State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

Tony DelfinActing Cabinet Secretary

David R. Catanach, Division Director

Oil Conservation Division



Response Required - Deadline Enclosed

Field Inspection Program
"Preserving the Integrity of Our Environment"

24-Feb-17

BREITBURN OPERATING LP

1111 BAGBY STREET SUITE 1600 HOUSTON TX 77002

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.

| | | | INSPECTIO | N DETAIL | SECTION | | |
|---------------------------------|-----------------------------|-----------------------------|----------------------|------------|---|--|----------------|
| ARTESIA U Inspection Date | NIT No.031 Type Inspection | | Inspector | Violation? | P-35-17S-28E *Significant Non-Compliance? | 30-015-01744-00- Corrective Action Due By: | Inspection No. |
| 02/24/2017 | Routine/Perio | dic tification Signs (R) | Tony Morales | Yes | No | 5/30/2017 | iTM1705548529 |
| Comments | on Inspection: | OK. All Equipm | nent and Location in | | . PJ. STAINING AR | OUND WELLHEAD. | |
| ARTESIA UNIT No.012 | | | | | E-35-17S-28E | 30-015-01745-00-0 | 00 |
| Inspection Date | Type Inspection | | Inspector | Violation? | *Significant Non-Compliance? | Corrective Action Due By: | Inspection No. |
| | Routine/Perio | dic | Tony Morales | Yes | No | 5/30/2017 | iTM1705540772 |
| 02/24/2017 | Violations | tification Signs (R | • | 103 | 110 | 3/30/2017 | 11W11703340772 |

ARTESIA UNIT No.021

J-35-17S-28E

30-015-01748-00-00

Inspection Date

Type Inspection

Inspector

Violation?

*Significant Non-Compliance? Corrective Action Due By:

Inspection No.

02/24/2017 Routine/Periodic

Tony Morales

Yes

5/30/2017

iTM1705536443

Violations

Absent Well Identification Signs (Rule 103)

Comments on Inspection:

OK. All Equipment and Location in Good Shape. PJ LOCATION SIG NOT VISIBLE POWER

OFF

ARTESIA UNIT No.070

D-35-17S-28E

30-015-27161-00-00 Corrective

Inspection Date

Type Inspection

Inspector

Violation?

*Significant Non-Compliance?

Action Due By:

Inspection No.

02/24/2017 Routine/Periodic

Tony Morales

Yes No

5/30/2017

iTM1705543178

Violations

Absent Well Identification Signs (Rule 103)

General Housekeeping (Rule 114)

Comments on Inspection:

OK. All Equipment and Location in Good Shape. PJ. LOCATION SIGN NOT VISIBLE.

STAINING AROUND WELL HEAD

ARTESIA UNIT No.076

L-35-17S-28E

30-015-30000-00-00

Inspection Date

Type Inspection

Inspector

Violation?

*Significant Non-Compliance? Corrective Action Due By:

Inspection No.

02/24/2017 Routine/Periodic

Tony Morales

Yes

No

5/30/2017

iTM1705538409

Violations

General Housekeeping (Rule 114)

Comments on Inspection:

OK. All Equipment and Location in Good Shape. PJO. LOCATION SIGN NOT VISIBLE.

FRESH OIL AROUND WELL HEAD. OLD SUCKER RODS ON LOCATION

CONTAMINATED MATERIAL ON LOCATION

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.