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"

07-Nov-17

REMNANT OIL OPERATING, LLC PO Box 5375

Midland TX 79704-9704

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.

	Inspector Tony Morales ment and Location in	Violation? Yes	F-20-19S-31E *Significant Non-Compliance? No	30-015-05770-00-0 Corrective Action Due By: 2/10/2018	00 Inspection No. iTM1731145670
ions 1 Housekeeping (Rule 114) ction: OK. All Equips			No	2/10/2018	iTM1731145670
	ment and Location in	~ 101			
PLACARDS 1		•		IG AROUND WELL NTAINMENT-BERM	NO
	Inspector	Violation?	D-28-19S-31E *Significant Non-Compliance?	30-015-05794-00-0 Corrective Action Due By:	00 Inspection No.
ions alls and Dikes	Tony Morales	Yes	No	2/10/2018	iTM1731142519
HEAD TANK	K BATTERIES NO S	SECONDARY			М
	RAL No.001 Inspection ine/Periodic ions 'alls and Dikes al Housekeeping (Rule 114) ection: OK. All Equip HEAD TANK NO PLACARI	RAL No.001 Inspection Inspector ine/Periodic Tony Morales ions Tony Morales Yalls and Dikes Tony Morales al Housekeeping (Rule 114) Tony Morales petion: OK. All Equipment and Location in HEAD TANK BATTERIES NO S NO PLACARDS / WINDSOCK 14	RAL No.001 Inspection Inspector Violation? ane/Periodic Tony Morales Yes ions Island Dikes Island Dikes al Housekeeping (Rule 114) OK. All Equipment and Location in Good Shape HEAD TANK BATTERIES NO SECONDARY NO PLACARDS / WINDSOCK 19.15.10.8	RAL No.001 D-28-19S-31E Inspection Inspector Violation? Non-Compliance? ne/Periodic Tony Morales Yes ions Yes No Yalls and Dikes Housekeeping (Rule 114) Yes Section: OK. All Equipment and Location in Good Shape. PJO. STAININ HEAD TANK BATTERIES NO SECONDARY IMPERMEABLE C NO PLACARDS / WINDSOCK 19.15.10.8	RAL No.001 D-28-19S-31E 30-015-05794-00-0 Inspection Inspector Violation? Non-Compliance? Action Due By: Inne/Periodic Tony Morales Yes No 2/10/2018 ions Violation in Good Shape. PJO. STAINING AROUND WELL HEAD TANK BATTERIES NO SECONDARY IMPERMEABLE CONTAINMENT-BER

TENNESSE Inspection	E FEDERAL	No.002			M-21-19S-31E *Significant	30-015-10161-00-0 Corrective	00
Date	Type Inspection	I	Inspector	Violation?	Non-Compliance?	Action Due By:	Inspection No.
11/07/2017	Routine/Perio Violations Surface Damage/ General Houseke	Restoration	Tony Morales	Yes	No	2/10/2018	iTM1731142819
Comments o	n Inspection:	OK. All Equipn HEAD TANK		NING NO SE	PJO. STAININ ECONDARY IMPER NDSOCK 19.15.10.3		
HILL FEDE	RAL No.001				H-21-19S-31E	30-015-24863-00-0)0
Inspection			T .	*** * /* 8	*Significant	Corrective	x
Date	Type Inspection		Inspector	Violation?	Non-Compliance?	-	Inspection No.
11/07/2017	Routine/Perio Violations		Tony Morales	Yes	No	2/10/2018	iTM1731139228
a		eping (Rule 114)					
Comments o	on Inspection:	OK. All Equipn 19.15.10.8	nent and Location in	Good Shape.	PJ. STAINING	AROUND WELL HE	EAD.
AMOCO FE Inspection	EDERAL No.(B-21-19S-31E *Significant	30-015-25080-00-0 Corrective	
Date	Type Inspection		Inspector	Violation?	Non-Compliance?		Inspection No.
11/07/2017	Routine/Perio	eping (Rule 114)	Tony Morales	Yes	No	2/10/2018	iTM1731136819
Comments o	on Inspection:	-	nent and Location ir	a Good Shape.	PJ. STAINING	GAROUND WELL HI	EAD.
HILL FEDE	CRAL No.002				A-21-19S-31E *Significant	30-015-25082-00-0 Corrective)0
Date	Type Inspection	n	Inspector	Violation?	Non-Compliance?		Inspection No.
11/07/2017	Routine/Peric Violations	odic	Tony Morales	Yes	No	2/10/2018	iTM1731139595
		ntification Signs (R eeping (Rule 114)	ule 103)				
Comments o	on Inspection:		nent and Location in RATOR 19.15.10.8		. PJ STAINING	AROUND WELL HE	AD.
PARLSEY I	FEDERAL No	.001			A-20-19S-31E *Significant	30-015-25219-00- Corrective	00
Date	Type Inspectio	n	Inspector	Violation?	Non-Compliance?	Action Due By:	Inspection No.
11/07/2017	Routine/Perio	odic	Tony Morales	Yes	No	2/10/2018	iTM1731134009
	Violations						
	General Housek	eeping (Rule 114)					
Comments	on Inspection:	OK. All Equipt 19.15.10.8	nent and Location in	n Good Shape	. PJ STAINING A	AROUND WELLHEA	ND
TEXAS CRUDE No.001 Inspection				J-21-19S-31E *Significant	30-015-25245-00- Corrective	00	
Date	Type Inspectio	n	Inspector	Violation?	Non-Compliance?		Inspection No.
11/07/2017	Routine/Perie Violations	odic	Tony Morales	Yes	No	2/10/2018	iTM1731137389
	General Housek	eeping (Rule 114)					
Comments	on Inspection:	OK. All Equip 19.15.10.8	ment and Location i	n Good Shape	. PJ. STAINING	G AROUND WELL H	EAD.

TEXAS CR Inspection Date	UDE No.002 Type Inspectio	n	Inspector	Violation?	K-21-19S-31E *Significant Non-Compliance?	30-015-25381-00- Corrective Action Due By:	00 Inspection No.
11/07/2017	Routine/Periodic		Tony Morales	Yes	No	2/10/2018	iTM1731137707
	Violations						
	General Housek	eeping (Rule 114)					
Comments of	on Inspection:	WELL HEAD.	ent and Location in C TANK BATTERY ACARD / WINDSC	NO SECON	DARY IMPERMEAT	F STAINING AROU BLE CONTAINMENT	
LUSK 20 F	EDERAL No.	001			H-20-19S-31E	30-015-25505-00-	00
LIUNIK MUTI							
Inspection Date	Type Inspection	n	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
Inspection	Routine/Peri Violations		Inspector Tony Morales	Violation? Yes			Inspection No. iTM1731134888

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,

t0. 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.