

State of New Mexico Energy, Minerals and Natural Resources Department RECEIVED

Susana Martinez

Governor

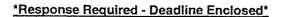
David Martin Cabinet Secretary

Tony Delfin

Deputy Cabinet Secretary

David Catanach, Director

Oil Conservation Division



Field Inspection Program "Preserving the Integrity of Our Environment"

27-Jul-16

VED AUG 0 4 2018

ALAMO PERMIAN RESOURCES, LLC

415 W. WALL STREET, SUITE 500 MIDLAND TX 79701

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

KEMPER STATE

No.002

E-16-18S-29E

30-015-41078-00-00

Inspection

Date

Type Inspection

Inspector

Violation?

*Significant Non-Compliance?

Corrective Action Due By:

Inspection No.

07/27/2016

Routine/Periodic

Tony Morales

No

10/30/2016

iTM1620929217

Violations

General Housekeeping (Rule 114)

Comments on Inspection:

OK. All Equipment and Location in Good Shape.

PJ. POWER OFF. STAINING AROUND

WELL HEAD. TANK BATTERY OK

emper State#2-General House Keeping Rule, Staining around well head has been Remembered.

Kirk Facies 10-7-16 Phone: 575-748-1283 * Fax: 575-748-9720 * http://www.emnrd.state.nm.us

Oil Conservation Division * 811 S. First St. * Artesia, New Mexico 88210



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.