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"

12-Oct-17

STEPHENS & JOHNSON OP CO

P O BOX 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.

EAST MILLMAN UNIT No.150					P-15-19S-28E 30-015-02257-00-00		
Inspection Date	Type Inspection		Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
10/12/2017	Routine/Periodic		Tony Morales	Yes	No	1/15/2018	iTM1728539610
	Violations						
General Housekeeping (Rule 114)							
Comments on Inspection: OK. All Equipment and Location in Good Shape. PJO. STAINING AROUND WELL HEAD OLD TUBING ON LOCATION 19.15.10.8							
EAST MILLMAN UNIT No.202 H-22-19S-28E 30-015-22188-00-00							00
Inspection Date	Type Inspection		Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
10/12/2017	Routine/Periodic		Tony Morales	Yes	No	1/15/2018	iTM1728535849

INSPECTION DETAIL SECTION

Violations

General Housekeeping (Rule 114)

Comments on Inspection:

OK. All Equipment and Location in Good Shape.

PJO. STAINING AROUND WELL HEAD.

OLD TUBING / SUCKER RODS ON LOCATION 19.15.10.8

DEVON STATE No.002

L-23-19S-28E

30-015-27781-00-00

Inspection

10/12/2017

Date Type Inspection

Inspector

Tony Morales

Violation? Yes *Significant Non-Compliance? No Corrective Action Due By: 1/15/2018

Inspection No. iTM1728537020

Violations

General Housekeeping (Rule 114)

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

Routine/Periodic

PJO. CONTAMINATED MATERIAL ON

LOCATION. STAINING AROUND TANK BATTERY NO PLACARDS 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.