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"

03-Oct-17

JOHN A YATES JR

PO Box 900

Artesia NM 88211-8211

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.

STATE B No.004 Inspection Date Type Inspection		n	Inspector Tony Morales	Violation? Yes	K-5-19S-28E *Significant Non-Compliance? No	30-015-02182-00-0 Corrective Action Due By: 1/6/2018	Inspection No. iTM1727638283
10/03/2017	Routine/Periodic Violations General Housekeeping (Rule 114)						
Comments	on Inspection:		oment and Location in TANK BATTERY			ROUND LOCATION 9.15.10.5	AND
STATE B No.001					K-5-19S-28E		
Inspection Date	Type Inspection	n	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
10/03/2017	Routine/Peri Violations	odic eeping (Rule 114)	Tony Morales	Yes	No	1/6/2018	iTM1727638085
~ .							
		nent and Location in Good Shape. PJ. STAINING AROUND LOCATION EAD 19.15.10.8			N		

INSPECTION DETAIL SECTION

STATE C No.003 F-5-19S-28E 30-015-02185-00-00

Inspection *Significant Corrective Inspector **Type Inspection** Violation? Inspection No. Date Non-Compliance? Action Due By: 10/03/2017 Routine/Periodic Tony Morales iTM1727637712 Yes No 1/6/2018

Violations

General Housekeeping (Rule 114)

Comments on Inspection: OK. All Equipment and Location in Good Shape. PJO. STAINING AROUND LOCATION

AND WELL HEAD 19.15.10.8

STATE A No.005 O-5-19S-28E 30-015-02186-00-00

Inspection *Significant Corrective Date Type Inspection Inspector Violation? Inspection No. Non-Compliance? Action Due By: 10/03/2017 Routine/Periodic Tony Morales No 1/6/2018 iTM1727638555 Yes

Violations

General Housekeeping (Rule 114)

Comments on Inspection: OK. All Equipment and Location in God Shape. PJ. STAINING AROUND WELL HEAD

19.15.10.8

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.