State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

Ken McQueen Cabinet Secretary

Matthias Sayer Deputy Cabinet Secretary **Division Director**

Heather Riley

Response Required - Deadline Enclosed

Field Inspection Program "Preserving the Integrity of Our Environment"

12-Apr-18

MEWBOURNE OIL CO

4801 Business Park Blvd. PO Box 5270 Hobbs NM 88240-8240

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

CROW FLATS 28 FEDERAL No.001H D-28-16S-28E 30-015-36214-00-00 Inspection *Significant Corrective Date Type Inspection Inspector Violation? Inspection No. Non-Compliance? Action Due By: Routine/Periodic iTM1810140682 04/11/2018 **Tony Morales** Yes No 7/15/2018 **Violations** General Housekeeping (Rule 114) **Comments on Inspection:** OK. All Equipment and Location in Good Shape. PJ. STAINING AROUND WELL HEAD TANK BATTERIES STAINING WIND SOCK DOWN 19.15.10.8 **CROW FLATS 27 FEDERAL No.001H** A-28-16S-28E 30-015-36732-00-00 Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: Routine/Periodic **Tony Morales** Yes 7/15/2018 iTM1810150612 04/11/2018 No **Violations** General Housekeeping (Rule 114) OK. All Equipment and Location in Good Shape. PJO. STAINING AROUND WELLHEAD **Comments on Inspection:** TANK BATTERIES WINDSOCK NEEDS REPLACING 19.15.10.8 STAINING AT DRAIN

CROW FLATS 27 FEDERAL No.002H

E-27-16S-28E

30-015-36853-00-00

Inspection

Type Inspection Date

Inspector

*Significant Violation? Non-Compliance? Corrective

Inspection No.

04/11/2018

Routine/Periodic

Tony Morales

Yes

No

Action Due By: 7/15/2018

iTM1810149701

Violations

General Housekeeping (Rule 114)

Comments on Inspection:

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

19.15.10.8 STAINED AREA APPROX 15' X 75'

CROW FLATS 28 FEDERAL No.002H

E-27-16S-28E

30-015-36876-00-00

Inspection Date

Inspector Violation?

*Significant Non-Compliance? Corrective

Inspection No.

04/11/2018

Type Inspection

Yes

Action Due By:

Routine/Periodic

Tony Morales

No

7/15/2018

iTM1810149969

Violations

General Housekeeping (Rule 114)

Comments on Inspection:

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

19.15.10.8 STAINED AREA APPROX 15' X 75' OLD FRAC TANK ON LOCATION

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 (

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.