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 DETAI	L SECTION	· ·	
PENJACK Inspection Date	FEDERAL Type Inspection	No.001 Inspector	Violation?	D-6-10S-26E *Significant Non-Compliance?	30-005-60531-00-00 Corrective Action Due By:	0 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	AL Type Inspection	No.001 Inspector	Violation?	I-1-10S-25E *Significant Non-Compliance?	30-005-60559-00-00 Corrective Action Due By:) Inspection No.
08/30/2016	Routine/Periodic	Gilbert Cordero	Yes	No	12/3/2016	iGC1624338499
Comments	a Inspection: Well	Sign (Rule 19.15.16.8). OPER/	ATOR (LEG	ACY) ON WELL SIC	GN 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	on Inspection: Well	Sign (Rule 19.15.16.8). OPER/	ATOR (LEG	ACY) ON WELL SIC	SN IS NOT CORRECT	

Inspection	EDERAL COM	No.001	منطقيت منطقي م المراجعة م	C-13-10S-25E *Significant	30-005-61781-00- Corrective	00
Date	Type Inspection	Inspector	Violation?	Non-Compliance?	Action Due By:	Inspection No.
08/30/2016	Routine/Periodic	Gilbert Cordero	Yes	No	12/3/2016	iGC162434220
Comments o	Inspection: Well	Sign (Rule 19.15.16.8). OPER	ATOR (LEC	ACY) ON WELL SI	GN IS NOT CORREC	Т
SUZANNE I	FEDEDAI	No.001		A-23-10S-25E	30-005-61947-00-	00
Inspection	EDERAL	110.001		*Significant	Corrective	
Date	Type Inspection	Inspector	Violation?	Non-Compliance?		Inspection No.
08/30/2016	Routine/Periodic	Gilbert Cordero	Yes	No	12/3/2016	iGC162434461
Comments o		Sign (Rule 19.15.16.8). OPER I IS NOT LEGIBLE	ATOR (LEG	ACY) ON WELL SI	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?	•	Inspection No.
08/30/2016	Routine/Periodic	Gilbert Cordero	Yes	No	12/3/2016	iGC162434190
Comments o	n Inspection: Well	Sign (Rule 19.15.16.8). OPER.	ATOR (LEG	ACY) ON WELL SI	GN IS NOT CORREC	Г
FYRELL FI	EDERAL COM	No.002		G-13-10S-25E	30-005-62217-00-6	00
Inspection				*Significant	Corrective	
Date	Type Inspection	Inspector	Violation?	Non-Compliance?	Action Due By:	Inspection No.
08/30/2016	Routine/Periodic	Gilbert Cordero	Yes	No	12/3/2016	iGC162434253
Comments o	n Inspection: Well	Sign (Rule 19.15.16.8). OPER.	ATOR (LEG	ACY) ON WELL SI	GN IS NOT CORREC	Г
PENJACK I	EDERAL	No.002		0-12-10S-25E	30-005-62465-00-0	ю
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
		•		-	•	iGC1624337999
19/20/2016	Vouting/Voelodio				1//4//1116	
08/30/2016 Comments o	Routine/Periodic	Gilbert Cordero	Yes	NO ACV) ON WELL SK	12/3/2016 CN IS NOT CORRECT	
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Comments o MCCREA F Inspection Date	n Inspection: Weil : EE COM Type Inspection	Sign (Rule 19.15.16.8). OPERA No.002 Inspector	ATOR (LEG Violation?	ACY) ON WELL SIG B-1-10S-25E *Significant Non-Compliance?	GN IS NOT CORRECT 30-005-62474-00-0 Corrective Action Due By:	C O Inspection No.
Comments o MCCREA F Inspection Date 98/30/2016	n Inspection: Well EE COM Type Inspection Routine/Periodic	Sign (Rule 19.15.16.8). OPERA No.002 Inspector Gilbert Cordero	ATOR (LEG Violation? Yes	ACY) ON WELL SIG B-1-10S-25E *Significant Non-Compliance? No	GN IS NOT CORRECT 30-005-62474-00-(Corrective Action Due By: 12/3/2016	0 Inspection No. iGC1624335333
Comments o MCCREA F Inspection Date	n Inspection: Well EE COM Type Inspection Routine/Periodic	Sign (Rule 19.15.16.8). OPERA No.002 Inspector	ATOR (LEG Violation? Yes	ACY) ON WELL SIG B-1-10S-25E *Significant Non-Compliance? No	GN IS NOT CORRECT 30-005-62474-00-(Corrective Action Due By: 12/3/2016	0 Inspection No. iGC1624335333
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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 ------

PENJACK I Inspection	FEDERAL	No	007		I-7-10S-26E *Sigñificant	30-005-62611-00-0 Corrective	
Date	Type Inspection		Inspector	Violation?	Non-Compliance?	Action Due By:	Inspection No.
08/30/2016	Routine/Perio	dic	Gilbert Cordero	Yes	Ňo	12/3/2016	iGC1624330622
Comments of	on Inspection:	Well Sign (Rule AND SIGN IS N		ATOR (LEG	GACY) ON WELL SIG	GN IS NOT CORREC	Г
PENJACK I	FEDERAL	No	.008		O-6-10S-26E	30-005-62672-00-0)0
Inspection Date	Type Inspection		Inspector	Vielation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
08/30/2016	Routine/Perio	dic	Gilbert Cordero	Yes	No	12/3/2016	iGC1624331742
Comments of	na Inspection:	Well Sign (Rule	19.15.16.8). OPER.	ATOR (LEG	ACY) ON WELL SIG	GN IS NOT CORREC	Г
JJ FEDERA	L .	No.002			K-1-10S-25E	30-005-62678-00-0	0
Inspection			T	177-1-470	*Significant	Corrective	7
Date	Type Inspection	11.		Violation?	Non-Compliance?	Action Due By:	Inspection No.
08/30/2016	Routine/Period		Gilbert Cordero	Yes	No	12/3/2016	iGC1624336951 -
Comments o	on Inspection:	Well Sign (Rule SIGN IS NOT L		ATOR (LEG	ACY) ON WELL SIC	GN IS NOT CORRECT	ſ,
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	lic	Gilbert Cordero	Yes	No	12/3/2016	iGC1624332080
						IS NOT CORRECT	
					,,		
	L No.003				F-1-10S-25E	30-005-63168-00-0	0
JJ FEDERA Inspection Date	L No.003 Type Inspection		Inspector	Violation?	*Significant	Corrective	O Inspection No.
Inspection Date		lic	Inspector Gilbert Cordero	Violation? Yes			Inspection No.
Date 08/30/2016	Type Inspection Routine/Perioc	lic No Well Sign (R	Gilbert Cordero		*Significant Non-Compliance?	Corrective Action Due By:	
Inspection Date 08/30/2016 Comments o	Type Inspection Routine/Perioc	No Well Sign (R	Gilbert Cordero		*Significant Non-Compliance?	Corrective Action Due By:	Inspection No. iGC1624336682
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Inspection Date 08/30/2016 Comments o PENJACK H Inspection Date	Type Inspection Routine/Period in Inspection: SEDERAL No. Type Inspection	No Well Sign (R 010	Gilbert Cordero ule 19.15.16.8). Inspector	Yes Violation?	*Significant Non-Compliance? No I-12-10S-25E *Significant Non-Compliance?	Corrective Action Due By: 12/3/2016 30-005-63591-00-0 Corrective Action Due By:	Inspection No. iGC1624336682 0 Inspection No.
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Inspection Date 08/30/2016 Comments o PENJACK H Inspection Date 08/30/2016	Type Inspection Routine/Period in Inspection: FEDERAL No. Type Inspection Routine/Period	No Well Sign (R D10 lic	Gilbert Cordero ule 19.15.16.8). Inspector Gilbert Cordero	Yes Violation? Yes	*Significant Non-Compliance? No I-12-10S-25E *Significant Non-Compliance? No	Corrective Action Due By: 12/3/2016 30-005-63591-00-0 Corrective Action Due By:	Inspection No. iGC1624336682 0 Inspection No. iGC1624337864
Inspection Date 08/30/2016 Comments o PENJACK H Inspection Date 08/30/2016 Comments o PENJACK H	Type Inspection Routine/Period in Inspection: FEDERAL No. Type Inspection Routine/Period	No Well Sign (R D10 lic Well Sign (Rule	Gilbert Cordero ule 19.15.16.8). Inspector Gilbert Cordero	Yes Violation? Yes	*Significant Non-Compliance? No I-12-10S-25E *Significant Non-Compliance? No ACY) ON WELL SIG B-12-10S-25E	Corrective Action Due By: 12/3/2016 30-005-63591-00-0 Corrective Action Due By: 12/3/2016 SN IS NOT CORRECT 30-005-63592-00-0	Inspection No. iGC1624336682 0 Inspection No. iGC1624337864
Inspection Date 08/30/2016 Comments o PENJACK H Inspection Date 08/30/2016 Comments o	Type Inspection Routine/Period In Inspection: FEDERAL No. Type Inspection Routine/Period In Inspection:	No Well Sign (R D10 lic Well Sign (Rule	Gilbert Cordero ule 19.15.16.8). Inspector Gilbert Cordero	Yes Violation? Yes	*Significant Non-Compliance? No I-12-10S-25E *Significant Non-Compliance? No ACY) ON WELL SIG B-12-10S-25E *Significant	Corrective Action Due By: 12/3/2016 30-005-63591-00-0 Corrective Action Due By: 12/3/2016 SN IS NOT CORRECT	Inspection No. iGC1624336682 0 Inspection No. iGC1624337864
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Inspection Date 08/30/2016 Comments of PENJACK H Inspection Date 08/30/2016 Comments of PENJACK H Inspection Date 08/30/2016 Comments of	Type Inspection Routine/Period in Inspection: FEDERAL No. Type Inspection Routine/Period in Inspection: FEDERAL No. Type Inspection Routine/Period in Inspection: FEDERAL CO	No Well Sign (R D10 lic Well Sign (Rule D11Q ic Well Sign (Rule	Gilbert Cordero ule 19.15.16.8). Inspector Gilbert Cordero 19.15.16.8). OPERA Inspector Gilbert Cordero 19.15.16.8). OPERA	Yes Violation? Yes ATOR (LEG, Violation? Yes ATOR (LEG,	*Significant Non-Compliance? No I-12-10S-25E *Significant Non-Compliance? No ACY) ON WELL SIG B-12-10S-25E *Significant Non-Compliance? No ACY) ON WELL SIG	Corrective Action Due By: 12/3/2016 30-005-63591-00-0 Corrective Action Due By: 12/3/2016 SN IS NOT CORRECT 30-005-63592-00-0 Corrective Action Due By: 12/3/2016 SN IS NOT CORRECT	Inspection No. iGC1624336682 0 Inspection No. iGC1624337864 0 Inspection No. iGC1624337543
Inspection Date 08/30/2016 Comments o PENJACK H Inspection Date 08/30/2016 Comments o PENJACK F Inspection Date 08/30/2016 Comments o 08/30/2016	Type Inspection Routine/Period in Inspection: FEDERAL No. Type Inspection Routine/Period in Inspection: FEDERAL No. Type Inspection Routine/Period in Inspection: FEDERAL CO Type Inspection	No Well Sign (R D10 lic Well Sign (Rule D11Q ic Well Sign (Rule DM No.004	Gilbert Cordero ule 19.15.16.8). Inspector Gilbert Cordero 19.15.16.8). OPERA Inspector Gilbert Cordero 19.15.16.8). OPERA Inspector	Yes Violation? Yes ATOR (LEG, Violation? Yes ATOR (LEG, Violation?	*Significant Non-Compliance? No I-12-10S-25E *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?	Corrective Action Due By: 12/3/2016 30-005-63591-00-0 Corrective Action Due By: 12/3/2016 SN IS NOT CORRECT 30-005-63592-00-0 Corrective Action Due By: 12/3/2016 SN IS NOT CORRECT 30-005-63703-00-0 Corrective Action Due By:	Inspection No. iGC1624336682 0 Inspection No. iGC1624337864 0 Inspection No. iGC1624337543
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Inspection Date 08/30/2016 Comments o PENJACK H Inspection Date 08/30/2016 Comments o PENJACK F Inspection Date 08/30/2016 Comments o FYRELL 13 Inspection Date	Type Inspection Routine/Period in Inspection: FEDERAL No. Type Inspection Routine/Period in Inspection: FEDERAL No. Type Inspection Routine/Period in Inspection: FEDERAL CO Type Inspection Routine/Period	No Well Sign (R D10 lic Well Sign (Rule D11Q ic Well Sign (Rule DM No.004	Gilbert Cordero ule 19.15.16.8). Inspector Gilbert Cordero 19.15.16.8). OPERA Inspector Gilbert Cordero 19.15.16.8). OPERA Inspector Gilbert Cordero	Yes Violation? Yes ATOR (LEG, Violation? Yes ATOR (LEG, Violation?	*Significant Non-Compliance? No I-12-10S-25E *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?	Corrective Action Due By: 12/3/2016 30-005-63591-00-0 Corrective Action Due By: 12/3/2016 SN IS NOT CORRECT 30-005-63592-00-0 Corrective Action Due By: 12/3/2016 SN IS NOT CORRECT 30-005-63703-00-0 Corrective Action Due By:	Inspection No. iGC1624336682 0 Inspection No. iGC1624337864 0 Inspection No. iGC1624337543
Inspection Date 08/30/2016 Comments of PENJACK H Inspection Date 08/30/2016 Comments of PENJACK F Inspection Date 08/30/2016 Comments of FYRELL 13 Inspection Date 08/30/2016	Type Inspection Routine/Period in Inspection: FEDERAL No. Type Inspection Routine/Period in Inspection: FEDERAL No. Type Inspection Routine/Period in Inspection: FEDERAL CO Type Inspection Routine/Period	No Well Sign (R D10 lic Well Sign (Rule D11Q ic Well Sign (Rule DM No.004 ic No Well Sign (Ru	Gilbert Cordero ule 19.15.16.8). Inspector Gilbert Cordero 19.15.16.8). OPERA Inspector Gilbert Cordero 19.15.16.8). OPERA Inspector Gilbert Cordero	Yes Violation? Yes ATOR (LEG, Violation? Yes ATOR (LEG, Violation?	*Significant Non-Compliance? No I-12-10S-25E *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	Corrective Action Due By: 12/3/2016 30-005-63591-00-0 Corrective Action Due By: 12/3/2016 SN IS NOT CORRECT 30-005-63592-00-0 Corrective Action Due By: 12/3/2016 SN IS NOT CORRECT 30-005-63703-00-0 Corrective Action Due By:	Inspection No. iGC1624336682 0 Inspection No. iGC1624337864 0 Inspection No. iGC1624337543 0 Inspection No. iGC1624338867
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Inspection Date 08/30/2016 Comments of PENJACK H Inspection Date 08/30/2016 Comments of PENJACK F Inspection Date 08/30/2016 Comments of CYRELL 13 Inspection Date 08/30/2016 Comments of Date	Type Inspection Routine/Period in Inspection: FEDERAL No. Type Inspection Routine/Period in Inspection: FEDERAL No. Type Inspection Routine/Period in Inspection: FEDERAL CO Type Inspection Routine/Period in Inspection:	No Well Sign (R D10 lic Well Sign (Rule D11Q ic Well Sign (Rule DM No.004 ic No Well Sign (Ru	Gilbert Cordero ule 19.15.16.8). Inspector Gilbert Cordero 19.15.16.8). OPERA Inspector Gilbert Cordero 19.15.16.8). OPERA Inspector Gilbert Cordero	Yes Violation? Yes ATOR (LEG, Violation? Yes ATOR (LEG, Violation?	*Significant Non-Compliance? No I-12-10S-25E *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	Corrective Action Due By: 12/3/2016 30-005-63591-00-0 Corrective Action Due By: 12/3/2016 5N IS NOT CORRECT 30-005-63592-00-0 Corrective Action Due By: 12/3/2016 5N IS NOT CORRECT 30-005-63703-00-0 Corrective Action Due By: 12/3/2016 30-005-63711-00-0	Inspection No. iGC1624336682 0 Inspection No. iGC1624337864 0 Inspection No. iGC1624337543 0 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

COMANCE	IE HILL 18 FED No.001			2-18-10S-26E	30-005-63815-00-0)0
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 of	n Inspection: Well Sign (Rule 19.15.16.8). OPER/	ATOR (LEG	ACY) ON WELL SIC	GN IS NOT CORREC	Г

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,

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.