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"

06-Feb-18

BOPCO, L.P. 6401 Holiday Hill Rd Bldg 5, Ste 200 Midland TX 79707-9707

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.

| | | INSPECTI | ON DETAIL | SECTION | | |
|--|---|--|-----------------|--|--|----------------------|
| POKER LAKE UNIT No.190 Inspection Date Type Inspection | | 90 Inspector | Violation? | J-7-24S-30E *Significant Non-Compliance? | 30-015-32142-00- Corrective Action Due By: | 00 Inspection No. |
| 02/06/2018 | Routine/Period Violations General Housekeep | - | s Yes | No | 5/12/2018 | iTM1803741033 |
| Comments | | OK. All Equipment and Location 19.15.10.8 | i in GoodShape. | PJO. STAININ | G AROUND WELL I | HEAD |
| POKER LAKE UNIT No.204 Inspection Date Type Inspection | | 04 Inspector | Violation? | N-7-24S-30E *Significant Non-Compliance? | 30-015-32928-00- Corrective Action Due By: | 00 Inspection No. |
| 02/06/2018 | Routine/Period Violations General Housekeep | , | s Yes | No | 5/12/2018 | iTM1803743700 |
| Comments | - | OK. All Equipment and Location 19.15.10.8 | in Good Shape | . PJ. STAINING | G AROUND WELL H | EAD |

| Inspection | KE UNIT No | | Improved | Violation? | N-6-24S-30E *Significant | 30-015-33161-00-0 Corrective |)) Inspection No. |
|--|--------------------------------|------------------------------|---|---------------|--|---|----------------------|
| Date | Type Inspectio | | Inspector | | Non-Compliance? | Action Due By: | • |
| 02/06/2018 | Routine/Periodic | | Tony Morales | Yes | No | 5/12/2018 | iTM1803737791 |
| | Violations | | | | | | |
| | General Housek | eeping (Rule 114) | | | | | |
| Comments | on Inspection: | OK. All Equip HEAD 19.15. | ment and Location in 10.8 | 1 Good Shape. | PJO. STAININ | NG AROUND WELL | |
| POKER LA Inspection Date | KE UNIT No Type Inspectio | | Inspector | Violation? | M-8-24S-30E *Significant Non-Compliance? | 30-015-33642-00-(Corrective Action Due By: |)0 Inspection No. |
| 02/06/2018 | Routine/Periodic | | Tony Morales | Yes | No | 5/12/2018 | iTM1803744516 |
| 02,00,2010 | Violations | | rony monutos | 105 | 110 | 5,12,2010 | |
| | | ntification Signs (| Rule 103) | | | | |
| Comments on Inspection: OK. All Equipm 19.15.16.8 | | | oment and Location ir | n Good Shape | . PJO LOCATI | ON SIGN NOT VISIB | ILE |
| POKER LA | KE CVX JV | PC No.008H | | | D-7-24S-30E | 30-015-37029-00-0 | 00 |
| Inspection Date | Type Inspectio | n | Inspector | Violation? | *Significant Non-Compliance? | Corrective Action Due By: | Inspection No. |
| 02/06/2018 | Routine/Periodic Violations | | Tony Morales | Yes | No | 5/12/2018 | iTM1803737386 |
| | | | | | | | |
| | | | quipment and Location in Good Shape. PJO. STAINING AROUND WELL 9.15.10.8 | | | | |

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 CD 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.