State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

Ken McQueen Cabinet Secretary

Matthias Sayer Deputy Cabinet Secretary **David Catanach** Division 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? Non-Compliance?

*Significant Corrective Action Due By:

Inspection No.

05/08/2017 Routine/Periodic **Tony Morales**

Yes

8/11/2017

iTM1712833801

Violations

No

Absent Well Identification Signs (Rule 103)

Comments on Inspection:

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

LOCATION SIGN NOT LEGIBLE RULE 19.15.16.8

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/Periodic

Tony Morales

Yes

No

8/11/2017

iTM1712834912

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 B No.035 E-14-17S-30E 30-015-33495-00-00

Inspection Date

Type Inspection

Inspector

Violation?

*Significant Cor

Corrective Action Due By:

05/08/2017 Routine/Periodic

Tony Morales

Yes

No

Non-Compliance?

8/11/2017

Inspection No. iTM1712843196

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

Inspection

Date

Type Inspection

Inspector

Violation?

*Significant Non-Compliance?

J-14-17S-30E

30-015-34503-00-00 Corrective Action Due By:

Inspection No.

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

Inspection
Date Type Inspection

Inspector

*Significant
Violation? Non-Compliance?

30-015-34688-00-00 Corrective Action Due By:

Inspection No.

05/08/2017 Routine

Routine/Periodic

Tony Morales

Yes

No

D-14-17S-30E

8/11/2017

iTM1712841572

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

Inspection
Date Type Inspection

Inspector

Violation?

*Significant Non-Compliance?

J-11-17S-30E

30-015-36380-00-00 Corrective Action Due By:

8/11/2017

Inspection No.

05/08/2017

05/08/2017

Routine/Periodic

Tony Morales

Yes

No

iTM1712848066

Violations

General Housekeeping (Rule 114)

Comments on Inspection:

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

RULE 19.15.35.7B

GISSLER B No.055

Inspection
Date Type Inspection

Ins

Inspector
Tony Morales

*Sign Violation? Non-Con Yes

*Significant Non-Compliance? No

J-11-17S-30E

30-015-37243-00-00 Corrective Action Due By:

8/11/2017

Inspection No. iTM1712848137

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

Inspection

Date

05/08/2017

Type Inspection
Routine/Periodic

Routine/Periodic

Inspector
Tony Morales

Violation? Yes M-12-17S-30E
*Significant
Non-Compliance?
No

30-015-40846-00-00 Corrective Action Due By: 8/11/2017 ii

Inspection No. iTM1712846995

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.

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.