State Of New Mexico Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham Governor Sarah Cottrell Propst Cabinet Secretary Todd E. Leahy, JD, PhD Deputy Cabinet Secretary

Adrienne Sandoval Division Director

"Response Required - Deadline Enclosed"

Field Inspection Program "Preserving the Integrity of Our Environment"

31-Oct-19

POGO OIL & GAS OPERATING, INC

1515 Calle Sur, Ste 174 Hobbs, NM 88240

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

[30-015-05255] FREI	NOIL COMPANY #007		OGRID: 372000	N-19-17S-31E 990 FSL 2970 FEL	
			00112000		
Inspection Date	Type Inspection	Inspector	Corrective Action Due By	Inspection No.	
10/15/2019	Routine Inspection	[DRS] Danny Smolik	1/13/2020	iDRS1929360117	
Violations:					
Rule		Violation			
19.15 Oil and Gas		Mechanical Integrity Failure Recorded			
Comment: Auto Generated Vi	olation - MIT Failure exi	ts.			

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

LETTER OF VIOLATION - Field Inspection