State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez Governor

Ken McQueen Cabinet Secretary

Matthias Sayer Deputy Cabinet Secretary Heather Riley Division Director



Response Required - Deadline Enclosed

Field Inspection Program "Preserving the Integrity of Our Environment"

12-Apr-18

MURCHISON OIL & GAS INC

Legacy Tower One 7250 Dallas Pkwy, Ste 1400 Plano TX 75024-5024

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.

		INS	PECTION DET.	AIL SECTION		
BIG CAT S Inspection Date	TATE COM No Type Inspection	.001 Inspect	or Violatic	G-11-17S-28E *Significant Non-Compliance	30-015-32091-00-0 Corrective e? Action Due By:) Inspection No.
04/12/2018	Routine/Period Violations General Housekeep		Morales Ye	s No	7/16/2018	iTM1810248258
Comments		OK. All Equipment and 9.15.10.8	Location in Good Sh	nape. PJ. STAINING A	ROUND WELL HEAD.	
HUGGIE B Inspection Date	EAR STATE C	OM No.0 Inspect		H-2-17S-28E *Significant on? Non-Compliance	30-015-32176-00-0 Corrective e? Action Due By:) Inspection No.
04/12/2018	Routine/Period Violations General Housekeep		Morales Ye	s No	7/16/2018	iTM1810243072
Comments	-	OK. All Equipment and FANK BATTERIES NO			GAROUND WELL HEAD)

Oil Conservation Division * 811 S. First St. * Artesia, New Mexico 88210 Phone: 575-748-1283 * Fax: 575-748-9720 * http://www.emnrd.state.nm.us 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,

O) aller vor Artesia OCD Exstrict 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.