

State of New Mexico  
Energy, Minerals and Natural Resources Department

Susana Martinez  
Governor

David Martin  
Cabinet Secretary

Tony Delfin  
Deputy Cabinet Secretary

David Catanach, Director  
Oil Conservation Division



**\*Response Required - Deadline Enclosed\***

*Field Inspection Program  
"Preserving the Integrity of Our Environment"*

14-Jul-16

**BREITBURN OPERATING LP**  
1401 MCKINNEY STREET SUITE 2400  
HOUSTON TX 77010

**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.

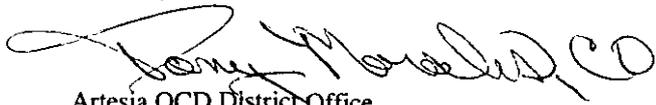
**INSPECTION DETAIL SECTION**

<b>MERSHON STATE No.003</b>				<b>E-21-18S-28E</b>	<b>30-015-02005-00-00</b>		
<b>Inspection Date</b>	<b>Type Inspection</b>	<b>Inspector</b>	<b>Violation?</b>	<b>*Significant Non-Compliance?</b>	<b>Corrective Action Due By:</b>	<b>Inspection No.</b>	
07/14/2016	Routine/Periodic	Tony Morales	Yes	No	10/17/2016	iTM1619637470	
<b>Violations</b> Absent Well Identification Signs (Rule 103)							
<b>Comments on Inspection:</b> OK. All Equipment and Location in Good Shape. LOCATION SIGN NOT VISIBLE							
<b>STATE 647 AC 711 No.101</b>				<b>P-22-18S-28E</b>	<b>30-015-02015-00-00</b>		
<b>Inspection Date</b>	<b>Type Inspection</b>	<b>Inspector</b>	<b>Violation?</b>	<b>*Significant Non-Compliance?</b>	<b>Corrective Action Due By:</b>	<b>Inspection No.</b>	
07/14/2016	Routine/Periodic	Tony Morales	Yes	No	10/17/2016	iTM1619648871	
<b>Violations</b> Absent Well Identification Signs (Rule 103)							
<b>Comments on Inspection:</b> OK. All Equipment and Location in Good Shape. PJ. LOCATION SIGN NOT VISIBLE.							

<b>STATE 647 AC 713 No.122</b>				A-22-18S-28E	<b>30-015-02017-00-00</b>	
<b>Inspection Date</b>	<b>Type Inspection</b>	<b>Inspector</b>	<b>Violation?</b>	<b>*Significant Non-Compliance?</b>	<b>Corrective Action Due By:</b>	<b>Inspection No.</b>
07/14/2016	Routine/Periodic	Tony Morales	Yes	No	10/17/2016	iTM1619644847
<b>Violations</b> Absent Well Identification Signs (Rule 103)						
<b>Comments on Inspection:</b> OK. All Equipment and Location in Good Shape. PJ. LOCATION SIGN NOT VISIBLE						
<b>STATE 14 C No.011</b>				B-23-18S-28E	<b>30-015-02019-00-00</b>	
<b>Inspection Date</b>	<b>Type Inspection</b>	<b>Inspector</b>	<b>Violation?</b>	<b>*Significant Non-Compliance?</b>	<b>Corrective Action Due By:</b>	<b>Inspection No.</b>
07/14/2016	Routine/Periodic	Tony Morales	Yes	No	10/17/2016	iTM1619646089
<b>Violations</b> Absent Well Identification Signs (Rule 103)						
<b>Comments on Inspection:</b> OK. All Equipment and Location in Good Shape. PJ. LOCATION SIGN NOT VISIBLE						
<b>STATE 14 C No.010</b>				C-23-18S-28E	<b>30-015-02020-00-00</b>	
<b>Inspection Date</b>	<b>Type Inspection</b>	<b>Inspector</b>	<b>Violation?</b>	<b>*Significant Non-Compliance?</b>	<b>Corrective Action Due By:</b>	<b>Inspection No.</b>
07/14/2016	Routine/Periodic	Tony Morales	Yes	No	10/17/2016	iTM1619645859
<b>Violations</b> Absent Well Identification Signs (Rule 103)						
<b>Comments on Inspection:</b> OK. All Equipment and Location in Good Shape. PJ. LOCATION SIGN NOT VISIBLE						
<b>GULF STATE No.001</b>				J-23-18S-28E	<b>30-015-02024-00-00</b>	
<b>Inspection Date</b>	<b>Type Inspection</b>	<b>Inspector</b>	<b>Violation?</b>	<b>*Significant Non-Compliance?</b>	<b>Corrective Action Due By:</b>	<b>Inspection No.</b>
07/14/2016	Routine/Periodic	Tony Morales	Yes	No	10/17/2016	iTM1619647591
<b>Violations</b> General Housekeeping (Rule 114)						
<b>Comments on Inspection:</b> OK. All Equipment and Location in Good Shape. PJ STAINING AROUND WELL HEAD TANK BATTERIES OK. OLD HEATER TANK ON LOCATION.						
<b>GULF STATE No.002</b>				O-23-18S-28E	<b>30-015-02025-00-00</b>	
<b>Inspection Date</b>	<b>Type Inspection</b>	<b>Inspector</b>	<b>Violation?</b>	<b>*Significant Non-Compliance?</b>	<b>Corrective Action Due By:</b>	<b>Inspection No.</b>
07/14/2016	Routine/Periodic	Tony Morales	Yes	No	10/17/2016	iTM1619647997
<b>Violations</b> Absent Well Identification Signs (Rule 103)						
<b>Comments on Inspection:</b> OK. All Equipment and Location in Good Shape. PJ. LOCATION SIGN NOT VISIBLE.						
<b>STATE 647 AC 711 No.129</b>				H-23-18S-28E	<b>30-015-02030-00-00</b>	
<b>Inspection Date</b>	<b>Type Inspection</b>	<b>Inspector</b>	<b>Violation?</b>	<b>*Significant Non-Compliance?</b>	<b>Corrective Action Due By:</b>	<b>Inspection No.</b>
07/14/2016	Routine/Periodic	Tony Morales	Yes	No	10/17/2016	iTM1619646529
<b>Violations</b> Absent Well Identification Signs (Rule 103)						
<b>Comments on Inspection:</b> OK. All Equipment and Location in Good Shape. PJ						

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.  
\*Significant Non-Compliance events are reported directly to the EPA, Region VI, Dallas, Texas.