

State of New Mexico

Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Tony Pelfin
Deputy Cabinet Secretary

David Catanach, Director
Oil Conservation Division



Response Required - Deadline Enclosed

Field Inspection Program
"Preserving the Integrity of Our Environment"

13-Oct-16

DWIGHT A TIPTON
PO BOX 1025
LOVINGTON NM 88260

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 DETAIL SECTION

| MONA No.001 | | | | N-7-10S-28E | 30-005-60762-00-00 | | | |
|--------------------------------|------------------|---|--------------|------------------------------|------------------------------|---------------------------|----------------|--|
| Inspection Date | Type Inspection | Inspector | Violation? | *Significant Non-Compliance? | Corrective Action Due By: | Inspection No. | | |
| 10/13/2016 | Routine/Periodic | Tony Morales | Yes | No | 1/16/2017 | iTM1628740216 | | |
| | | Violations | | | | | | |
| | | Absent Well Identification Signs (Rule 103) | | | | | | |
| Comments on Inspection: | | OK. All Equipment and Location in Good Shape. PJ TANK BATTERY NOT IN USE. LOCATION SIGN NOT VISIBLE | | | | | | |
| | | | | | C-19-10S-28E | 30-005-60985-00-00 | | |
| J P WHITE A No.002 | Inspection Date | Type Inspection | Inspector | Violation? | *Significant Non-Compliance? | Corrective Action Due By: | Inspection No. | |
| | 10/13/2016 | Routine/Periodic | Tony Morales | Yes | No | 1/16/2017 | iTM1628743977 | |
| | | Violations | | | | | | |
| | | Surface Leaks/Spills | | | | | | |
| | | General Housekeeping (Rule 114) | | | | | | |
| Comments on Inspection: | | OK. All Equipment and Location in Good Shape. PJ STAINING AROUND WELL HEAD.TANK BATTERY NO PLACARD/ WINDSOCK CONTAINMENT NEEDS REPAIR. DEBRIS ALL OVER LOCATION. | | | | | | |

J P WHITE D No.009

E-20-10S-28E

30-005-62000-00-00

| Inspection Date | Type Inspection | Inspector | Violation? | *Significant Non-Compliance? | Corrective Action Due By: | Inspection No. |
|-----------------|------------------|--------------|------------|------------------------------|---------------------------|----------------|
| 10/13/2016 | Routine/Periodic | Tony Morales | Yes | No | 1/16/2017 | iTM1628733453 |

Violations

Surface Leaks/Spills

General Housekeeping (Rule 114)

Comments on Inspection: OK. All Equipment and Location in Good Shape. PJ STAINING AROUND WELL HEAD OLD TUBING SUCKER RODS ON LOCATION. UNMARKED 55 GALLON DRUM ON LOCATION

J P WHITE D No.012

E-20-10S-28E

30-005-62231-00-00

| Inspection Date | Type Inspection | Inspector | Violation? | *Significant Non-Compliance? | Corrective Action Due By: | Inspection No. |
|-----------------|------------------|--------------|------------|------------------------------|---------------------------|----------------|
| 10/13/2016 | Routine/Periodic | Tony Morales | Yes | No | 1/16/2017 | iTM1628734472 |

Violations

Surface Leaks/Spills

General Housekeeping (Rule 114)

Comments on Inspection: OK. All Equipment and Location in Good Shape. PJO STAINING AROUND WELL HEAD FRESH OIL CONTAMINATED MATERIAL NEXT TO WELL HEAD.

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 Division 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.