State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez Governor

Tony Delfin Acting Cabinet Secretary David R. Catanach, Division Director Oil Conservation Division



Response Required - Deadline Enclosed

Field Inspection Program
"Preserving the Integrity of Our Environment"

27-Jan-17

LARRY MARKER DBA MARKER OIL

PO BOX 3188 Roswell NM 88202-8202

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.

INCREATION DETAIL CEATION
INSPECTION DETAIL SECTION

NORTH SQ Inspection Date	UARE LAKE	JNIT No.043	Inspector	Violation?	H-29-16S-31E *Significant Non-Compliance?	30-015-04909-00-00 Corrective Action Due By:) Inspection No.
01/27/2017	Routine/Period Violations General Housekee		Tony Morales	Yes	No	•	TM1702737588
		CONTAMINAT	ent and Location in ED MATERIAL N	•		OUND WELL HEAD.	<u>, </u>
Inspection Date	UARE LAKE	JNII NO.025	Inspector	Violation?	A-29-105-31E *Significant Non-Compliance?	Corrective Action Due By:) Inspection No.
01/27/2017	Routine/Period Violations Surface Leaks/Spi		Tony Morales	Yes	No	5/2/2017	TM1702737250
				. PJO. STAINING A DIL-BRINE AROUNI	ROUND WELL HEAD D WELLHEAD.	,	

NORTH SQ Inspection	UARE LAKE	UNIT No.060			J-29-16S-31E *Significant	30-015-04914-00-0 Corrective	00
Date	Type Inspection	n	Inspector	Violation?	Non-Compliance?	Action Due By:	Inspection No.
01/27/2017	7 Routine/Periodic Violations General Housekeeping (Rule 114)		Tony Morales	Yes	No	5/2/2017	iTM1702734966
Comments	on Inspection:	OK. All Equipm	ent and Location ir	Good Shape	PJ. STAINING AR	OUND WELL HEAD	,
NORTH SQ Inspection Date	UARE LAKE Type Inspection	UNIT No.153	Inspector	Violation?	L-34-16S-31E *Significant Non-Compliance?	30-015-04993-00-0 Corrective Action Due By:	00 Inspection No.
01/27/2017	Routine/Peric Violations Absent Well Iden	odic ntification Signs (Re	Tony Morales ule 103)	Yes	No	5/2/2017	iTM1702750077
Comments	on Inspection:					OUND WELL HEAD NEXT TO WELL HE	
NORTH SQ Inspection Date	UARE LAKE Type Inspection	UNIT No.177	Inspector	Violation?	G-29-16S-31E *Significant Non-Compliance?	30-015-32907-00-0 Corrective Action Due By:)0 Inspection No.
01/27/2017	Routine/Peric Violations Surface Leaks/Sp General Houseko		Tony Morales	Yes	No	5/2/2017	iTM1702738408
		nent and Location in TED MATERIAL C			ROUND WELL HEA	D	

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, Dre 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.