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"

09-Nov-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.

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JONES FEI Inspection Date	DERAL B No.0 Type Inspection	93	Inspector	Violation?	P-23-19S-31E *Significant Non-Compliance?	30-015-10394-00- Corrective Action Due By:	00 Inspection No.
11/09/2017	Periodic Violations General Housekeeping (Rule 114)		Tony Morales	Yes	No	2/12/2018	iTM1731343605
Comments		OK. All Equip HEAD 19.15,	ment and Location ir 10.8	Good Shape	. PJO. STAININ	NG AROUND WELL	
REGULUS 26 FEDERAL No.004H Inspection			Violation?	P-26-19S-31E *Significant	30-015-40041-00- Corrective	00 Inspection No.	
Date 11/09/2017	Type Inspection Routine/Period Violations		Inspector Tony Morales	Yes	Non-Compliance? No	Action Due By: 2/12/2018	iTM1731341494
G	General Housekee		17	Card Chans	DIO CTAININ	IC ADOUND WELL	
Comments	on Inspection:		ment and Location in BATTERIES OK (-	R/FLARE OK 19.1.	NG AROUND WELL 5.10.8	

INSPECTION DETAIL SECTION

REGULUS 26 FEDERAL No.001H A-26-19S-31E 30-015-40098-00-00 *Significant Inspection Corrective Violation? Date Type Inspection Inspector Non-Compliance? Action Due By: Inspection No. 11/09/2017 Routine/Periodic Tony Morales Yes 2/12/2018 iTM1731343234 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 TANK BATTERIES OK FLARE OK 19.15.10.8 SPICA 25 FEDERAL No.001H A-26-19S-31E 30-015-40099-00-00 Inspection *Significant Corrective Violation? Type Inspection Inspection No. Date Inspector Non-Compliance? Action Due By: 11/09/2017 Routine/Periodic **Tony Morales** Yes No 2/12/2018 iTM1731343097 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 TANK BATTERIES OK FLARE OK 19.15.10.8 SPICA 25 FEDERAL No.004H M-25-19S-31E 30-015-40105-00-00 Inspection *Significant Corrective Type Inspection Violation? Inspection No. Inspector Date Non-Compliance? Action Due By: 11/09/2017 Routine/Periodic Yes iTM1731341351 Tony Morales No 2/12/2018 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 **REGULUS 26 FEDERAL No.002H** 30-015-40219-00-00 H-26-19S-31E *Significant Inspection Corrective Type Inspection Inspector Violation? Inspection No. Non-Compliance? Date Action Due By: Routine/Periodic Yes 2/12/2018 iTM1731342723 11/09/2017 Tony Morales No 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 I-26-19S-31E 30-015-40221-00-00 **REGULUS 26 FEDERAL No.003H** Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Non-Compliance? Action Due By: Date 2/12/2018 iTM1731342002 11/09/2017 Routine/Periodic Tony Morales Yes No **Violations** General Housekeeping (Rule 114) **Comments on Inspection:** OK. All Equipment and Location in Good Shape. PJO. STAINING AROUND WELL HEAD+ STAINED AREA APPROX 15' X 25' 19.15.10.8 E-25-19S-31E SPICA 25 FEDERAL No.002H 30-015-40222-00-00 Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Non-Compliance? Action Due By: Date 11/09/2017 Routine/Periodic Tony Morales Yes 2/12/2018 iTM1731342527 No Violations General Housekeeping (Rule 114) PJO. STAINING AROUND WELL Comments on Inspection: OK. All Equipment and Location in Good Shape. HEAD 19.15.10.8 E-23-19S-31E 30-015-41914-00-00

AQUILA 22 FEDERAL COM No.013H *Significant Inspection Corrective Violation? Inspection No. Type Inspection Inspector Non-Compliance? **Action Due By:** Date No 2/12/2018 iTM1731345745 11/09/2017 Routine/Periodic Tony Morales Yes Violations General Housekeeping (Rule 114) PJO. STAINING AROUND WELL Comments on Inspection:

OK. All Equipment and Location in Good Shape.

HEAD 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.