State Of New Mexico Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham

Govenor

Sarah Cottrell Propst Cabinet Secretary

Vacant

Deputy Cabinet Secretary

Gabriel Wade Division Director

"Response Required - Deadline Enclosed"



Field Inspection Program
"Preserving the Integrity of Our Environment"

10-Jan-19

TANDEM ENERGY CORPORATION 5065 Westheimer Rd Ste 920 Houston, TX 77056

Dear Operator:

LETTER OF VIOLATION - Field Inspection

The following inspection indicates that the well, equipment, location or operational status of the well 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 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

[30-015-36203] BALLARD GRAYBURG SAN ANDRES UNIT #004Q

OGRID: 236183

O-06-18S-29E 80 FSL 2540 FEL

Inspection Date 12/26/2018 Type Inspection
Routine Inspection

Inspector
[GC] Gilbert Cordero

Corrective Action Due By 3/26/2019

Inspection No. iGC1836037120

Violations:

Rule

Violation

Comment

19.15.16.8 Sign on Wells Inaccurate Information

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 Division 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.

Oil Conservation Division * 811 S. First St. * Artesia, NM 88210 Phone: 575-748-1283 * Fax: 575-748-9720 * www.emnrd.state.nm.us