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"

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

GUAJALOTE A STATE No.001

Inspection Date Type Inspection 08/04/2016 Routine/Periodic

Inspector Gilbert Cordero Violation? Yes

*Significant Non-Compliance? No

K-5-19S-29E

30-015-22422-00-00 Corrective Action Due By: 11/7/2016

Inspection No. iGC1621738461

Comments on Inspection: No Well Sign (Rule 19.15.16.8).

CONOCO 7 STATE No.002

Inspection

Date

Inspection

08/04/2016

Type Inspection

Routine/Periodic

Inspector Gilbert Cordero Violation? Yes

L-7-19S-29E *Significant Non-Compliance?

No

30-015-23693-00-00 Corrective Action Due By:

Inspection No. iGC1621744023

Comments on Inspection: No Well Sign (Rule 19.15.16.8).

CONOCO 7 STATE No.005

Date Type Inspection 08/04/2016

Routine/Periodic Comments on Inspection:

Inspector Gilbert Cordero No Well Sign (Rule 19.15.16.8).

Violation? Yes

*Significant Non-Compliance? No

F-7-19S-29E

30-015-23920-00-00 Corrective Action Due By: 11/7/2016

11/7/2016

Inspection No. iGC1621745160

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

CONOCO 7 STATE No.007 G-7-19S-29E 30-015-23930-00-00 Inspection *Significant Corrective -32 Date **Type Inspection** Inspector Violation? Non-Compliance? Action Due By: Inspection No. 08/04/2016 Routine/Periodic Gilbert Cordero Yes No 11/7/2016 iGC1621744839 Comments on Inspection: No Well Sign (Rule 19.15.16.8). **CONOCO 7 STATE No.008** 30-015-23931-00-00 B-7-19S-29E Inspection *Significant 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 iGC1621745536 No Well Sign (Rule 19.15.16.8). **Comments on Inspection: CONOCO 7 STATE** 30-015-24157-00-00 No.011 H-7-19S-29E Inspection *Significant Corrective Date Type Inspection Inspector Violation? Non-Compliance? Action Due By: Inspection No. 08/04/2016 Yes 11/7/2016 iGC1621746121 Routine/Periodic Gilbert Cordero No Comments on Inspection: No Well Sign (Rule 19.15.16.8). **CONOCO 7 STATE** No.013 J-7-19S-29E 30-015-25161-00-00 Inspection *Significant Corrective Date Type Inspection Inspector Violation? Non-Compliance? Action Due By: Inspection No. Routine/Periodic 11/7/2016 iGC1621744562 08/04/2016 Gilbert Cordero Yes No **Comments on Inspection:** No Well Sign (Rule 19.15.16.8). 30-015-29197-00-00 CONOCO 7 STATE No.015 M-7-19S-29E Inspection *Significant Corrective

Violation?

Yes

Non-Compliance?

No

Action Due By:

11/7/2016

Inspection No.

iGC1621744148

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

Inspector

No Well Sign (Rule 19.15.16.8).

Gilbert Cordero

Conoco 7 State No.025
Conoco 7 State No.024
Conoco 7 State No.021
Conoco 7 State No.019
Conoco 7 State No.018
Conoco 7 State No.017
Conoco 7 State No.016
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

Comments on Inspection:

Date

08/04/2016

Type Inspection

Routine/Periodic



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.

Sincerely,

COMPLIANCE OFFICER

Artesia OCD District Office

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