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"

04-Aug-16

MEWBOURNE OIL CO

PO Box 5270

Hobbs NM 88241-8241

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

SANTO NINO 29 FEDERAL No.001 E-29-18S-30E 30-015-28139-00-00 Inspection *Significant Corrective Type Inspection Violation? Inspector Date Non-Compliance?

Inspection No. Action Due By: iTM1621742677 08/04/2016 Routine/Periodic **Tony Morales** Yes No 11/7/2016

Violations

Tank Battery Equipment (Rules 114, 115)

General Housekeeping (Rule 114)

Comments on Inspection: OK, All Equipment and Location in Good Shape. PJ. STAINING AROUND WELL HEAD

TANK BATTERY NEEDS WINDSOCK OLD BARB WIRE TUBING CHEMICAL TANK ON

LOCATION

SANTO NINO 19 FEDERAL No.001 O-19-18S-30E 30-015-28329-00-00

Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By:

08/04/2016 Routine/Periodic **Tony Morales**

Violations

Yes

No

11/7/2016

iTM1621735675

General Housekeeping (Rule 114)

Comments on Inspection:

OK. All Equipment and Location in Good Shape. PJO. TANK BATTERIES OK WINDSOCK

NEEDS REPAIR. OLD TUBING ON LOCATION

SANTO NINO 29 FEDERAL SWD No.001 G-29-18S-3QE 30-015-28698-00-00 Inspection *Significant Corrective Type Inspection Inspector Violation? Date Non-Compliance? Action Due By:

08/04/2016 Routine/Periodic Tony Morales Yes 11/7/2016 iTM1621745040 No

Violations

Tank Battery Equipment (Rules 114, 115)

General Housekeeping (Rule 114)

Comments on Inspection: OK. All Equipment and Location in Good Shape. TANK BATTERIES NO WIND SOCK

STAINING AROUND DRAINS OLD CONTAINMENT CONTAMINATED MATERIAL

Inspection No.

Inspection No.

UNMARKED 55 GALLON DRUM ON LOCATION

ARIES 20 FEDERAL COM No.002H E-20-18S-30E 30-015-38392-00-00

*Significant Inspection Corrective Type Inspection Inspector Violation? Non-Compliance? Date

Action Due By: 08/04/2016 Routine/Periodic Tony Morales Yes No 11/7/2016 iTM1621732549

Violations

General Housekeeping (Rule 114)

Comments on Inspection: OK. All Equipment and Location in Good Shape. PJO. STAINING AROUND LOCATION.

OLD UNMARKED 55 GALLON DRUM ON LOCATION

ARIES 20 FEDERAL COM No.003H L-20-18S-30E 30-015-39432-00-00

Inspection *Significant Corrective

Type Inspection Inspector Violation? Inspection No. Date Non-Compliance? Action Due By: 08/04/2016 Routine/Periodic Tony Morales Yes No 11/7/2016 iTM1621736559

Violations

General Housekeeping (Rule 114)

Comments on Inspection: OK. All Equipment and Location in Good Shape. PJO. STAINING AROUND WELL HEAD

OLD TUBING ON LOCATION

BRADLEY 30 FEDERAL No.003H E-30-18S-30E 30-015-40168-00-00

*Significant Inspection Corrective Type Inspection Violation? Inspection No. Inspector Date Non-Compliance? Action Due By: 08/04/2016 Routine/Periodic Tony Morales Yes 11/7/2016 iTM1621741968 No

Violations

General Housekeeping (Rule 114)

Comments on Inspection: OK. All Equipment and Location in Good Shape. PJO. STAINING AROUND WELL HEAD

TANK BATTERY NO WINDSOCK OLD CONTAIMENT TIN ON LOCATION

ARIES 20 FEDERAL COM No.004H M-20-18S-30E 30-015-40427-00-00

*Significant Corrective Inspection **Type Inspection** Violation? Inspection No. Inspector Non-Compliance? Date Action Due By:

08/04/2016 Routine/Periodic Tony Morales Yes No 11/7/2016 iTM1621736166

Violations

General Housekeeping (Rule 114)

Comments on Inspection: OK. All Equipment and Location in Good Shape. PJO. FLARE OK. STAINING AROUND

WELL HEAD OLD TUBING / POLYPIPE ON LOCATION

BRADLEY 30 FEDERAL COM No.004H D-30-18S-30E 30-015-40934-00-00 Inspection *Significant Corrective

Type Inspection Violation? Inspection No. Inspector Date Non-Compliance? Action Due By: Yes 08/04/2016 Routine/Periodic No 11/7/2016 iTM1621740779 Tony Morales

Violations

General Housekeeping (Rule 114)

Comments on Inspection: OK. All Equipment and Location in Good Shape. PJ. STAINING AROUND WELL HEAD ARIES 20 MP FEDERAL COM No.001H

No

M-20-18S-30E 30-015-41695-00-00

11/7/2016

Inspection Date

08/04/2016

Type Inspection Routine/Periodic Inspector

Tony Morales

Violation?

*Significant Corrective Non-Compliance?

Action Due By:

Inspection No. iTM1621732177

Violations

General Housekeeping (Rule 114)

Comments on Inspection:

OK. All Equipment and Location in Good: Shape. PJ STAINING AROUND WELL HEAD

Yes

POLY PIPE ON LOCATION. OPEN PIT

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,

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.