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"

10-Sep-18

BREITBURN OPERATING LP

1111 Bagby Street Suite 1600 Houston TX 77002-7002

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	V DETAIL	L SECTION		
ARTESIA UNIT No.028 Inspection Date Type Inspection 09/10/2018 Routine/Periodic			Inspector Gilbert Cordero	Violation? Yes	M-35-17S-28E *Significant Non-Compliance?	30-015-01732-00-0 Corrective Action Due By: 12/14/2018	Inspection No.
	on Inspection:	Well Sign (Rule		ATOR NAM		ORRECTED (QUANT	
ARTESIA U	JNIT No.029 Type Inspection		Inspector	Violation?	N-35-17S-28E *Significant Non-Compliance?	30-015-01742-00-0 Corrective Action Due By:	00 Inspection No.
09/10/2018	Routine/Perio	dic	Gilbert Cordero	Yes	No	12/14/2018	iGC1825348916
Comments	on Inspection:	Well Sign (Rule RESOURCES)	19.15.16.8). OPER	ATOR NAM	ME NEEDS TO BE CO	ORRECTED (QUANT	UM
ARTESIA U	JNIT No.022 Type Inspection		Inspector	Violation?	K-35-17S-28E *Significant Non-Compliance?	30-015-01747-00-0 Corrective Action Due By:	OO Inspection No.
09/10/2018	Routine/Perio	dic	Gilbert Cordero	Yes	No	12/14/2018	iGC1825348613
ē ·		O (19.15.16.8). OPER SIGN IS NOT LEGI		ME NEEDS TO BE C	ORRECTED (QUANT	TUM

ARTESIA UNIT No.013 F-35-17S-28E 30-015-01754-00-00 Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 09/10/2018 Routine/Periodic Gilbert Cordero Yes 12/14/2018 iGC1825337209 Nο Comments on Inspection: Well Sign (Rule 19.15.16.8). OPERATOR NAME NEEDS TO BE CORRECTED (QUANTUM RESOURCES) ARTESIA UNIT No.014 G-35-17S-28E 30-015-01755-00-00 Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 09/10/2018 Routine/Periodic Gilbert Cordero Yes No 12/14/2018 iGC1825336729 Comments on Inspection: Well Sign (Rule 19.15.16.8). OPERATOR NAME NEEDS TO BE CORRECTED ARTESIA UNIT No.071 E-35-17S-28E 30-015-29862-00-00 Inspection *Significant Corrective Type Inspection Date Inspector Violation? Inspection No. Non-Compliance? Action Due By: 09/10/2018 Routine/Periodic Gilbert Cordero Yes No 12/14/2018 iGC1825338652 Comments on Inspection: Well Sign (Rule 19.15.16.8). OPERATOR NAME NEEDS TO BE CORRECTED (SBX RESOURCES) ARTESIA UNIT No.072 E-35-17S-28E 30-015-29863-00-00 Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 09/10/2018 Routine/Periodic Gilbert Cordero Yes No 12/14/2018 iGC1825339061 Comments on Inspection: Well Sign (Rule 19.15.16.8). OPERATOR NAME NEEDS TO BE CORRECTED (QUANTUM RESOURCES) **ARTESIA UNIT No.075** F-35-17S-28E 30-015-29999-00-00 Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 09/10/2018 Routine/Periodic Gilbert Cordero Yes No iGC1825337749 12/14/2018 Comments on Inspection: Well Sign (Rule 19.15.16.8). OPERATOR NAME NEEDS TO BE CORRECTED (QUANTUM RESOURCES) ARTESIA UNIT No.088 K-35-17S-28E 30-015-31488-00-00 *Significant Inspection Corrective Violation? Date Type Inspection Inspector Non-Compliance? Action Due By: Inspection No. 09/10/2018 Routine/Periodic Gilbert Cordero Yes iGC1825348358 12/14/2018 **Comments on Inspection:** Well Sign (Rule 19.15.16.8). OPERATOR NAME NEEDS TO BE CORRECTED (QUANTUM RESOURCES) ARTESIA UNIT No.101 M-35-17S-28E 30-015-33285-00-00 Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Non-Compliance? Date Action Due By: 09/10/2018 Routine/Periodic Gilbert Cordero Yes No 12/14/2018 iGC1825349099 Comments on Inspection: Well Sign (Rule 19.15.16.8). OPERATOR NAME NEEDS TO BE CORRECTED (QUANTUM RESOURCES)

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,

Staff Mor

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.