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" NM OIL CONSERVATION ARTESIA DISTRICT

OCT 24 2016

20-Jul-16

ROBERT H FORREST IR OIL LLC

609 ELORA DR.

CARLSBAD NM 88220

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

KERSEY No.001Y

Inspection

Date

Type Inspection

Inspector

Violation?

*Significant Non-Compliance?

K-33-18S-28E

Corrective Action Due By:

Inspection No.

07/20/2016 Routine/PeriodicTony Morales

Yes

No

10/23/2016

30-015-21484-00-00

iTM1620244202

Violations

Fire Walls and Dikes General Housekeeping (Rule 114)

Comments on Inspection:

OK. All Equipment and Location in Good Shape. PJO. STAINING AROUND WELL HEAD.

STAINED AREA APPROX 15' X 25' TANK BATTERIES NO CONTAINMENT

Gild of the violations have been somether 10/21/16 Robert Homes JR