State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

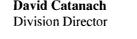
Governor

Ken McQueen Cabinet Secretary

Matthias Sayer

Deputy Cabinet Secretary

David Catanach





Response Required - Deadline Enclosed

Field Inspection Program "Preserving the Integrity of Our Environment"

27-Oct-17

COLGATE OPERATING, LLC

306 W. Wall Street Suite 500 Midland TX 79701-9701

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	SECTION		
PARKWAY Inspection Date	36 STATE No. Type Inspection	001	Inspector	Violation?	F-36-19S-29E *Significant Non-Compliance?	30-015-25671-00-0 Corrective Action Due By:	Inspection No.
10/27/2017	Routine/Period Violations General Housekee		Tony Morales	Yes	No	1/30/2018	iTM1730036881
Comments			ent and Location in RIES OK. 19.15.10		. PJO STAINING A	AROUND WELLHEAD	
PARKWAY DELAWARE UNIT No.702					H-35-19S-29E	30-015-26026-00-0	0
Inspection Date	Type Inspection		Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
10/27/2017	Routine/Period Violations General Housekee		Tony Morales	Yes	No	1/30/2018	iTM1730043340
Comments on Inspection: O		•		n Good Shape	. PJO STAINING	AROUND WELLHEAI)

PARKWAY DELAWARE UNIT No.922

M-36-19S-29E

30-015-26074-00-00

Inspection Date

Type Inspection

Inspector

Violation?

*Significant Non-Compliance? Corrective

Inspection No.

10/27/2017

Routine/Periodic

Tony Morales

Yes No Action Due By: 1/30/2018

iTM1730038694

Violations

General Housekeeping (Rule 114)

Comments on Inspection:

OK. All Equipment and Location in Good Shape. PJO STAINING AROUND WELLHEAD

19.15.10.8

PARKWAY DELAWARE UNIT No.202

B-35-19S-29E

30-015-26083-00-00

Inspection

Date Type Inspection Inspector

*Significant Violation? Non-Compliance? Corrective

Inspection No.

10/27/2017 Routine/Periodic Tony Morales

Yes No Action Due By: 1/30/2018

iTM1730044357

Violations

General Housekeeping (Rule 114)

Comments on Inspection:

OK. All Equipmet and Location in Good Shape. PJO STAINING AROUND WELLHEAD.

TANK BATTERIES OK 19.15.10.8

PARKWAY 36 STATE No.003H

L-36-19S-29E 30-015-39236-00-00

Inspection Date

Type Inspection

Inspector

Violation?

*Significant Non-Compliance?

Corrective Action Due By:

Inspection No.

10/27/2017 Routine/Periodic

Tony Morales

Yes

No

1/30/2018

iTM1730037517

Violations

General Housekeeping (Rule 114)

Comments on Inspection:

OK. All Equipment and Location in Good Shape. PJO STAINING AROUND WELLHEAD

TANK BATTERIES OK FLARE OK 19.15.10.8

PARKWAY 36 STATE No.004H

M-36-19S-29E

30-015-39237-00-00

1/30/2018

Inspection

10/27/2017

Type Inspection Date

Inspector

Tony Morales

Violation?

*Significant Non-Compliance? No

Corrective Action Due By:

Inspection No. iTM1730040512

Routine/Periodic Violations

General Housekeeping (Rule 114)

Comments on Inspection:

OK. All Equipment and Location in Good Shape. PJO STAINING AROUND WELLHEAD+.

STAINED AREA APPROX 25' X 45' OLD TUBING / SUCKER RODS ON LOCATION'

Yes

SAMMY LICON, RELIEF PUMPER SL PUMPING SERVICES HOBBS NM

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.