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



Response Required - Deadline Enclosed

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.

			INSPECTIO	N DETAIL	SECTION			
ELK 22 FEDERAL No.001 Inspection Date Type Inspection			Inspector	Violation?	D-22-16S-28E *Significant Non-Compliance?	30-015-31598-00-0 Corrective Action Due By:	DO Inspection No.	
04/11/2018	Routine/Period Violations General Housekee		Tony Morales	Yes	No	7/15/2018	iTM1810148230	
	-	STAINED ARE		•		ROUND PJ / WELLH ACARDS 19.15.10.8 30-015-33746-00-		
Inspection Date	Type Inspection	110.001	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.	
04/11/2018	Routine/Period Violations General Housekee		Tony Morales	Yes	No	7/15/2018	iTM1810141015	
Comments on Inspection: Of		OK. All Equipment and Location in Good Shape. PJ. STAINING AROUND WELL HEAD. TANK BATTERIES NO PLACARDS / WINDSOCK NEEDS REPLACING 19.15.10.8						

MOOSE 23 Inspection Date	FEDERAL N Type Inspection		Inspector	Violation?	L-23-16S-28E *Significant Non-Compliance?	30-015-35755-00-0 Corrective Action Due By:) Inspection No.
04/11/2018	Routine/Peric Violations Absent Well Iden	dic ntification Signs (R)	Tony Morales Signs (Rule 103)		No	7/15/2018	iTM1810151544
Comments of	on Inspection:		ent and Location in CING WRONG A		. PJO TANK BATT BE 35755	ERIES WINDSOCK	
COMET 22 Inspection Date	FEDERAL C		Inspector	Violation?	E-22-16S-28E *Significant Non-Compliance?	30-015-35821-00-0 Corrective) Inspection No.
04/11/2018	Routine/Peric Violations		Tony Morales	Yes	Non-Compliance: No	Action Due By: 7/15/2018	iTM1810148725
Comments of	on Inspection:	OK. All Equipn 19.15.10.8	nent and Location in	Good Shape	. PJO STAINING A	ROUND WELLHEAD	
REINDEER Inspection Date	21 FEDERA Type Inspectio		Inspector	Violation?	L-21-16S-28E *Significant Non-Compliance?	30-015-36542-00-0 Corrective Action Due By:) Inspection No.
04/11/2018	Routine/Peric Violations	odic eeping (Rule 114)	Tony Morales	Yes	No	7/15/2018	iTM1810141725
Comments of	on Inspection:	OK. All Equipm	nent and Location in NGS ON LOCATIO			OUND WELLHEAD /	OLD
	WK 11 FEDF	RAL COM No	AL COM No.001			30-015-38250-00-0 Corrective	
Inspection		_	T	Vialatia-0			
	Type Inspectio Routine/Peric Violations		Inspector Tony Morales	Violation? Yes	Non-Compliance? No	Action Due By: 7/15/2018	Inspection No. iTM1810146681

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, jon

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.