State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

Ken McQueen Cabinet Secretary

Matthias Sayer

Deputy Cabinet Secretary

David CatanachDivision Director



Response Required - Deadline Enclosed

Field Inspection Program
"Preserving the Integrity of Our Environment"

08-May-17

BURNETT OIL CO INC

Burnett Plaza, Suite 1500 801 Cherry St., Unit 9 Fort Worth TX 76102-6102

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

GRAYBURG JACKSON S A UNIT No.021				J-14-17S-30E 30-015-04154-00-00		
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
05/08/2017	Routine/Period	c Tony Morales	Yes	No	8/11/2017	iTM1712833801
	Violations					
	Absent Well Identii	ication Signs (Rule 103)				
Comments		OK. All Equipment and Location LOCATION SIGN NOT LEGIBL			ROUND WELL HEA	AD.
GISSLER A	No.019			J-14-17S-30E	30-015-32835-00-	00
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
05/08/2017	Routine/Period	te Tony Morales	Yes	No	8/11/2017	iTM1712834912
	Violations	•				
	General Housekeep	ing (Rule 114)				
Comments	-	OK. All Equipment and Location RULE 19.15.35.7B	in Good Shape	. PJO. STAINING A	ROUND WELL HEA	D+

GISSLER B No.035 E-14-17S-30E 30-015-33495-00-00 Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 05/08/2017 Routine/Periodic Tony Morales Yes iTM1712843196 No 8/11/2017 Violations General Housekeeping (Rule 114) Comments on Inspection: OK. All Equipment and Location in Good Shape. PJ. STAINING AROUND WELL HEAD+. RULE 19.15.35.7B GISSLER A No.026 J-14-17S-30E 30-015-34503-00-00 Inspection *Significant Corrective **Type Inspection** Violation? Inspector Inspection No. Date Non-Compliance? Action Due By: 05/08/2017 Routine/Periodic Tony Morales Yes No 8/11/2017 iTM1712835072 Violations General Housekeeping (Rule 114) **Comments on Inspection:** OK. All Equipment and Location in Good Shape. PJ. STAINING AROUND WELL HEAD+ **FRESH OIL RULE 19.15.35.7B GISSLER B No.037** D-14-17S-30E 30-015-34688-00-00 Inspection *Significant Corrective Inspector Violation? Inspection No. Type Inspection Date Non-Compliance? Action Due By: 05/08/2017 Routine/Periodic **Tony Morales** Yes 8/11/2017 iTM1712841572 No Violations General Housekeeping (Rule 114) Comments on Inspection: OK. All Equipment and Location in Good Shap. PJO. STAINING AROUND WELL HEAD. RULE 19.15.35.7B **GISSLER B No.044** 30-015-36380-00-00 J-11-17S-30E Inspection *Significant Corrective **Type Inspection** Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 05/08/2017 Routine/Periodic Yes iTM1712848066 Tony Morales No 8/11/2017 **Violations** General Housekeeping (Rule 114) OK. All Equipment and Location in Good Shae. PJO. STAINING AROUND WELL HEAD Comments on Inspection: RULE 19.15.35.7B **GISSLER B No.055** J-11-17S-30E 30-015-37243-00-00 Inspection *Significant Corrective **Type Inspection** Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: Yes 05/08/2017 Routine/Periodic iTM1712848137 Tony Morales No 8/11/2017

Violations General Housekeeping (Rule 114)

Comments on Inspection: OK. All Equipment and Location in Good Shape. PJO. STAINING AROUND WELL HEAD RULE 19.15.35.7B

GISSLER A No.042 M-12-17S-30E 30-015-40846-00-00

Inspection Corrective *Significant Inspection No. **Type Inspection** Inspector Violation? Date Non-Compliance? Action Due By: 05/08/2017 Routine/Periodic Tony Morales iTM1712846995 Yes No 8/11/2017 **Violations**

General Housekeeping (Rule 114)

Comments on Inspection: OK. All Equipment and Location in Good Shape. PJ. STAINING AROUND WELL HEAD+ RULE 19.15.35.7B

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.

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.