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"

11-Apr-18

LEGACY RESERVES OPERATING, LP P. O. Box 10848 Midland TX 79702-9702

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 | | |
|---|--|----------------------|--------------|------------------|---|--|----------------------|
| BARBARY 17 COM No.001 Inspection Date Type Inspection | | | Inspector | Violation? | C-17-16S-28E *Significant Non-Compliance? | 30-015-31427-00-00 Corrective Action Due By: Inspection No | |
| 04/10/2018 | Routine/Period Violations General Housekee | | Tony Morales | Yes | No | 7/14/2018 | iTM1810037636 |
| | | REPLACING | | Good Shape | . TANK BATTERIE | S OK. WINSOCK N | |
| DONNER 3 Inspection Date | 0 FEDERAL C Type Inspection | OM No.004 | Inspector | Violation? | B-30-16S-28E *Significant Non-Compliance? | 30-015-35715-00- Corrective Action Due By: | 00 Inspection No. |
| 04/10/2018 | Routine/Period Violations General Housekee | | Tony Morales | Yes | No | 7/14/2018 | iTM1810033984 |
| Comments on Inspection: OK. All Equipr 19.15.10.8 | | nent and Location ir | n Good Shape | . PJO STAINING A | ROUND WELLHEA | D | |

| DONNER 3 Inspection Date |) FEDERAL I Type Inspection | | Inspector | Violation? | G-30-16S-28E *Significant Non-Compliance? | 30-015-35807-00-0 Corrective Action Due By: | O Inspection No. | | | |
|---|---|--|--|--------------|---|---|---------------------|--|--|--|
| 04/10/2018 | Routine/Periodic Violations General Housekeeping (Rule 114) | | Tony Morales | Yes | No | 7/14/2018 | iTM1810033728 | | | |
| Comments of | on Inspection: | OK. All Equipment and Location in Good Shape. PJO. STAINING AROUND WELL HEAD. TANK BATTERIES NO PLACARDS. WINDSOCK NEEDS REPLACING 19.15.10.8 | | | | | | | | |
| Inspection | | COM No.002 | . . | | I-19-16S-28E *Significant | 30-015-36539-00-0 Corrective | | | | |
| Date | Type Inspection | | Inspector | Violation? | Non-Compliance? | Action Due By: | Inspection No. | | | |
| 04/10/2018 | Routine/Peric Violations General Houseke | d1C eping (Rule 114) | Tony Morales | Yes | No | 7/14/2018 | iTM1810035360 | | | |
| Comments of | n Inspection: | | nent and Location in 0.15.10.8 OLD TUB | | | OUND WELL HEAD | | | | |
| CARIBOU Inspection Date | 19 FEDERAL COM No.001 Type Inspection | | Inspector Violation? | | P-19-16S-28E *Significant Non-Compliance? | 30-015-36540-00-0 Corrective Action Due By: | 0 Inspection No. | | | |
| 04/10/2018 | Routine/Peric Violations General Houseke | dic eping (Rule 114) | Tony Morales | Yes | No | 7/14/2018 | iTM1810035040 | | | |
| Comments of | on Inspection: | | | | . PJ. STAINING AR R RODS ON LOCAT | OUND WELL HEAD ION | | | | |
| RAPTOR 12 STATE COM Inspection Date Type Inspection | | | No.002H | Violation? | I-12-16S-28E *Significant Non-Compliance? | 30-015-39860-00-0 Corrective Action Due By: | 0 Inspection No. | | | |
| 04/10/2018 | Routine/Periodic Violations General Housekeeping (Rule 114) | | Tony Morales | Yes | No | 7/14/2018 | iTM1810047453 | | | |
| Comments of | on Inspection: | , | ment and Location in | I Good Shape | . PJ STAINING AR | OUND WELLHEAD | | | | |
| BLACKHAWK 11 FEDERAL COM | | | | | K-11-16S-28E 30-015-39887-00-00 *Significant Corrective | | - | | | |
| Date | Type Inspection | | Inspector | Violation? | Non-Compliance? | Action Due By: | Inspection No. | | | |
| 04/10/2018 | Routine/Peric Violations | dic eping (Rule 114) | Tony Morales | Yes | No | 7/14/2018 | iTM1810045323 | | | |
| Comments | on Inspection: | OK. All Equipr | ment and Location ir | | | ROUND WELLHEAI |) | | | |

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,

C 0 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.

> 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