State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

Ken McQueen

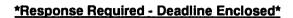
Cabinet Secretary

Matthias Sayer

Deputy Cabinet Secretary

Heather Riley

Division Director



Field Inspection Program
"Preserving the Integrity of Our Environment"

12-Apr-18

LEGACY RESERVES OPERATING, LP

P. O. Box 10848

Midland TX 79702-9702

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.

INCD	POTION	DESTINATE	CECTION
INSP	<i>P.</i> C. <i>I ICI</i> /V	DEIAIL	SECTION

D-22-16S-28E 30-015-31598-00-00 ELK 22 FEDERAL No.001 *Significant Inspection Corrective Inspection No. Type Inspection Inspector Violation? Date Non-Compliance? **Action Due By:** 04/11/2018 Routine/Periodic **Tony Morales** Yes No 7/15/2018 iTM1810148230 Violations General Housekeeping (Rule 114) OK. All Equipment and Location in Good Shape. PJO STAINING AROUND PJ / WELLHEAD **Comments on Inspection:** STAINED AREA APPROX 10' X 35'. TANK BATTERIES NO PLACARDS 19.15.10.8 REINDEER 21 FEDERAL No.001 N-21-16S-28E 30-015-33746-00-00 *Significant Inspection Corrective Inspection No. Type Inspection Inspector Violation? Date Non-Compliance? Action Due By: iTM1810141015 04/11/2018 Routine/Periodic **Tony Morales** Yes No 7/15/2018 **Violations** General Housekeeping (Rule 114) OK. All Equipment and Location in Good Shape. PJ. STAINING AROUND WELL HEAD. Comments on Inspection: TANK BATTERIES NO PLACARDS / WINDSOCK NEEDS REPLACING 19.15.10.8

Oil Conservation Division * 811 S. First St. * Artesia, New Mexico 88210 Phone: 575-748-1283 * Fax: 575-748-9720 * http://www.emnrd.state.nm.us

MOOSE 23 FEDERAL No.001Y

L-23-16S-28E

30-015-35755-00-00

Inspection Date

Type Inspection

Inspector

Violation?

*Significant Non-Compliance?

Corrective Action Due By:

Inspection No.

04/11/2018

Routine/Periodic

Tony Morales

Yes

No

7/15/2018

iTM1810151544

Violations

Absent Well Identification Signs (Rule 103)

Comments on Inspection:

OK. All Equipment and Location in Good Shape. PJO TANK BATTERIES WINDSOCK

NEEDS REPLACING WRONG API SHOULD BE 35755

COMET 22 FEDERAL COM No.003

E-22-16S-28E

30-015-35821-00-00

Inspection

Inspection

Date

Type Inspection Inspector Violation?

*Significant Non-Compliance?

Corrective Action Due By:

Inspection No.

04/11/2018 Routine/Periodic

Tony Morales

No

7/15/2018

Violations

Yes

iTM1810148725

General Housekeeping (Rule 114)

Comments on Inspection:

OK. All Equipment and Location in Good Shape. PJO STAINING AROUND WELLHEAD

19.15.10.8

REINDEER 21 FEDERAL No.004

Type Inspection

L-21-16S-28E

30-015-36542-00-00

*Significant

Corrective

Inspection No.

Date 04/11/2018 Routine/Periodic

Tony Morales

Violation? Yes

Non-Compliance? No

Action Due By: 7/15/2018

iTM1810141725

Violations

General Housekeeping (Rule 114)

Comments on Inspection:

OK. All Equipment and Location in Good Shape. PJ STAINING AROUND WELLHEAD / OLD

VALVE-FITTINGS ON LOCATION 19.15.10.8

Inspector

BLACKHAWK 11 FEDERAL COM No.001

Routine/Periodic

M-11-16S-28E

30-015-38250-00-00

Corrective

Inspection No.

Inspection 04/11/2018

Type Inspection Date

Inspector

Tony Morales

Violation? Yes

Non-Compliance? No

*Significant

Action Due By: 7/15/2018

iTM1810146681

Violations

General Housekeeping (Rule 114)

Comments on Inspection:

OK. All Equipment and Location in Good Shape. PJO STAINING AROUND WELLHEAD / PJ

TANK BATTERIES NO PLACARDS OLD TUBING ON LOCATION 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.