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"

05-Oct-17

STEPHENS & JOHNSON OP CO

POBOX 2249

WICHITA FALLS TX 76308

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 I-11-19S-28E 30-015-0

Inspection
Date Type Inspection

Inspector

Violation?

*Significant Non-Compliance? 30-015-02212-00-00 Corrective

Inspection No.

10/05/2017

Routine/Periodic

Tony Morales

Yes

No

Action Due By: 1/8/2018

iTM1727831031

Violations

General Housekeeping (Rule 114)

Comments on Inspection:

OK. All Equipment and Location in Good Shape.

PJ. STAINING AROUND WELL HEAD.

OLD OPEN TOP TANK ON LOCATION 19.15.10.8

STATE BN No.004

STATE BN No.003

30-015-02213-00-00

Inspection Date

Type Inspection

Inspector

Violation?

*Significant Non-Compliance?

J-11-19S-28E

Corrective Action Due By:

Inspection No.

10/05/2017 Routine/Periodic

Tony Morales

Yes

No

1/8/2018

iTM1727831818

Violations

General Housekeeping (Rule 114)

Comments on Inspection:

OK. All Equipment and Location in GoodShape. PJO. STAINING AROUND WELL HEAD 19.15.10.8 TANK BATTERIES NO PLACARDS / WINDSOCK NEEDS REPLACING OLD

HEATOR TREATOR TANK ON LOCATION

EAST MILLMAN UNIT No.301 M-11-19S-28E 30-015-28457-00-00 Inspection *Significant Corrective Type Inspection Inspector Violation? Date Non-Compliance? Inspection No. Action Due By: 10/05/2017 Routine/Periodic Tony Morales Yes No 1/8/2018 iTM1727837458 **Violations** General Housekeeping (Rule 114) Comments on Inspection: OK. All Equipment and Location in Good Shape. PJ. STAINING AROUND WELL HEAD OLD SUCKER RODS / TUBING ON LOCATION 16.15.10.5 MILLMAN 11 STATE No.002 I-11-19S-28E 30-015-28712-00-00 Inspection *Significant Corrective Type Inspection Inspector Violation? Date Inspection No. Non-Compliance? Action Due By: 10/05/2017 Routine/Periodic Tony Morales Yes No 1/8/2018 iTM1727831275 Violations General Housekeeping (Rule 114) Comments on Inspection: OK. All Equipment and Location in Goo Shape. PJ. STAINING AROUND WELL HEAD. OLD TUBING / SUCKER RODS / OLD TANK / CONTAMINATED MATERIAL ON LOCATION 19.15.10.8 **EAST MILLMAN UNIT No.237** B-14-19S-28E 30-015-39033-00-00 Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 10/05/2017 Routine/Periodic Tony Morales Yes No 1/8/2018 iTM1727841867 **Violations** General Housekeeping (Rule 114) **Comments on Inspection:** PJ. STAINING AROUND WELL HEAD OK. All Equipment and Location in Good Shape. 19.15.10.8 **EAST MILLMAN UNIT** B-14-19S-28E No.241 30-015-39960-00-00 Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 10/05/2017 Routine/Periodic Tony Morales Yes No 1/8/2018 iTM1727840536

Violations General Housekeeping (Rule 114) **Comments on Inspection:** OK. All Equipment and Location in Good Shape. PJ. OLD TUBING ON LOCATION 19.15.10.8 EAST MILLMAN UNIT No.244 30-015-40405-00-00

F-14-19S-28E

Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? **Action Due By:** 10/05/2017 Routine/Periodic Tony Morales Yes No 1/8/2018 iTM1727844584

Violations

General Housekeeping (Rule 114)

Comments on Inspection: OK. All Equipment and Location in Good Shape.

PJ. STAINING AROUND WELL HEAD.

OLD TUBING ON LOCATION 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.