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"

30-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.

INSPECTION DETAIL SECTION

PARKWAY DELAWARE UNIT No.501				J-35-19S-29E	30-015-25960-00-00	
Inspection Date	Type Inspection	Inspector	violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
10/30/2017	Routine/Period Violations General Housekee		Iorales Yes	No	2/2/2018	iTM1730334462
Comments	on Inspection:	OK. All Equipment and Lo AND LOCATION / LEAS FANK BATTERIES NO V	SE ROAD CONTAMIN	IATED MATERIAL	G AROUND WELL F NEAR TANK BATTE	
PARKWAY DELAWARE UNIT No.503 Inspection				O-35-19S-29E *Significant	30-015-26007-00-6 Corrective	00
Date	Type Inspection	Inspector	r Violation?	Non-Compliance?		Inspection No.
10/30/2017	Routine/Period Violations	ic Tony M	Iorales Yes	No	2/2/2018	iTM1730345190
	General Housekee	ping (Rule 114)				
Comments	on Inspection:	OK. All Equipment and La HEAD: 19.15.10.8	ocation in Good Shape	PJO. STAININ	G AROUND WELL	

C-35-19S-29E PARKWAY DELAWARE UNIT No.201 30-015-26063-00-00 Inspection *Significant Corrective Type Inspection Inspector Violation? Non-Compliance? Inspection No. Date Action Due By: 10/30/2017 iTM1730338293 Routine/Periodic Tony Morales Yes No 2/2/2018 **Violations** General Housekeeping (Rule 114) OK. All Equipment and Location in Good Shape. Comments on Inspection: PJ. STAINING AROUND WELL HEAD OLD SUCKER RODS ON LOCATION 19.15.10.8 PARKWAY DELAWARE UNIT No.305 G-35-19S-29E 30-015-33071-00-00 *Significant Inspection Corrective Type Inspection Violation? Inspection No. Date Inspector Non-Compliance? Action Due By: 10/30/2017 Routine/Periodic **Tony Morales** Yes No 2/2/2018 iTM1730333438 **Violations** General Housekeeping (Rule 114) Comments on Inspection: PJO. STAINING AROUND WELL HEAD OK. All Equipment and Location in Good Shape. 119.15.10.8 PARKWAY DELAWARE UNIT No.511 J-35-19S-29E 30-015-33073-00-00 *Significant Inspection Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 10/30/2017 Routine/Periodic Tony Morales Yes No 2/2/2018 iTM1730336197 Violations General Housekeeping (Rule 114) Comments on Inspection: OK. All Equipment and Location in Good Shape. PJO. STAINING AROUND WELL HEAD+ STAINED AREA 10' X 60' 19.15.10.8 30-015-33997-00-00 PARKWAY DELAWARE UNIT No.307Y G-35-19S-29E *Significant Inspection Corrective Type Inspection Inspector Violation? Inspection No. Non-Compliance? Action Due By: Date Routine/Periodic Yes No 2/2/2018 iTM1730333921 10/30/2017 Tony Morales Violations General Housekeeping (Rule 114) Comments on Inspection: PJO. STAINING AROUND WELL HEAD OK. All Equipment and Location in Goo Shape. 19.15.10.8 K-35-19S-29E 30-015-34407-00-00 PARKWAY DELAWARE UNIT No.515 Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Non-Compliance? Action Due By: Date iTM1730340389 10/30/2017 Routine/Periodic Tony Morales Yes No 2/2/2018 Violations General Housekeeping (Rule 114) PJO. STAINING AROUND WELL HEAD Comments on Inspection: OK. All Equipment and Location in Good Shape. 19.15.10.8 PARKWAY 35 FEDERAL COM No.004H M-35-19S-29E 30-015-39839-00-00 Inspection *Significant Corrective **Type Inspection** Inspector Violation? Non-Compliance? Inspection No. Action Due By: Date iTM1730341317 10/30/2017 Routine/Periodic Tony Morales Yes No 2/2/2018 Violations General Housekeeping (Rule 114) PJO. STAINING AROUND WELL **Comments on Inspection:** OK. All Equipment and Location in Good Shape. HEAD+ STAINED AREA APPROX 10' X 65' 19.15.10.8 L-35-19S-29E 30-015-40734-00-00 PARKWAY 35 FEDERAL COM No.003H Inspection *Significant Corrective **Type Inspection** Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: iTM1730341031 10/30/2017 Routine/Periodic **Tony Morales** Yes No 2/2/2018 Violations General Housekeeping (Rule 114) PJO. STAINING AROUND WELL HEAD+ Comments on Inspection: OK. All Equipment and Leation in Good Shape. /LOCATION FLARE OK 19.15.10.8

PARKWAY 35 FEDERAL COM No.005H

P-34-19S-29E

30-015-41377-00-00

Inspection Date

Type Inspection

Inspector

Violation?

*Significant Non-Compliance? Corrective Action Due By:

Inspection No.

10/30/2017 Routine/Periodic

Tony Morales

Yes

No

2/2/2018

iTM1730342397

Violations

General Housekeeping (Rule 114)

Comments on Inspection:

OK. All Equipment and Location in Good Shape.

HEAD TANK BATTERIES OK 19.15.10.8

PJO. STAINING AROUND WELL

OSAGE 34 FEDERAL No.001H

A-34-19S-29E

30-015-41508-00-00

Inspection

10/30/2017

Date Type Inspection

Inspector

Violation?

Yes

*Significant Non-Compliance? No Corrective Action Due By: 2/2/2018

Inspection No. iTM1730339579

Violations

Routine/Periodic

General Housekeeping (Rule 114)

Comments on Inspection:

OK. All Equipment and Location in Good Shape.

Tony Morales

PJO. COMPRESSOR CONNECTED TO

WELLHEAD STAINING AROUND WELL HEAD+ AND LOCATION. TANK BATTERIES

OK FLARE OK 19.15.10.8

OSAGE 34 FEDERAL No.006H

I-34-19S-29E

30-015-41597-00-00

Inspection Date

Type Inspection

Inspector

Violation?

*Significant Non-Compliance? Corrective Action Due By:

Inspection No.

10/30/2017 Routine/Periodic

Tony Morales

Yes

No

2/2/2018

iTM1730343345

Violations

General Housekeeping (Rule 114)

Comments on Inspection:

OK. All Equipment and Location in Good Shape.

PJO. STAINING AROUND WELL HEAD.

19.15.10.8

PARKWAY 35 FEDERAL COM No.006H

I-34-19S-29E

30-015-41646-00-00

Inspection

10/30/2017

Date Type Inspection

Inspector

Tony Morales

Violation? N
Yes

*Significant Non-Compliance? No Corrective Action Due By: 2/2/2018

Inspection No. iTM1730343646

Routine/Periodic Violations

General Housekeeping (Rule 114)

Comments on Inspection:

OK. All Equipment and Location in Good Shape. STAINING AROUND WELLHEAD. 19.15.10.8

CONVEYOR BELT UNIT OPERATING

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.