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"

21-Sep-17

MEWBOURNE OIL CO

4801 Business Park Blvd. PO Box 5270 Hobbs NM 88240-8240

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.

TAMANO 10 FEDERAL COM No.001 K-10-18S-31E 30-015-32926-00-00 Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 09/21/2017 Routine/Periodic **Tony Morales** Yes 12/25/2017 iTM1726443269 No Violations Surface Leaks/Spills **Comments on Inspection:** OK. All Equipment and Location in Good Shape. PJO. STAINING AROUND WELL HEAD. FRESH OIL 19.15.10.8 E-10-18S-31E TAMANO 10 FEDERAL COM No.004 30-015-33490-00-00 Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 09/21/2017 Routine/Periodic **Tony Morales** Yes No 12/25/2017 iTM1726444951 **Violations** General Housekeeping (Rule 114) **Comments on Inspection:** PJO. TANK BATTERIES OK STAINING OK. All Equipment and Location in Good Shape.

INSPECTION DETAIL SECTION

AROUND WELL HEAD 19.15.10.8

TAMANO 10 FEDERAL COM No.006H

D-10-18S-31E

30-015-38286-00-00

Inspection Date 09/21/2017

Type Inspection

Inspector

Violation?

*Significant Non-Compliance? Corrective
Action Due By:

Inspection No.

Violatia

Routine/Periodic

Tony Morales

Yes

No

12/25/2017

iTM1726440610

Violations

General Housekeeping (Rule 114)

Comments on Inspection:

OK. All Equipment and Location in Good Shape.

PJO OLD TUBING ON LOCATION TANK

BATTERIES OK 19.15.10.8

TAMANO 10 FEDERAL COM No.007H

*Significant ation? Non-Compliance?

E-10-18S-31E

30-015-39685-00-00 Corrective

ificant Corrective npliance? Action Due By:

Inspection No.

Date 09/21/2017

Inspection

Type Inspection
Routine/Periodic

Inspector
Tony Morales

Violation? Non-C

Compliance: No

12/25/2017

iTM1726445057

Violations

General Housekeeping (Rule 114)

Comments on Inspection:

OK. All Equipment and Location in Good Shape.

PJO. TANK BATTERIES OK 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.