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"

7

12-Aug-16

MATADOR PRODUCTION COMPANY

One Lincoln Centre 5400 LBJ Freeway, Ste 1500 Dallas TX 75240-5240

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	L SECTION		
MESQUITI Inspection Date	E 2 STATE No.001 Type Inspection	Inspector	Violation?	O-2-18S-31E *Significant Non-Compliance?	30-015-25034-00- Corrective Action Due By:	00 Inspection No.
08/12/2016	Routine/Periodic Violations Surface Leaks/Spills	Tony Morales	Yes	No	11/15/2016	iTM1622537694
Comments		Equipment and Location in MINATED MATERIAL N			ROUND WELL HEA	AD.
				D 4 100 010	30 017 07300 00	
HONDO 4 I Inspection Date	FEDERAL No.003 Type Inspection	Inspector	Violation?	P-4-18S-31E *Significant Non-Compliance?	30-015-25398-00- Corrective Action Due By:	00 Inspection No.
Inspection		Inspector Tony Morales	Violation? Yes	*Significant	Corrective	

Inspection Date	E 2 STATE CC Type Inspection		Inspector	Violation?	J-2-18S-31E *Significant Non-Compliance?	30-015-25452-00-0 Corrective Action Due By:)0 Inspection Not.
08/12/2016	Routine/Peric Violations Surface Leaks/Sp		Tony Morales	Yes	No	11/15/2016	iTM1622539622
Comments	on Inspection:		ment and Location in TED MATERIAL C			ROUND WELL HEAD	
Inspection	E 2 STATE No		•		I-2-18S-31E *Significant	30-015-25453-00-0 Corrective	
Date	Type Inspection		Inspector	Violation?	Non-Compliance?	•	Inspection No.
08/12/2016	Routine/Perio Violations Surface Leaks/Sp		Tony Morales	Yes	No	11/15/2016	iTM1622538018
Comments	on Inspection:	OK. All Equipr	ment and Location ir	1 Good Shape	. PJ. STAINING AF	OUND WELL HEAD.	
CHOLLA 1 Inspection Date	FEDERAL No		Inspector	Violation?	J-1-18S-31E *Significant Non-Compliance?	30-015-31187-00-0 Corrective Action Due By:	0 Insp e ction No.
08/12/2016	Routine/Perio Violations , Surface Leaks/Sp		Tony Morales	Yes	No	11/15/2016	iTM1622530150
Comments	on Inspection:	OK. All Equips CONTAMINA		EXTED TO V		OUND WELL HEAD	IAL
CHOLLA 1	FEDERAL No	002	····		I-1-18S-31E	30-015-32105-00-0	0
Inspection	Type Inspection		Inspector	Violation?	*Significant	Corrective	
Date	•• •		moprettor	violation?	Non-Compliance?	Action Due By:	Inspection No.
Date 08/12/2016	Routine/Perior Violations Surface Leaks/Sp	dic	Tony Morales	Yes	Non-Compliance? No	Action Due By: 11/15/2016	Inspection No. iTM1622530493
08/12/2016	Routine/Perio Violations	dic ills OK. All Equipn	Tony Morales	Yes Good Shape.	No	11/15/2016 OUND WELL HEAD.	-
08/12/2016 Comments of MESQUITE Inspection	Routine/Period Violations Surface Leaks/Sp on Inspection: 2 2 STATE CO	dic ^{ills} OK. All Equipn TANK BATTE M No.006	Tony Morales nent and Location in RY NO WINDSOCI	Yes Good Shape. K. STAININ	No PJ. STAINING AR G AROUND HEATE K-2-18S-31E *Significant	11/15/2016 OUND WELL HEAD. R TREATER. 30-015-35179-00-0 Corrective	iTM1622530493
08/12/2016 Comments of MESQUITE Inspection Date	Routine/Perior Violations Surface Leaks/Sp on Inspection: 2 2 STATE CO Type Inspection	dic ^{ills} OK. All Equipn TANK BATTEI M No.006	Tony Morales nent and Location in RY NO WINDSOCI	Yes Good Shape. K. STAININ Violation?	No PJ. STAINING AR G AROUND HEATE K-2-18S-31E *Significant Non-Compliance?	11/15/2016 OUND WELL HEAD. R TREATER. 30-015-35179-00-00 Corrective Action Due By:	iTM1622530493 D Inspection No.
08/12/2016 Comments of MESQUITE Inspection	Routine/Period Violations Surface Leaks/Sp on Inspection: 2 2 STATE CO	dic ills OK. All Equipn TANK BATTEI M No.006 dic	Tony Morales nent and Location in RY NO WINDSOCI	Yes Good Shape. K. STAININ	No PJ. STAINING AR G AROUND HEATE K-2-18S-31E *Significant	11/15/2016 OUND WELL HEAD. R TREATER. 30-015-35179-00-0 Corrective	iTM1622530493

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 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.