO 7 STATE No.005 Inspection				F-7-19S-29E *Significant	30-015-23920-00-00 Corrective			
Date	Type Inspection	Inspector	Violation?	Non-Compliance?	Action Due By:	Inspection No.		
08/04/2016	Routine/Periodic	Gilbert Cordero	Yes	No	11/7/2016	iGC1621745160		
Comments on Inspection: No Well Sign (Rule 19.15.16.8).								

Oil Conservation Division * 811 S. First St. * Artesia, New Mexico 88210 Phone: 575-748-1283 * Fax: 575-748-9720 * http://www.emnrd.state.nm.us

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CONOCO 7 STATE No.007 Inspection Date Type Inspection 08/04/2016 Routine/Periodic Comments on Inspection: No Well Sign	Inspector Gilbert Cordero 1 (Rule 19.15.16.8).	Violation? Yes	G-7-19S-29E *Significant Non-Compliance? No	. 30-015-23930-00- Corrective Action Due By: 11/7/2016	00 Inspection No. iGC1621744839
CONOCO 7 STATE No.008 Inspection Date Type Inspection 08/04/2016 Routine/Periodic Comments on Inspection: No Well Sign	Inspector Gilbert Cordero a (Rule 19.15.16.8).	Violation? Yes	B-7-19S-29E *Significant Non-Compliance? No	30-015-23931-00- Corrective Action Due By: 11/7/2016	00 Inspection No. iGC1621745536
CONOCO 7 STATE Inspection Date Type Inspection 08/04/2016 Routine/Periodic Comments on Inspection: No Well Sign	No.011 Inspector Gilbert Cordero a (Rule 19.15.16.8).	Violation? Yes	H-7-19S-29E *Significant Non-Compliance? No	30-015-24157-00- Corrective Action Due By: 11/7/2016	00 Inspection No. iGC1621746121
CONOCO 7 STATE Inspection Date Type Inspection 08/04/2016 Routine/Periodic Comments on Inspection: No Well Sign	No.013 Inspector Gilbert Cordero (Rule 19.15.16.8).	Violation? Yes	J-7-19S-29E *Significant Non-Compliance? No	30-015-25161-00 - Corrective Action Due By: 11/7/2016	00 Inspection No. iGC1621744562
CONOCO 7 STATE No.015 Inspection Date Type Inspection 08/04/2016 Routine/Periodic Comments on Inspection: No Well Sign	Inspector Gilbert Cordero (Rule 19.15.16.8).	Violation? Yes	M-7-19S-29E *Significant Non-Compliance? No	30-015-29197-00- Corrective Action Due By: 11/7/2016	00 Inspection No. iGC1621744148

The location signs on these wells below this line have the wrong operator and/or are not legible.

Conoco 7 State No.025 Conoco 7 State No.024 Conoco 7 State No.021 Conoco 7 State No.020 Conoco 7 State No.019 Conoco 7 State No.017 Conoco 7 State No.016 Conoco 7 State No.014 Conoco 7 State No.012 Conoco 7 State No.009 Conoco 7 State No.009 Conoco 7 State No.004 Conoco 7 State No.003 Thank you for your prompt attention to this matter and your efforts in helping to protect our environment and the infrastructure of the oil and gas industry.

Ξ.,

Sincerely,

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COMPLIANCE OFFICER

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Artesia OCD District Office

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* Significant Non-Compliance events are reported directly to the U.S. Environmental Protection Agency, Region VI, Dallas, Texas.
