

State Of New Mexico

Energy, Minerals and Natural Resources Department

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"Response Required - Deadline Enclosed"

Field Inspection Program
"Preserving the Integrity of Our Environment"

19-Aug-19

CHISHOLM ENERGY OPERATING, LLC
801 Cherry Street
Fort Worth, TX 76102

LETTER OF VIOLATION - Field Inspection

Dear Operator:

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

[30-015-20296] PAN AM STATE COM #001

OGRID: 372137

J-11-23S-26E 1959 FSL 1980 FEL

Inspection Date	Type Inspection	Inspector	Corrective Action Due By	Inspection No.
8/19/2019	Routine Inspection	[GC] Gilbert Cordero	11/17/2019	iGC1923147280

Violations:

Rule

19.15.16.9 Sealing Off Strata

Violation

Detection of Deficient Mechanical Integrity

Comment:

SURFACE CASING HAS LEAK. NEED TO DEMONSTRATE MECHANICAL INTEGRITY

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,

Gilbert Cordero
Staff Mgr

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
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