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"

30-Aug-16

REMNANT OIL OPERATING, LLC PO BOX 5375 MIDLAND TX 79704

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 DETAII	L SECTION		
PENJACK FEDERAL Inspection Date Type Inspection		No.001 Inspector	Violation?	D-6-10S-26E *Significant Non-Compliance?	30-005-60531-00-0 Corrective Action Due By:) Inspection No.
08/30/2016	Routine/Periodic	Gilbert Cordero	Yes	No	12/3/2016	iGC1624333728
Comments	on Inspection: Well	Sign (Rule 19.15.16.8). OPER.	ATOR (LEG	ACY) ON WELL SI	GN IS NOT CORRECT	
JJ FEDERA Inspection Date	L Type Inspection	No.001 Inspector	Violation?	I-1-10S-25E *Significant Non-Compliance?	30-005-60559-00-0 Corrective Action Due By:) Inspection No.
08/30/2016	Routine/Periodic	Gilbert Cordero	Yes	No	12/3/2016	iGC1624338499
Comments	on Inspection: Well	Sign (Rule 19.15.16.8). OPER/	ATOR (LEG	ACY) ON WELL SIC	SN IS NOT CORRECT	
LUKE FED. Inspection Date	ERAL COM Type Inspection	No.001 Inspector	Violation?	F-24-10S-25E *Significant Non-Compliance?	30-005-61469-00-00 Corrective Action Due By:) Inspection No.
08/30/2016	Routine/Periodic	Gilbert Cordero	Yes	No	12/3/2016	iGC1624344286
Comments o	n Inspection: Well	Sign (Rule 19.15.16.8). OPER/	ATOR (LEG	ACY) ON WELL SIC	N IS NOT CORRECT	

TYRELL F Inspection	EDERAL CON	1 No.001		C-13-10S-25E *Significant	30-005-61781-00-(Corrective	00
Date	Type Inspection	Inspector	Violation?		Action Due By:	Inspection No.
08/30/2016	Routine/Period	lic Gilbert Cordero	Yes	No	12/3/2016	iGC162434220
Comments	on Inspection:	Well Sign (Rule 19.15.16.8). OPER	ATOR (LEC	ACY) ON WELL SI	GN IS NOT CORREC	r
SUZANNE	FFNFRAI	No.001		A-23-10S-25E	30-005-61947-00-0	00
Inspection	FEDERAL	140.001		· · • • Significant	Corrective	50
Date	Type Inspection	Inspector	Violation?	Non-Compliance?	Action Due By:	Inspection No.
08/30/2016	Routine/Period	lic Gilbert Cordero	Yes	No	12/3/2016	iGC162434461
Comments of		Well Sign (Rule 19.15.16.8). OPER SIGN IS NOT LEGIBLE	ATOR (LEG	ACY) ON WELL SIG	GN IS NOT CORREC	Г.
LISA FEDE	RAL	No.001		L-13-10S-25E	30-005-62109-00-0)0
Inspection				*Significant	Corrective	
Date	Type Inspection	Inspector	Violation?	Non-Compliance?	Action Due By:	Inspection No.
08/30/2016	Routine/Period	lic Gilbert Cordero	Yes	No	12/3/2016	iGC162434190
Comments o	on Inspection:	Well Sign (Rule 19.15.16.8). OPER	ATOR (LEG	ACY) ON WELL SIC	GN IS NOT CORRECT	ſ
TYRELL FI	EDERAL COM	No.002		G-13-10S-25E	30-005-62217-00-0	0
Inspection				*Significant	Corrective	
Date	Type Inspection	Inspector	Violation?	Non-Compliance?	Action Due By:	Inspection No.
08/30/2016	Routine/Period	ic Gilbert Cordero	Yes	No	12/3/2016	iGC1624342533
Comments o	on Inspection:	Well Sign (Rule 19.15.16.8). OPER	ATOR (LEG	ACY) ON WELL SIC	GN IS NOT CORRECT	Γ
PENJACK I	FEDERAL	No.002		O-12-10S-25E	30-005-62465-00-0	0
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
08/30/2016	Routine/Period	. •	Yes	No	12/3/2016	iGC1624337999
		Well Sign (Rule 19.15.16.8). OPER.				
MCCREA F	TEE COM	No.002		B-1-10S-25E	30-005-62474-00-0	0
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
08/30/2016	Routine/Period	•	Yes	Non-Complance.	12/3/2016	iGC1624335333
		Well Sign (Rule 19.15.16.8). OPERA				
						-
PENJACK H	FEDERAL	No.003		H-12-10S-25E	30-005-62495-00-0	0
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
08/30/2016	Routine/Period	•	Yes	No	12/3/2016	iGC1624338262
- ,		Well Sign (Rule 19.15.16.8). OPERA		-	,	
		weii Sigii (Rule 19.13.10.8). OFERA		ACTION WELLSIC	IN 13 NOT CORRECT	
PENJACK E	TEDERAL	No.004		K-6-10S-26E	30-005-62544-00-0	0
Inspection	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
Date)8/30/2016			Yes	Non-Computing: No	12/3/2016	iGC1624331314
	Routine/Period					
Comments of	n 105pecuon:	Well Sign (Rule 19.15.16.8). OPERA		ACT) UN WELL SIG		
	EDERAL	No.006		L-7-10S-26E	30-005-62562-00-0	0
'ENJACK F		. .	Violation?	*Significant	Corrective	Inspection No.
Inspection	Trank T **			Non Comulated	A state Date Date	Inspection INA
Inspection Date	Type Inspection	Inspector		Non-Compliance?	Action Due By:	-
Inspection Date	Routine/Periodi	•	Yes	No	12/3/2016	iGC1624330405

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 ------

Inspection	FEDERAL	No	b.007		I-7-10S-26E *Significant	30-005-62611-00-0 Corrective	0
Date	Type Inspection	I	Inspector	Violation?	"Significant Non-Compliance?	Action Due By:	Inspection No.
08/30/2016	Routine/Period	dic	Gilbert Cordero	Yes	Ňo	12/3/2016	iGC1624330622
Comments of	on Inspection;	Well Sign (Rule AND SIGN IS 1		ATOR (LEC	ACY) ON WELL SIG	GN IS NOT CORRECT	•
PENJACK I	FEDERAL	No	008		O-6-10S-26E	30-005-62672-00-0	0
Inspection Date	Type Inspection		Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
08/30/2016	Routine/Period	dic	Gilbert Cordero	Yes	No	12/3/2016	iGC1624331742
Comments o	on Inspection:	Well Sign (Rule	19.15.16.8). OPER	ATOR (LEC	ACY) ON WELL SIC	GN IS NOT CORRECT	·
JJ FEDERA	L	No.002			K-1-10S-25E	30-005-62678-00-0	0
Inspection			.		*Significant	Corrective	-
Date	Type Inspection		Inspector	Violation?	Non-Compliance?	Action Due By:	Inspection No.
08/30/2016	Routine/Period		Gilbert Cordero	Yes	No	12/3/2016	iGC162433695:
Comments o		Well Sign (Rule SIGN IS NOT L		ATOR (LEG	ACY) ON WELL SIC	GN IS NOT CORRECT	•
PENJACK I	FEDERAL	No	.009		G-6-10S-26E	30-005-62916-00-0	0
Inspection Date	Type Inspection		Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
08/30/2016	Routine/Period		Gilbert Cordero	Yes	Non-Compliance:	12/3/2016	iGC1624332080
						SN IS NOT CORRECT	
			<u> </u>				
JJ FEDERA Inspection	L No.003				F-1-10S-25E *Significant	30-005-63168-00-0 Corrective	D
Date	Type Inspection		Inspector	Violation?	Non-Compliance?	Action Due By:	Inspection No.
08/30/2016	Routine/Period	lic	Gilbert Cordero	Yes	No	12/3/2016	iGC1624336682
00,00/2010	110001110/1 01100						
		No Well Sign (R	Rule 19.15.16.8).				
Comments o		<u> </u>	tule 19.15.16.8).		I-12-10S-25E	30-005-63591-00-0	
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Comments o PENJACK F Inspection Date 08/30/2016	n Inspection: FEDERAL No. Type Inspection Routine/Period	010 lic	Inspector Gilbert Cordero	Yes	*Significant Non-Compliance? No	30-005-63591-00-0 Corrective Action Due By:) Inspection No.
Comments o PENJACK F Inspection Date 08/30/2016 Comments o	n Inspection: FEDERAL No. Type Inspection Routine/Period n Inspection:	010 lic Well Sign (Rule	Inspector Gilbert Cordero	Yes	*Significant Non-Compliance? No ACY) ON WELL SIG	30-005-63591-00-0 Corrective Action Due By: 12/3/2016 IN IS NOT CORRECT) Inspection No. iGC1624337864
Comments o PENJACK F Inspection Date 08/30/2016 Comments o PENJACK F	n Inspection: FEDERAL No. Type Inspection Routine/Period	010 lic Well Sign (Rule	Inspector Gilbert Cordero	Yes	*Significant Non-Compliance? No ACY) ON WELL SIG B-12-10S-25E	30-005-63591-00-00 Corrective Action Due By: 12/3/2016 IN IS NOT CORRECT 30-005-63592-00-00) Inspection No. iGC1624337864
Comments o PENJACK F Inspection Date 08/30/2016 Comments o PENJACK F Inspection	In Inspection: FEDERAL No. Type Inspection Routine/Period n Inspection: FEDERAL No.	010 lic Well Sign (Rule	Inspector Gilbert Cordero	Yes	*Significant Non-Compliance? No ACY) ON WELL SIG B-12-10S-25E *Significant	30-005-63591-00-0 Corrective Action Due By: 12/3/2016 IN IS NOT CORRECT 30-005-63592-00-00 Corrective) Inspection No. iGC1624337864
Comments o PENJACK F Inspection Date 08/30/2016 Comments on PENJACK F Inspection Date	n Inspection: FEDERAL No. Type Inspection Routine/Period n Inspection:	010 lic Well Sign (Rule 011Q	Inspector Gilbert Cordero 19.15.16.8). OPER/	Yes ATOR (LEG	*Significant Non-Compliance? No ACY) ON WELL SIG B-12-10S-25E	30-005-63591-00-00 Corrective Action Due By: 12/3/2016 SN IS NOT CORRECT 30-005-63592-00-00 Corrective Action Due By:) Inspection No. iGC1624337864) Inspection No.
Comments o PENJACK F Inspection Date 08/30/2016 Comments o PENJACK F Inspection Date	In Inspection: Type Inspection Routine/Period In Inspection: Type Inspection Routine/Period	010 lic Well Sign (Rule 011Q lic	Inspector Gilbert Cordero 19.15.16.8). OPER/ Inspector Gilbert Cordero	Yes ATOR (LEG Violation? Yes	*Significant Non-Compliance? No ACY) ON WELL SIG B-12-10S-25E *Significant Non-Compliance? No	30-005-63591-00-00 Corrective Action Due By: 12/3/2016 IN IS NOT CORRECT 30-005-63592-00-00 Corrective Action Due By:) Inspection No. iGC1624337864) Inspection No.
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Comments o PENJACK F Inspection Date 08/30/2016 Comments on PENJACK F Inspection Date 08/30/2016 Comments on FYRELL 13 Inspection Date	In Inspection: Type Inspection Routine/Period In Inspection: Type Inspection Routine/Period Inspection: FEDERAL No. FEDERAL CO Type Inspection	010 lic Well Sign (Rule 011Q lic Well Sign (Rule OM No.004	Inspector Gilbert Cordero 19.15.16.8). OPER/ Inspector Gilbert Cordero 19.15.16.8). OPER/ Inspector	Yes ATOR (LEG Violation? Yes ATOR (LEG, Violation?	*Significant Non-Compliance? No ACY) ON WELL SIG B-12-10S-25E *Significant Non-Compliance? No ACY) ON WELL SIG A-13-10S-25E *Significant Non-Compliance?	30-005-63591-00-00 Corrective Action Due By: 12/3/2016 5N IS NOT CORRECT 30-005-63592-00-00 Corrective Action Due By: 12/3/2016 5N IS NOT CORRECT 30-005-63703-00-00 Corrective Action Due By:) Inspection No. iGC1624337864) Inspection No. iGC1624337543) Inspection No.
Comments o PENJACK F Inspection Date 08/30/2016 Comments on PENJACK F Inspection Date 08/30/2016 Comments on FYRELL 13 Inspection Date 08/30/2016	In Inspection: FEDERAL No. Type Inspection Routine/Period Inspection: FEDERAL No. Type Inspection Routine/Period Inspection: FEDERAL CO Type Inspection Routine/Period	010 lic Well Sign (Rule 011Q lic Well Sign (Rule OM No.004	Inspector Gilbert Cordero 19.15.16.8). OPER/ Inspector Gilbert Cordero 19.15.16.8). OPER/	Yes ATOR (LEG Violation? Yes ATOR (LEG,	*Significant Non-Compliance? No ACY) ON WELL SIG B-12-10S-25E *Significant Non-Compliance? No ACY) ON WELL SIG A-13-10S-25E *Significant	30-005-63591-00-00 Corrective Action Due By: 12/3/2016 5N IS NOT CORRECT 30-005-63592-00-00 Corrective Action Due By: 12/3/2016 5N IS NOT CORRECT 30-005-63703-00-00 Corrective Action Due By:) Inspection No. iGC1624337864) Inspection No. iGC1624337543
Comments o PENJACK F Inspection Date 08/30/2016 Comments on PENJACK F Inspection Date 08/30/2016 Comments on FYRELL 13 Inspection Date	In Inspection: Type Inspection Routine/Period In Inspection: Type Inspection Routine/Period Inspection: FEDERAL No.(Type Inspection Routine/Period Routine/Period	010 lic Well Sign (Rule 011Q lic Well Sign (Rule OM No.004	Inspector Gilbert Cordero 19.15.16.8). OPER/ Inspector Gilbert Cordero 19.15.16.8). OPER/ Inspector Gilbert Cordero	Yes ATOR (LEG Violation? Yes ATOR (LEG, Violation?	*Significant Non-Compliance? No ACY) ON WELL SIG B-12-10S-25E *Significant Non-Compliance? No ACY) ON WELL SIG A-13-10S-25E *Significant Non-Compliance?	30-005-63591-00-00 Corrective Action Due By: 12/3/2016 5N IS NOT CORRECT 30-005-63592-00-00 Corrective Action Due By: 12/3/2016 5N IS NOT CORRECT 30-005-63703-00-00 Corrective Action Due By:) Inspection No. iGC1624337864) Inspection No. iGC1624337543) Inspection No.
Comments o PENJACK F Inspection Date 08/30/2016 Comments on PENJACK F Inspection Date 08/30/2016 Comments on FYRELL 13 Inspection Date 08/30/2016 Comments on	In Inspection: Type Inspection Routine/Period In Inspection: Type Inspection Routine/Period Inspection: FEDERAL No.(Type Inspection Routine/Period Routine/Period	010 lic Well Sign (Rule 011Q lic Well Sign (Rule DM No.004 ic No Well Sign (R	Inspector Gilbert Cordero 19.15.16.8). OPER/ Inspector Gilbert Cordero 19.15.16.8). OPER/ Inspector Gilbert Cordero	Yes ATOR (LEG Violation? Yes ATOR (LEG, Violation?	*Significant Non-Compliance? No ACY) ON WELL SIG B-12-10S-25E *Significant Non-Compliance? No ACY) ON WELL SIG A-13-10S-25E *Significant Non-Compliance? No M-1-10S-25E	30-005-63591-00-00 Corrective Action Due By: 12/3/2016 5N IS NOT CORRECT 30-005-63592-00-00 Corrective Action Due By: 12/3/2016 5N IS NOT CORRECT 30-005-63703-00-00 Corrective Action Due By:) Inspection No. iGC1624337864) Inspection No. iGC1624337543) Inspection No. iGC1624338867
Comments o PENJACK F Inspection Date 08/30/2016 Comments of PENJACK F Inspection Date 08/30/2016 Comments of PYRELL 13 Inspection Date 08/30/2016 Comments of Date 08/30/2016	Type Inspection: Type Inspection Routine/Period n Inspection: Type Inspection Routine/Period n Inspection: FEDERAL No. Type Inspection Routine/Period n Inspection: Routine/Period n Inspection: AL COM No.0	010 lic Well Sign (Rule 011Q lic Well Sign (Rule DM No.004 ic No Well Sign (R	Inspector Gilbert Cordero 19.15.16.8). OPER/ Inspector Gilbert Cordero 19.15.16.8). OPER/ Inspector Gilbert Cordero ule 19.15.16.8).	Yes ATOR (LEG Violation? Yes ATOR (LEG, Violation? Yes	*Significant Non-Compliance? No ACY) ON WELL SIG B-12-10S-25E *Significant Non-Compliance? No ACY) ON WELL SIG A-13-10S-25E *Significant Non-Compliance? No M-1-10S-25E *Significant	30-005-63591-00-00 Corrective Action Due By: 12/3/2016 SN IS NOT CORRECT 30-005-63592-00-00 Corrective Action Due By: 12/3/2016 SN IS NOT CORRECT 30-005-63703-00-00 Corrective Action Due By: 12/3/2016 30-005-63711-00-00 Corrective) Inspection No. iGC1624337864) Inspection No. iGC1624337543) Inspection No. iGC1624338867
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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

COMANCH	IE HILL 18 FED No.001			2-18-10S-26E	30-005-63815-00-0	D
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
08/30/2016	Routine/Periodic	Gilbert Cordero	Yes	No	12/3/2016	iGC1624330046
Comments on Inspection: Well Sign (Rule 19.15.16.8), OPERATOR (LEGACY) ON WELL SIGN IS NOT CORRECT						

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, hte.

Compliance OFF. en 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.