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"

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.

			INSPECTIO	N DETAIL	SECTION		
PARKWAY Inspection Date	DELAWARE Type Inspection	UNIT No.501	Inspector	Violation?	J-35-19S-29E *Significant Non-Compliance?	30-015-25960-00- Corrective Action Due By:	00 Inspection No.
10/30/2017	Routine/Periodic		Tony Morales	Yes	No	2/2/2018	iTM1730334462
	Violations General Housekee	ping (Rule 114)					
Comments		AND LOCATIO	ent and Location in N / LEASE ROAD NES NO WINDSO	CONTAMIN	NATED MATERIAL	G AROUND WELL F NEAR TANK BATTI	
PARKWAY Inspection Date	DELAWARE Type Inspection		Inspector	Violation?	O-35-19S-29E *Significant Non-Compliance?	30-015-26007-00- Corrective Action Due By:	00 Inspection No.
10/30/2017	Routine/Period Violations	tic	Tony Morales	Yes	No	2/2/2018	iTM1730345190
	General Housekee	ping (Rule 114)					
Comments	on Inspection:	OK. All Equipm HEAD. 19.15.1	ent and Location in 0.8	n Good Shape	. PJO. STAININ	G AROUND WELL	

PARKWAY Inspection Date	DELAWARI	E UNIT No.201 n	Inspector	Violation?	C-35-19S-29E *Significant Non-Compliance?	30-015-26063-00-00 Corrective Action Due By:	Inspection No.
10/30/2017	Routine/Peric Violations General Houseke	odic eeping (Rule 114)	Tony Morales	Yes	No	2/2/2018 i	TM1730338293
Comments o	n Inspection:	OK. All Equipm	nent and Location in RODS ON LOCAT			AROUND WELL HEA	D
PARKWAY	DELAWARI	E UNIT No.305	; ;		G-35-19S-29E	30-015-33071-00-00	•
Inspection	Two Inconstin	_	In one of an	\$72=1=42===0	*Significant	Corrective	T
Date 10/30/2017	Type Inspection		Inspector	Violation?	Non-Compliance?	Action Due By:	Inspection No.
10/30/2017	Routine/Peric Violations General Houseke		Tony Morales	Yes	No	2/2/2018	TM1730333438
Comments o	General Housekeeping (Rule 114) Comments on Inspection: OK. All Equipment and Location in 119.15.10.8		Good Shape.	PJO. STAINING	G AROUND WELL HE	EAD	
PARKWAY	DELAWAR	E UNIT No.511			J-35-19S-29E	30-015-33073-00-00)
Inspection	Tumo Incorrection	_	Turnenten		*Significant	Corrective	
Date 10/30/2017	Type Inspectio Routine/Perio		Inspector	Violation?	Non-Compliance?	Action Due By:	Inspection No.
10/30/2017	Violations	eeping (Rule 114)	Tony Morales	Yes	No	2/2/2018	iTM1730336197
Comments o	n Inspection:	OK. All Equipn	nent and Location in NED AREA 10' X 6	•	PJO. STAININ	G AROUND WELL	
	DELAWAR	E UNIT No.307	YY		G-35-19S-29E	30-015-33997-00-00	
Inspection Date	Type Inspectio	'n	Inspector	Violation?	*Significant	Corrective	Inspection No.
10/30/2017	Routine/Perio		Tony Morales	Yes	Non-Compliance? No	Action Due By: 2/2/2018	iTM173033392
10/50/2017	Violations	Juie	Tony Morales	103	NO	21212010	1111175055592
	General Housek	eeping (Rule 114)					
Comments o	n Inspection:	OK. All Equipn 19.15.10.8	nent and Location in	1 Goo Shape.	PJO. STAINING	AROUND WELL HEA	4D
PARKWAY	DELAWAR	E UNIT No.515	5		K-35-19S-29E	30-015-34407-00-00)
Inspection Date	Type Inspectio	מו	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
	••••••		Tony Morales	Yes	Non-Comphance: No	•	iTM1730340389
10/30/2017	Routine/Perio Violations	ouic					
10/30/2017	Violations	eeping (Rule 114)					
	Violations	eeping (Rule 114)	nent and Location in	1 Good Shape.	PJO. STAININ	G AROUND WELL HE	EAD
Comments o	Violations General Housek n Inspection:	eeping (Rule 114) OK. All Equipr		1 Good Shape.	M-35-19S-29E	30-015-39839-00-0	
Comments of PARKWAY Inspection	Violations General Housek on Inspection: 35 FEDERA	eeping (Rule 114) OK. All Equipn 19.15.10.8 IL COM No.004	4H		M-35-19S-29E *Significant	30-015-39839-00-00 Corrective)
PARKWAY	Violations General Housek n Inspection:	ceping (Rule 114) OK. All Equipm 19.15.10.8 L COM No.004		n Good Shape. Violation? Yes	M-35-19S-29E	30-015-39839-00-00 Corrective Action Due By:	
Comments of PARKWAY Inspection Date 10/30/2017	Violations General Housek on Inspection: 35 FEDERA Type Inspection Routine/Perior Violations General Housek	ceping (Rule 114) OK. All Equipm 19.15.10.8 L COM No.004	4H Inspector	Violation?	M-35-19S-29E *Significant Non-Compliance?	30-015-39839-00-00 Corrective Action Due By:) Inspection No.
Comments of PARKWAY Inspection Date 10/30/2017	Violations General Housek In Inspection: 35 FEDERA Type Inspectio Routine/Perio Violations	eeping (Rule 114) OK. All Equipn 19.15.10.8 L COM No.00 m odic eeping (Rule 114) OK. All Equipr	4H Inspector	Violation? Yes n Good Shape.	M-35-19S-29E *Significant Non-Compliance? No PJO. STAININ	30-015-39839-00-00 Corrective Action Due By:) Inspection No.
Comments of PARKWAY Inspection Date 10/30/2017 Comments of PARKWAY	Violations General Housek In Inspection: 35 FEDERA Type Inspection Routine/Perio Violations General Housek Inspection:	eeping (Rule 114) OK. All Equipn 19.15.10.8 L COM No.00 m odic eeping (Rule 114) OK. All Equipr	4H Inspector Tony Morales nent and Location ir NED AREA APPR	Violation? Yes n Good Shape.	M-35-19S-29E *Significant Non-Compliance? No PJO. STAININ 19.15.10.8 L-35-19S-29E	30-015-39839-00-00 Corrective Action Due By: 2/2/2018 G AROUND WELL 30-015-40734-00-0) Inspection No. iTM173034131
Comments of PARKWAY Inspection Date 10/30/2017 Comments of PARKWAY Inspection	Violations General Housek In Inspection: 35 FEDERA Type Inspectio Routine/Perio Violations General Housek Inspection: 35 FEDERA	eeping (Rule 114) OK. All Equipm 19.15.10.8 IL COM No.004 on odic eeping (Rule 114) OK. All Equipm HEAD+ STAI IL COM No.003	4H Inspector Tony Morales nent and Location ir INED AREA APPR 3H	Violation? Yes n Good Shape.	M-35-19S-29E *Significant Non-Compliance? No PJO. STAININ 19.15.10.8 L-35-19S-29E *Significant	30-015-39839-00-00 Corrective Action Due By: 2/2/2018 G AROUND WELL 30-015-40734-00-00 Corrective) Inspection No. iTM173034131)
Comments of PARKWAY Inspection Date 10/30/2017 Comments of PARKWAY	Violations General Housek In Inspection: 35 FEDERA Type Inspection Routine/Perio Violations General Housek Inspection:	eeping (Rule 114) OK. All Equipm 19.15.10.8 L COM No.004 on odic eeping (Rule 114) OK. All Equipm HEAD+ STAI L COM No.000	4H Inspector Tony Morales nent and Location ir NED AREA APPR	Violation? Yes n Good Shape. OX 10' X 65'	M-35-19S-29E *Significant Non-Compliance? No PJO. STAININ 19.15.10.8 L-35-19S-29E	30-015-39839-00-00 Corrective Action Due By: 2/2/2018 G AROUND WELL 30-015-40734-00-00 Corrective Action Due By:) Inspection No. iTM173034131) Inspection No.
Comments of PARKWAY Inspection Date 10/30/2017 Comments of PARKWAY Inspection Date	Violations General Housek in Inspection: 35 FEDERA Type Inspectio Routine/Perio Violations General Housek in Inspection: 35 FEDERA Type Inspectio Routine/Perio Violations	eeping (Rule 114) OK. All Equipm 19.15.10.8 L COM No.004 on odic eeping (Rule 114) OK. All Equipm HEAD+ STAI L COM No.000	4H Inspector Tony Morales nent and Location ir INED AREA APPR(3H Inspector	Violation? Yes n Good Shape. OX 10' X 65' Violation?	M-35-19S-29E *Significant Non-Compliance? No PJO. STAININ 19.15.10.8 L-35-19S-29E *Significant Non-Compliance?	30-015-39839-00-00 Corrective Action Due By: 2/2/2018 G AROUND WELL 30-015-40734-00-00 Corrective Action Due By:) Inspection No. iTM173034131)

PARKWAY Inspection		L COM No.005			P-34-19S-29E *Significant	30-015-41377-00-0 Corrective	
Date	Type Inspection		Inspector	Violation?	Non-Compliance?	Action Due By:	Inspection No.
10/30/2017	Routine/Perio Violations General Houseke	dic eping (Rule 114)	Tony Morales	Yes	No	2/2/2018	iTM1730342397
Comments on Inspection: OK. All Equipment and Location HEAD TANK BATTERIES OK				PJO. STAININ			
OSAGE 34 FEDERAL No.001H Inspection				A-34-19S-29E	30-015-41508-00-00		
Date	Type Inspection	1	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
10/30/2017	Routine/Perio Violations General Houseke	edic eping (Rule 114)	Tony Morales	Yes	No	2/2/2018	iTM1730339579
Comments o	on Inspection:					SSOR CONNECTED	
OSAGE 34 Inspection Date	FEDERAL No Type Inspection		Inspector	Violation?	I-34-19S-29E *Significant Non-Compliance?	30-015-41597-00-0 Corrective Action Due By:)) Inspection No.
10/30/2017	Routine/Perio Violations	odic	Tony Morales	Yes	Non-Compliance. No	2/2/2018	iTM1730343345
General Housekeeping (Rule 114) Comments on Inspection: OK. All Equipment and Location in C 19.15.10.8			n Good Shape.	ood Shape. PJO. STAINING AROUND WELL HEAD.			
PARKWAY	35 FEDERA	L COM No.00	6H		I-34-19S-29E	30-015-41646-00-	00
Inspection Date	Type Inspectio	n	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
10/30/2017	Routine/Perio Violations General Houseke	eeping (Rule 114)	Tony Morales	Yes	No	2/2/2018	iTM1730343646
Comments on Inspection: OK. All Equipment and Location in Good S STAINING AROUND WELLHEAD. 19.15							

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 , Q, CQ. UGN

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.