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"

03-Jul-18

BURNETT OIL CO INC

Burnett Plaza, Suite 1500 801 Cherry St., Unit 9 Fort Worth TX 76102-6102

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		
GRAYBUR Inspection Date	G JACKSON S	S A UNIT No.03	36 Inspector	Violation?	I-12-17S-30E *Significant Non-Compliance?	30-015-04128-00-00 Corrective Action Due By:) Inspection No.
07/03/2018	Routine/Period	lic	Tony Morales	Yes	No	10/6/2018	iTM1818447408
Comments o	on Inspection:	OK. All Equipme 19.15.29	nt and Location in	Good Shape.	PJO. STAINING A	ROUND WELL HEAD)
GISSLER B Inspection Date	No.005 Type Inspection		Inspector	Violation?	J-23-17S-30E *Significant Non-Compliance?	30-015-04300-00-00 Corrective Action Due By:) Inspection No.
07/03/2018	Routine/Perio	lic	Tony Morales	Yes	No	10/6/2018	iTM1818431903
Comments o	on Inspection:		nt and Location in LHEAD / LOCATI			GN WORN STAINING	3
GISSLER B	No.012				I-23-17S-30E	30-015-04302-00-0	0
Inspection Date	Type Inspection		Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
07/03/2018	Routine/Perio	tic	Tony Morales	Yes	No	10/6/2018	iTM1818432419
Comments of	on Inspection:		nt an Location in C N WORN FADED		PJO. STAINING AF	ROUND WELL HEAD.	

JACKSON I Inspection					L-24-17S-30E *Significant	30-015-04320-00-0 Corrective	0
Date	Type Inspection		Inspector	Violation?	Non-Compliance?	Action Due By:	Inspection No.
07/03/2018	Routine/Perio		Tony Morales	Yes	No	10/6/2018	iTM1818432803
Comments o	n Inspection:	OK. All Equipn STAINED ARE	nent and Location in A APPROX 60' SC	n Good Shape. DUTH 40' WE	PJ STAINING AR ST X 5' 19.15.29	OUND WELL HEAD+	
JACKSON I	8	No.034			E-24-17S-30E	30-015-27440-00-0	0
Inspection Date	Type Inspection		Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
07/03/2018	Routine/Perio	đic	Tony Morales	Yes	No	10/6/2018	iTM1818436033
Comments o	n Inspection:	OK. All Equipm 19.15.29	ent and Location in	n Good Shape.	PJ STAINING AR	OUND WELL HEAD	
GISSLER B		No.030			G-23-17S-30E	30-015-27922-00-0	0
Inspection Date	Type Inspection		Inspector	Violation?	*Significant	Corrective	Inspection No.
07/03/2018	Routine/Perio		Tony Morales	Yes	Non-Compliance? No	Action Due By: 10/6/2018	iTM1818433619
	n Inspection:		-			ROUND WELLHEAD	
STEVENS A	No.010				L-13-17S-30E	30-015-32793-00-0	Ω
Inspection					*Significant	Corrective	v
Date	Type Inspection		Inspector	Violation?	Non-Compliance?	Action Due By:	Inspection No.
07/03/2018	Routine/Perio		Tony Morales	Yes	No	10/6/2018	iTM1818440905
Comments o	n Inspection:	OK. All Equipm 19.15.29	ent and Location in	n Good Shape.	PJ. STAINING AR	OUND WELL HEAD	
STEVENS A	No.011				F-13-17S-30E	30-015-33131-00-0	0
Inspection Date	Type Inspection		Inspector	Violation?	*Significant	Corrective	T di Ni
07/03/2018	Routine/Perio		Tony Morales	Yes	Non-Compliance? No	Action Due By:	Inspection No.
	n Inspection:	-	•			10/6/2018 OUND WELLHEAD	iTM1818444208
STEVENS A		No.012			N-13-17S-30E	30-015-34225-00-0	0
Inspection	Type Inspection		1		*Significant	Corrective	
Date 07/03/2018			Inspector	Violation?	Non-Compliance?	Action Due By:	Inspection No.
Comments of	Routine/Perioe n Inspection:		Tony Morales ent and Location ir	Yes n Good Shape.	No PJO STAINING AI	10/6/2018 ROUND WELLHEAD	iTM1818442078
JACKSON A	A No.035				G-13-17S-30E	30-015-34502-00-0	0
Inspection Date	Type Inspection		Inspector	Violation?	*Significant	Corrective	Inspection No.
07/03/2018	Routine/Period		Tony Morales	Yes	Non-Compliance? No	Action Due By: 10/6/2018	iTM1818445185
Comments of	n Inspection:	OK. All Equipm	ent and Location ir TAINING AROUN	Good Shape.	pj. contamin	ATED MATERIAL O	
JACKSON A	A No.027Q				A-13-17S-30E	30-015-34765-00-0	0
Inspection Date	Type Inspection		Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
07/03/2018	Routine/Period		Tony Morales	Yes	No	10/6/2018	iTM1818446107
Comments of	n Inspection:	OK. All Equipm		Good Shape.	PJ WRONG API O		11110101010101
GISSLER B Inspection	No.095				D-24-17S-30E *Significant	30-015-41176-00-0 Corrective	0
Date	Type Inspection		Inspector	Violation?	Non-Compliance?	Action Due By:	Inspection No.
07/03/2018	Routine/Period	lic	Tony Morales	Yes	No	10/6/2018	iTM1818437378
Comments or		OK. All Equipm 19.15.29	ent and Location ir	Good Shape.	PJO. STAINING A	ROUND WELL HEAI)

GISSLER A	No.043				B-23-17S-30E	30-015-41177-00-0	0
Inspection Date	Type Inspection		Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
07/03/2018	Routine/Perio	dic	Tony Morales	Yes	No	10/6/2018	iTM1818435095
Comments o	on Inspection:	OK. All Equipm 19.15.29	ent and Location ir	I Good Shape.	PJO. STAINING A	ROUND WELL HEAI)
JACKSON	A No.044				P-12-17S-30E	30-015-41539-00-0	0
Inspection Date	Type Inspection		Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
07/03/2018	Routine/Perio	dic	Tony Morales	Yes	No	10/6/2018	iTM1818446557
Comments o	on Inspection:	OK. All Equipm 19.15.29	ent and Location ir	n Good Shape.	PJ STAINING AR	OUND WELL HEAD.	
GISSLER B Inspection Date	Type Inspection	No.104	Inspector	Violation?	H-23-17S-30E *Significant Non-Compliance?	30-015-41801-00-0 Corrective Action Due By:	O Inspection No.
07/03/2018	Routine/Perio	dic	Tony Morales	Yes	No	10/6/2018	iTM1818434273
Comments of	on Inspection:	OK. All Equipm 19.15.29	ent and Location ir	n Good Shape.	PJO STAINING A	ROUND WELLHEAD	1
JACKSON Inspection Date	B No.070 Type Inspection	1	Inspector	Violation?	F-24-17S-30E *Significant Non-Compliance?	30-015-42043-00-0 Corrective Action Due By:	0 Inspection No.
07/03/2018	Routine/Perio	dic	Tony Morales	Yes	No	10/6/2018	·iTM1818443221
Comments o	on Inspection:	OK. All Equipm 19.15.29	ent and Location in	n Good Shape.	PJO STAINING A	ROUND WELLHEAD	
JACKSON	A Type Inspectior	No.050	Inspector	Violation?	P-12-17S-30E *Significant Non-Compliance?	30-015-42212-00-0 Corrective Action Due By:	0 Inspection No.
07/03/2018	Routine/Perio		Tony Morales	Yes	No	10/6/2018	iTM1818446991
Comments o	on Inspection:	OK. All Equipm 19.15.29	•	n Good Shape.	PJO STAINING A	ROUND WELL HEAT) .

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 7)0

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.