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.

			INSPECTIO	N DETAIL	SECTION				
SUN FEDERAL No.001 Inspection Date Type Inspection			Inspector	Violation?	F-20-19S-31E *Significant Non-Compliance?	30-015-05770-00- Corrective Action Due By:	00 Inspection No.		
11/07/2017	Routine/Periodic Violations		Tony Morales	Yes	No	2/10/2018	iTM1731145670		
Comments	on Inspection:		BATTERY NO SE		. PJO. STAININ MPERMEABLE CO	IG AROUND WELL NTAINMENT-BERM	i NO		
TENNECO FEDERAL No.001 Inspection Date Type Inspection		Inspector	Violation?	D-28-19S-31E *Significant Non-Compliance?	30-015-05794-00- Corrective Action Due By:	00 Inspection No.			
11/07/2017	Routine/Peric Violations Fire Walls and E General Houseke		Tony Morales	Yes	No	2/10/2018	iTM1731142519		
HEAD TA		HEAD TANK	uipment and Location in Good Shape. PJO. STAINING AROUND WELL ANK BATTERIES NO SECONDARY IMPERMEABLE CONTAINMENT-BERM ARDS / WINDSOCK 19.15.10.8						

TENNESSE Inspection	E FEDERAL	No.002			M-21-19S-31E *Significant	30-015-10161-00-0 Corrective	00
Date	Type Inspection	ı	Inspector	Violation?	Non-Compliance?	Action Due By:	Inspection No.
11/07/2017	Routine/Peric Violations Surface Damage General Houseke		Tony Morales	Yes	No	2/10/2018	iTM1731142819
Comments o	n Inspection:	HEAD TANK		NING NO SE	PJO. STAININ CONDARY IMPER NDSOCK 19.15.10.3		
HILL FEDE	RAL No.001	······································			H-21-19S-31E	30-015-24863-00-0)0
Inspection			. .		*Significant	Corrective	
Date	Type Inspectio		Inspector	Violation?	Non-Compliance?	•	Inspection No.
11/07/2017	Routine/Perio		Tony Morales	Yes	No	2/10/2018	iTM1731139228
G (eping (Rule 114)		G 1.01			
Comments o	n Inspection:	OK. All Equip: 19.15.10.8	nent and Location in	Good Shape.	PJ. STAINING	AROUND WELL HE	SAD.
AMOCO FEDERAL No.004 Inspection				B-21-19S-31E *Significant	30-015-25080-00-0 Corrective		
Date	Type Inspectio		Inspector	Violation?	Non-Compliance?	Action Due By:	Inspection No.
11/07/2017	Routine/Perio Violations General Houseko	eeping (Rule 114)	Tony Morales	Yes	No	2/10/2018	iTM1731136819
Comments o	n Inspection:	OK. All Equipt 19.15.10.8	ment and Location ir	n Good Shape.	PJ. STAINING	GAROUND WELL HI	EAD.
HILL FEDE Inspection	RAL No.002				A-21-19S-31E *Significant	30-015-25082-00-0 Corrective	
Date	Type Inspectio		Inspector	Violation?	Non-Compliance?	Action Due By:	Inspection No.
11/07/2017		ntification Signs (F	Tony Morales Rule 103)	Yes	No	2/10/2018	iTM1731139595
Comments o	on Inspection:		ment and Location in RATOR 19.15.10.8		. PJ STAINING	AROUND WELL HE	EAD.
	FEDERAL N				A-20-19S-31E	30-015-25219-00-	00
Inspection Date	Type Inspectio	n	Inspector	Violation?	*Significant Non-Compliance?		Inspection No.
11/07/2017	Routine/Peri		Tony Morales	Yes	Non-Comphance: No	2/10/2018	iTM1731134009
11/07/2017	Violations	eeping (Rule 114)	Tony Morales	105	110	2/10/2016	11111751154007
Comments of	on Inspection:		ment and Location in	n Good Shape	. PJ STAINING	AROUND WELLHEA	D
	UDE No.001				J-21-19S-31E	30-015-25245-00-	00
Inspection Date	Inspection Date Type Inspection		Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
11/07/2017	Routine/Peri		Tony Morales	Yes	No	2/10/2018	iTM1731137389
	Violations						
Comments	General Housek on Inspection:	eeping (Rule 114) OK. All Equip 19.15.10.8	ment and Location i	n Good Shape	. PJ. STAINING	G AROUND WELL H	EAD.

Inspection	UDE No.002			T 71 1 /1 0	K-21-19S-31E *Significant	30-015-25381-00- Corrective	-
Date	Type Inspectio	n	Inspector	Violation?	Non-Compliance?	Action Due By:	Inspection No.
11/07/2017	Routine/Periodic		Tony Morales	Yes	No	2/10/2018	iTM1731137707
	Violations						
	General Houseke	eping (Rule 114)					
Comments	on Inspection:	WELL HEAD.	ent and Location in C TANK BATTERY LACARD / WINDSC	NO SECON	DARY IMPERMEAE	F STAINING AROU BLE CONTAINMENT	
LUSK 20 FI	EDERAL No.	001			H-20-19S-31E	30-015-25505-00-	00
Inspection Date	Type Inspectio	n	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
11/07/2017	Routine/Perio Violations	odic	Tony Morales	Yes	No	2/10/2018	iTM1731134888
	General Housek	eeping (Rule 114)					
• •			nent and Location in Good Shape. PJO. STAINING AROUND WELL HEAD ON 19.15.10.8				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,

t Q. ora' 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.