State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

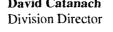
Governor

Ken McQueen Cabinet Secretary

Matthias Sayer

Deputy Cabinet Secretary

David Catanach





Response Required - Deadline Enclosed

Field Inspection Program "Preserving the Integrity of Our Environment"

30-Oct-17

COLGATE OPERATING, LLC

306 W. Wall Street Suite 500 Midland TX 79701-9701

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.

INSPE	CTIC	N	DET	AIL	SECTI	ON

PARKWAY DELAWARE UNIT No.501					J-35-19S-29E	30-015-25960-00-	00
Inspection Date	Type Inspection		Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
10/30/2017	17 Routine/Periodic Violations General Housekeeping (Rule 114)		Tony Morales	Yes	No	2/2/2018	iTM1730334462
Comments	on Inspection:	AND LOCATIO	nent and Location in DN / LEASE ROAD RIES NO WINDSO	CONTAMIN	NATED MATERIAL	G AROUND WELL I NEAR TANK BATTI	
PARKWAY DELAWARE UNIT No.503 Inspection Date Type Inspection Inspector			Violation?	O-35-19S-29E *Significant Non-Compliance?	30-015-26007-00- Corrective Action Due By:	00 Inspection No.	
10/30/2017	Routine/Perio Violations General Houseke	2.0		Yes	No	2/2/2018	iTM1730345190
Comments	on Inspection:		nent and Location in 0.8	Good Shape	. PJO. STAININ	G AROUND WELL	

PARKWAY DELAWARE UNIT No.201 C-35-19S-29E 30-015-26063-00-00 Inspection *Significant Corrective **Type Inspection** Violation? Inspection No. Inspector Date Non-Compliance? Action Due By: 10/30/2017 Routine/Periodic Tony Morales Yes No 2/2/2018 iTM1730338293 Violations General Housekeeping (Rule 114) **Comments on Inspection:** PJ. STAINING AROUND WELL HEAD OK. All Equipment and Location in Good Shape. OLD SUCKER RODS ON LOCATION 19.15.10.8 PARKWAY DELAWARE UNIT No.305 G-35-19S-29E 30-015-33071-00-00 Inspection *Significant Corrective Type Inspection Inspector Violation? Inspection No. Non-Compliance? Date Action Due By: 10/30/2017 2/2/2018 Routine/Periodic **Tony Morales** Yes No iTM1730333438 **Violations** General Housekeeping (Rule 114) Comments on Inspection: OK. All Equipment and Location in Good Shape. PJO. STAINING AROUND WELL HEAD 119.15.10.8 PARKWAY DELAWARE UNIT No.511 J-35-19S-29E 30-015-33073-00-00 Inspection *Significant Corrective Violation? Type Inspection Inspector Inspection No. Date Non-Compliance? Action Due By: 10/30/2017 Routine/Periodic Tony Morales Yes No 2/2/2018 iTM1730336197 Violations General Housekeeping (Rule 114) Comments on Inspection: OK. All Equipment and Location in Good Shape. PJO. STAINING AROUND WELL HEAD+ STAINED AREA 10' X 60' 19.15.10.8 PARKWAY DELAWARE UNIT No.307Y G-35-19S-29E 30-015-33997-00-00 *Significant Corrective Inspection Violation? Type Inspection Inspector Inspection No. Non-Compliance? Action Due By: Date 10/30/2017 Routine/Periodic Tony Morales Yes No 2/2/2018 iTM1730333921 Violations General Housekeeping (Rule 114) **Comments on Inspection:** OK. All Equipment and Location in Goo Shape. PJO. STAINING AROUND WELL HEAD 19.15.10.8 PARKWAY DELAWARE UNIT No.515 K-35-19S-29E 30-015-34407-00-00 *Significant Corrective Inspection Inspection No. Violation? Type Inspection Inspector Date Non-Compliance? Action Due By: iTM1730340389 10/30/2017 Routine/Periodic Tony Morales Yes No 2/2/2018 Violations General Housekeeping (Rule 114) **Comments on Inspection:** OK. All Equipment and Location in Good Shape. PJO. STAINING AROUND WELL HEAD 19.15.10.8 M-35-19S-29E PARKWAY 35 FEDERAL COM No.004H 30-015-39839-00-00 *Significant Inspection Corrective Violation? Inspection No. **Type Inspection** Inspector Date Non-Compliance? Action Due By: 10/30/2017 Routine/Periodic Tony Morales Yes No 2/2/2018 iTM1730341317 **Violations** General Housekeeping (Rule 114) Comments on Inspection: OK. All Equipment and Location in Good Shape. PJO. STAINING AROUND WELL HEAD+ STAINED AREA APPROX 10' X 65' 19.15.10.8 PARKWAY 35 FEDERAL COM No.003H L-35-19S-29E 30-015-40734-00-00 *Significant Corrective Inspection Violation? Inspection No. Type Inspection Inspector Date Non-Compliance? Action Due By:

Yes

No

Tony Morales

OK. All Equipment and Leation in Good Shape. / LOCATION FLARE OK 19.15.10.8

Routine/Periodic

General Housekeeping (Rule 114)

Violations

Comments on Inspection:

10/30/2017

iTM1730341031

2/2/2018

PJO. STAINING AROUND WELL HEAD+

PARKWAY 35 FEDERAL COM No.005H

P-34-19S-29E

30-015-41377-00-00

Inspection Date

10/30/2017

Type Inspection Routine/Periodic Inspector

Violation?

*Significant Non-Compliance?

Corrective Action Due By:

Inspection No.

Tony Morales

Yes

No 2/2/2018

iTM1730342397

Violations

General Housekeeping (Rule 114)

Comments on Inspection:

OK. All Equipment and Location in Good Shape.

HEAD TANK BATTERIES OK 19.15.10.8

PJO. STAINING AROUND WELL

OSAGE 34 FEDERAL No.001H

Inspection Date

Type Inspection

Inspector

Violation?

*Significant Non-Compliance?

A-34-19S-29E

30-015-41508-00-00 Corrective Action Due By:

Inspection No.

10/30/2017

Routine/Periodic

Tony Morales

Yes

Yes

Yes

No

2/2/2018

iTM1730339579

Violations

General Housekeeping (Rule 114)

Comments on Inspection:

OK. All Equipment and Location in Good Shape.

P.O. COMPRESSOR CONNECTED TO

WELLHEAD STAINING AROUND WELL HEAD+ AND LOCATION. TANK BATTERIES

OK FLARE OK 19.15.10.8

OSAGE 34 FEDERAL No.006H

Type Inspection Inspector

Violation?

*Significant Non-Compliance?

No

I-34-19S-29E

30-015-41597-00-00 Corrective Action Due By:

2/2/2018

Inspection No. iTM1730343345

10/30/2017 Routine/Periodic

Inspection

Date

Violations General Housekeeping (Rule 114)

Comments on Inspection:

OK. All Equipment and Location in Good Shape.

Tony Morales

PJO. STAINING AROUND WELL HEAD.

19.15.10.8

PARKWAY 35 FEDERAL COM No.006H

Inspection Type Inspection Date

Inspector

Violation?

I-34-19S-29E *Significant Non-Compliance?

No

30-015-41646-00-00 Corrective Action Due By:

2/2/2018

Inspection No. iTM1730343646

10/30/2017 Routine/Periodic

Violations General Housekeeping (Rule 114)

Comments on Inspection:

OK. All Equipment and Location in Good Shape. STAINING AROUND WELLHEAD. 19.15.10.8

Tony Morales

CONVEYOR BELT UNIT OPERATING

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.

Artesia OCD District Office

Sincerely

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.