State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

Ken McQueenCabinet Secretary

Matthias Sayer

Deputy Cabinet Secretary

David CatanachDivision Director



Response Required - Deadline Enclosed

Field Inspection Program
"Preserving the Integrity of Our Environment"

16-Jan-18

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.

INSPECTION DETAIL SECTION

TODD 36 K Inspection Date	STATE No.00 Type Inspection	5	Inspector	Violation?	K-36-23S-31E *Significant Non-Compliance?	30-015-28521-00-00 Corrective Action Due By:	Inspection No.
01/16/2018	Routine/Period Violations General Housekee		Tony Morales	Yes	No	4/21/2018 i	TM1801641268
Comments	on Inspection:	OK. All Equipm 19.15.10.8	ent and Location in	n Good Shape.	PJO STAINING A	ROUND WELLHEAD	
TODD 36 N STATE No.014					N-36-23S-31E	30-015-28762-00-00)
Inspection Date	Type Inspection		Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
01/16/2018	Routine/Perio	lic	Tony Morales	Yes	No	4/21/2018	TM1801639652
	Violations						
	General Houseke	ping (Rule 114)					
Comments	on Inspection:	OK. All Equipm WELL HEAD 1	ent and Location in	1 Good Shape.	PJ HOA OFF.	STAINING AROUND)

TODD 36 B STATE No.020H B-36-23S-31E 30-015-38044-00-00 Inspection *Significant Corrective

Inspection Corrective Date **Type Inspection** Inspector Violation? Inspection No. Non-Compliance? Action Due By: 01/16/2018 Routine/Periodic Tony Morales iTM1801644852 Yes No 4/21/2018

Violations

General Housekeeping (Rule 114)

Comments on Inspection: OK. All Equipment and Location in Good Shape. PJO. STAINING AROUND WELL

HEAD TANK BATTERIES WINDSOCK NEEDS REPLACING 19.15.10.8

ALDABRA 25 FEDERAL COM No.001H M-25-23S-31E 30-015-38612-00-00 Inspection *Significant Corrective Inspection No. **Type Inspection** Inspector Violation? Date Non-Compliance? Action Due By: 01/16/2018 iTM1801646185 Routine/Periodic **Tony Morales** Yes No 4/21/2018

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

ALDABRA 25 FEDERAL No.003H N-25-23S-31E 30-015-38614-00-00

Inspection *Significant Corrective Inspection No. Type Inspection Inspector Violation? Date Non-Compliance? Action Due By: iTM1801647599 01/16/2018 Routine/Periodic **Tony Morales** Yes No 4/21/2018

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

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.