State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

Ken McOueen

Cabinet Secretary

Matthias Sayer

Deputy Cabinet Secretary

Heather Riley Division Director



Response Required - Deadline Enclosed

Field Inspection Program "Preserving the Integrity of Our Environment"

07-May-18

COG OPERATING LLC

One Concho Center 600 W. Illinois Ave Midland TX 79701-9701

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

WHITE STAR FEDERAL No.012

C-29-17S-29E

30-015-30928-00-00

Inspection

Date

Inspector

Violation?

*Significant Non-Compliance?

Corrective Action Due By:

05/07/2018

Type Inspection Routine/Periodic

Inspection No.

Tony Morales

Yes

No

8/10/2018

iTM1812750944

Violations

Absent Well Identification Signs (Rule 103)

Comments on Inspection:

OK. All Equipment and Location in Good Shape. PJ WRONG OPERATOR ON LOCATION

SIGN 19.15.16.8

STATE S 19

No.010

O-19-17S-29E

30-015-31108-00-00

Inspection Date

Type Inspection

Inspector

Violation?

*Significant Non-Compliance?

Corrective Action Due By:

Inspection No.

05/07/2018

Routine/Periodic

Tony Morales

Yes

No

8/10/2018

iTM1812747206

Violations

General Housekeeping (Rule 114)

Comments on Inspection:

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

19.15.10.8

30-015-31703-00-00 A-30-17S-29E No.005 GOLD STAR FEDERAL Corrective *Significant Inspection Inspection No. Violation? Non-Compliance? Action Due By: Type Inspection Inspector Date 8/10/2018 iTM1812748225 Yes No **Tony Morales** Routine/Periodic 05/07/2018 Violations General Housekeeping (Rule 114) OK. All Equipment and Location in Good Shape. PJ. STAINING AROUND WELLHEAD. Comments on Inspection: 19.15.10.8 30-015-32062-00-00 P-19-17S-29E **STATE S 19 No.021** Corrective Significant Inspection Inspection No. Violation? Non-Compliance? Action Due By: Type Inspection Inspector Date iTM1812748569 8/10/2018 No Yes **Tony Morales** Routine/Periodic 05/07/2018 Violations General Housekeeping (Rule 114) OK. All Equipment and Location in Good Shape. PJ. STAINING AROUND WELLHEAD Comments on Inspection: 19.15.10.8 M-20-17S-29E 30-015-32242-00-00 No.004 TENNECO STATE Corrective *Significant Inspection Inspection No. Violation? Action Due By: Inspector Non-Compliance? Type Inspection Date iTM1812750044 8/10/2018 Yes No Tony Morales Routine/Periodic 05/07/2018 **Violations** Absent Well Identification Signs (Rule 103) OK. All Equipment and Location in Good Shape. PJ POWER OFF LOCATION SIGN NOT Comments on Inspection: **VISIBLE 19.15.16.8** 30-015-32339-00-00 D-29-17S-29E WHITE STAR FEDERAL No.024 Corrective *Significant Inspection Inspection No. Action Due By: Violation? Non-Compliance? Inspector **Type Inspection** Date iTM1812750724 8/10/2018 Yes No Tony Morales 05/07/2018 Routine/Periodic Violations Absent Well Identification Signs (Rule 103) General Housekeeping (Rule 114) OK. All Equipment and Location in Good Shape. PJO STAINING AROUND WELLHEAD Comments on Inspection: 19.15.10.8 WRONG OPERATOR ON LOCATION SIGN 19.15.16.8 30-015-34741-00-00 C-30-17S-29E CONTINENTAL A STATE No.003 *Significant Corrective Inspection No. Inspection Action Due By: Violation? Non-Compliance? Inspector Type Inspection Date iTM1812732930 8/10/2018 No Tony Morales Yes Routine/Periodic 05/07/2018 **Violations** General Housekeeping (Rule 114) OK. All Equipment and Location in Good Shape. PJ STAINING AROUND WELLHEAD Comments on Inspection: 19.15.10.8 E-30-17S-29E 30-015-39776-00-00 CONTINENTAL A STATE No.022 Corrective Significant Inspection Inspection No. Action Due By: Violation? Non-Compliance? Inspector Type Inspection Date iTM1812733932 No 8/10/2018 Yes **Tony Morales** Routine/Periodic 05/07/2018 Violetions General Housekeeping (Rule 114) OK. All Equipment and Location in Good Shape. PJ STAINING AROUND WELLHEAD

Comments on Inspection:

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.