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"

26-Oct-17

DEVON ENERGY PRODUCTION COMPANY, LP

PO Box 250 Artesia NM 88210

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		
DIAMOND PWU 22		No.0	No.002H		E-22-19S-29E	30-015-38475-00-	00
Inspection Date	Type Inspection		Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
10/26/2017	Routine/Period Violations General Housekee		Tony Morales	Yes	No	1/29/2018	iTM1729931338
Comments	on Inspection:	OK. All Equipm 19.15.10.8	ent and Location ir	1 Good Shape.	PJ. STAINING A	ROUND WELL HEAD	D
DIAMOND PWU 22 Inspection		No.003H			I-21-19S-29E *Significant	30-015-39372-00- Corrective	00
Date	Type Inspection		Inspector	Violation?	Non-Compliance?	Action Due By:	Inspection No.
10/26/2017	Routine/Period Violations General Housekee		Tony Morales	Yes	No	1/29/2018	iTM1729932702
Comments	on Inspection:	OK. All Equipm 19.15.10.8	ent and Location ir	n Good Shape	. PJO. STAINING AF	ROUND WELL HEAI)

DIAMOND PWU 22		No.004H	P-21-19S-29E	30-015-40036-00-00	0					
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.				
10/26/2017	Routine/Perio Violations		Yes	No	1/29/2018	iTM1729933393				
	General Houseke	eping (Rule 114)								
Comments of	on Inspection:	OK. All Equipment and Location in 19.15.10.8	1 Good Shape	. PJO. STAINING AF	ROUND WELL HEAD					
ONYX PWU 29		No.006H		H-29-19S-29E	30-015-40514-00-00					
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.				
10/26/2017	Routine/Perio Violations General Houseke		Yes	No	1/29/2018	iTM1729936757				
Comments of	on Inspection:	OK. All Equipment and Location in HEAD SINK HOLE 100' WEST LOCATION ENTRANCE 19.15.1	' 100' NORTH	FROM PUMP JACK	IG AROUND WELL VISIBLE FROM					
CORAL PWU 28		No.006H	H-29-19S-29E	30-015-40516-00-00						
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.				
10/26/2017	Routine/Perio	dic Tony Morales	Yes	No	1/29/2018	iTM1729935936				
	Violations									
	General Houseke	General Housekeeping (Rule 114)								
Comments	on Inspection:	OK. All Equipment and Location in HEAD SINK HOLE 100' WEST LOCATION ENTRANCE 19.15.1	' 100' NORTH	I FROM PUMP JACE	NG AROUND WELL K VISIBLE FROM					
DIAMOND PWU 22 Inspection		No.007H		I-21-19S-29E 30-015-41007-00-00 *Significant Corrective		0				
Date	Type Inspection	Inspector	Violation?	Non-Compliance?		Inspection No.				
10/26/2017	Routine/Perio Violations	--	Yes	No	1/29/2018	iTM1729932886				
_	General Houseke									
Comments	on Inspection:	OK. All Equipment and Location in 19.15.10.8 DEAD MEN NOT I	•	PJ. STAINING ARC	OUND WELL HEAD					

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, (\mathbf{C})

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.