State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

David Martin

Cabinet Secretary

David Catanach, DirectorOil Conservation Division



Tony Delfin

Deputy Cabinet Secretary

Response Required - Deadline Enclosed

Field Inspection Program
"Preserving the Integrity of Our Environment"

14-Sep-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.

		INSPECTION	V DETAIL	SECTION		
BO FEDER Inspection Date	AL N Type Inspection	o.001 Inspector	Violation?	H-23-9S-25E *Significant Non-Compliance?	30-005-61042-00-0 Corrective Action Due By:	O Inspection No.
09/14/2016	Routine/Periodic	Gilbert Cordero	Yes	No	12/18/2016	iGC1625845415
Comments	on Inspection: Well Sign	n (Rule 19.15.16.8). OPER	ATOR NAM	E (LEGACY) IS NO	T CORRECT	
PECOS RIV Inspection Date	VER FEDERAL Type Inspection	No.001 Inspector	Violation?	K-23-9S-25E *Significant Non-Compliance?	30-005-61237-00-0 Corrective Action Due By:	O Inspection No.
09/14/2016	Routine/Periodic	Gilbert Cordero	Yes	No	12/18/2016	iGC1625841349
Comments	on Inspection: Well Sign	n (Rule 19.15.16.8). OPER.	ATOR NAM	E (LEGACY) IS NO	T CORRECT	
LEEMAN F	FEDERAL Type Inspection	No.002	Violation?	P-12-9S-25E *Significant	30-005-61838-00-0 Corrective	O Inspection No.
Date	•	•	Yes	Non-Compliance? No	Action Due By: 12/18/2016	iGC1625846213
09/14/2016	Routine/Periodic	Gilbert Cordero				1001023640213
Comments of	on Inspection: Well Sign	n (Rule 19.15.16.8). OPER.	ATOR NAM	E (LEGACY) IS NO	T CORRECT	

TOLMAC STATE No.003 G-36-9S-25E 30-005-61926-00-00 Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? **Action Due By:** 09/14/2016 Routine/Periodic Gilbert Cordero Yes 12/18/2016 iGC1625834478 No Comments on Inspection: Well Sign (Rule 19.15.16.8). SIGN IS NOT LEGIBLE PJ FEDERAL COM No.002 B-13-9S-25E 30-005-62047-00-00 Inspection *Significant Corrective Inspection No. Type Inspection Violation? Date Inspector Non-Compliance? Action Due By: 09/14/2016 Routine/Periodic Gilbert Cordero iGC1625846388 Yes No 12/18/2016 Comments on Inspection: Well Sign (Rule 19.15.16.8). OPERATOR NAME (LEGACY) IS NOT CORRECT **TOLMAC STATE** No.004 F-36-9S-25E 30-005-62209-00-00 Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 09/14/2016 Routine/Periodic Gilbert Cordero Yes No 12/18/2016 iGC1625834635 **Comments on Inspection:** Well Sign (Rule 19.15.16.8). OPERATOR NAME (LEGACY) IS NOT CORRECT RICK FEDERAL COM No.001 H-26-9S-25E 30-005-62215-00-00 Inspection *Significant Corrective Inspection No. Type Inspection Inspector Violation? Date Non-Compliance? Action Due By: 09/14/2016 Routine/Periodic Gilbert Cordero Yes No 12/18/2016 iGC1625838031 Well Sign (Rule 19.15.16.8). OPERATOR NAME (LEGACY) IS NOT CORRECT Comments on Inspection: MM FEDERAL No.004 O-25-9S-25E 30-005-62449-00-00 Inspection *Significant Corrective Violation? Inspection No. Type Inspection Inspector Date Non-Compliance? Action Due By: 09/14/2016 Routine/Periodic Gilbert Cordero Yes No 12/18/2016 iGC1625833995 **Comments on Inspection:** Well Sign (Rule 19.15.16.8). OPERATOR NAME (LEGACY) IS NOT CORRECT **MM FEDERAL** No.005 E-25-9S-25E 30-005-62450-00-00 *Significant Corrective Inspection Violation? Inspection No. Type Inspection Inspector Non-Compliance? Date Action Due By: Yes 12/18/2016 iGC1625838199 09/14/2016 Routine/Periodic Gilbert Cordero No Comments on Inspection: Well Sign (Rule 19.15.16.8). OPERATOR NAME (LEGACY) IS NOT CORRECT MM FEDERAL No.006 I-26-9S-25E 30-005-62451-00-00 Inspection *Significant Corrective Inspection No. Violation? Type Inspection Inspector Date Non-Compliance? Action Due By: iGC1625837841 09/14/2016 Yes 12/18/2016 Routine/Periodic Gilbert Cordero No Comments on Inspection: Well Sign (Rule 19.15.16.8). OPERATOR NAME (LEGACY) IS NOT CORRECT **MM FEDERAL** No.007 K-25-9S-25E 30-005-62493-00-00 *Significant Corrective Inspection Inspection No. Violation? Type Inspection Inspector Date Non-Compliance? Action Due By: iGC1625836561 09/14/2016 Routine/Periodic Gilbert Cordero Yes No 12/18/2016 Well Sign (Rule 19.15.16.8). OPERATOR NAME (LEGACY) IS NOT CORRECT Comments on Inspection: G-25-9S-25E **MM FEDERAL** No.008 30-005-62494-00-00 *Significant Corrective Inspection Inspection No. Type Inspection Inspector Violation? Date Non-Compliance? Action Due By: iGC1625837247 09/14/2016 Yes No 12/18/2016 Routine/Periodic Gilbert Cordero

Well Sign (Rule 19.15.16.8). OPERATOR NAME (LEGACY) IS NOT CORRECT

Comments on Inspection:

RICK FEDERAL No.002 P-23-9S-25E 30-005-62533-00-00 Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 09/14/2016 Routine/Periodic Gilbert Cordero Yes No 12/18/2016 iGC1625838566 Comments on Inspection: Well Sign (Rule 19.15.16.8). OPERATOR NAME (LEGACY) IS NOT CORRECT JILL FEDERAL No.001 K-24-9S-25E 30-005-62640-00-00 Inspection *Significant Corrective **Type Inspection** Violation? Inspection No. Inspector Date Non-Compliance? Action Due By: 09/14/2016 Routine/Periodic iGC1625838730 Gilbert Cordero Yes No 12/18/2016 Comments on Inspection: Well Sign (Rule 19.15.16.8). OPERATOR NAME (LEGACY) IS NOT CORRECT MM FEDERAL COM A-35-9S-25E No.010 30-005-62676-00-00 Inspection *Significant Corrective Date Type Inspection Inspector Violation? Action Due By: Inspection No. Non-Compliance? 09/14/2016 Routine/Periodic iGC1625835603 Gilbert Cordero Yes No 12/18/2016 Comments on Inspection: Well Sign (Rule 19.15.16.8). OPERATOR NAME (LEGACY) IS NOT CORRECT **TOLMACK STATE No.005** A-36-9S-25E 30-005-63195-00-00 *Significant Inspection Corrective Inspection No. Type Inspection Inspector Violation? Date Non-Compliance? Action Due By: iGC1625833626 Routine/Periodic 09/14/2016 Gilbert Cordero Yes No 12/18/2016 Comments on Inspection: Well Sign (Rule 19.15.16.8). OPERATOR NAME (LEGACY) IS NOT CORRECT C-25-9S-25E 30-005-63199-00-00 MM FEDERAL No.011 Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 09/14/2016 iGC1625837427 Yes No 12/18/2016 Routine/Periodic Gilbert Cordero Comments on Inspection: Well Sign (Rule 19.15.16.8). OPERATOR NAME (LEGACY) IS NOT CORRECT L-36-9S-25E 30-005-63566-00-00 **TOLMACK STATE No.006** Corrective *Significant Inspection Inspection No. Violation? Type Inspection Inspector Date Non-Compliance? Action Due By: iGC1625832949 09/14/2016 Routine/Periodic Gilbert Cordero Yes No 12/18/2016 **Comments on Inspection:** Well Sign (Rule 19.15.16.8). OPERATOR NAME (LEGACY) IS NOT CORRECT M-25-9S-25E 30-005-63712-00-00 MM 25 FEDERAL No.012 Inspection *Significant Corrective Inspection No. Type Inspection Inspector Violation? Date Non-Compliance? Action Due By: 09/14/2016 Routine/Periodic Gilbert Cordero Yes No 12/18/2016 iGC1625835155

Well Sign (Rule 19.15.16.8). OPERATOR NAME (LEGACY) IS NOT CORRECT

Comments on Inspection:

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 Officer

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.