State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

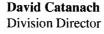
Governor

Ken McQueen **Cabinet Secretary**

Matthias Sayer

Deputy Cabinet Secretary

David Catanach





Response Required - Deadline Enclosed

Field Inspection Program "Preserving the Integrity of Our Environment"

09-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.

			INSPECTIO	N DETAIL	L SECTION		
GISSLER B No.020 Inspection Date Type Inspection			Inspector	Violation?	M-11-17S-30E *Significant Non-Compliance?	30-015-25221-00- Corrective Action Due By:	00 Inspection No.
05/09/2017	Routine/Periodic Violations		Tony Morales	Yes	No	8/12/2017	iTM1712939670
	General Housekeeping (Rule 114)						
Comments	on Inspection:	OK. All Equipr RULE 19.15.35		ı Good Shape	. PJ STAINING AR	OUND WELLHEAD-	+
GISSLER B No.051 Inspection Date Type Inspection		Inspector	Violation?	B-11-17S-30E *Significant Non-Compliance?	30-015-37240-00- Corrective Action Due By:	00 Inspection No.	
05/09/2017	Noutine/Periodic Violations General Housekeeping (Rule 114)		Tony Morales	Yes	No	8/12/2017	iTM1712933574
	General Housek	eeping (Rule 114)					
Comments on Inspection:		OK. All Equipment and Location in Good Shape. PJO FLARE OK. CONTAINED FLARE OK. TANK BATTERIES OK STAINING FROM PREVIOUS SPILL WEST OF LOCATION RULE 19.15.35.7B					

GISSLER B No.052 K-12-17S-30E 30-015-37241-00-00 *Significant Inspection Corrective **Type Inspection** Inspector Violation? Inspection No. Date Non-Compliance? **Action Due By:** 05/09/2017 Routine/Periodic Tony Morales 8/12/2017 iTM1712930267 Yes No 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.075 L-12-17S-30E 30-015-39363-00-00 Inspection *Significant Corrective **Type Inspection** Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 05/09/2017 Routine/Periodic Tony Morales Yes No 8/12/2017 iTM1712930570 **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.086 B-11-17S-30E 30-015-40530-00-00 Inspection *Significant Corrective **Type Inspection** Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 05/09/2017 Routine/Periodic Tony Morales iTM1712934782 Yes No 8/12/2017 Violations General Housekeeping (Rule 114) **Comments on Inspection:** OK. All Equipment and Location in Good Shape. PJO. STAINING AROUND WELL HEAD, ONTAMINATED MATERIAL ON LOCATION RULE 19.15.35.7B

F-11-17S-30E **GISSLER B No.096** 30-015-41367-00-00

*Significant Inspection Corrective **Type Inspection** Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 05/09/2017 Routine/Periodic Tony Morales Yes No 8/12/2017 iTM1712937323

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

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 Offi

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.