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"

03-Jul-18

BURNETT OIL CO INC

Burnett Plaza, Suite 1500 801 Cherry St., Unit 9 Fort Worth TX 76102-6102

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.

			INSPECTION	DETAIL	SECTION		
GRAYBUR Inspection Date	G JACKSON Type Inspection	S A UNIT No.03	6 Inspector	Violation?	I-12-17S-30E *Significant Non-Compliance?	30-015-04128-00-0 Corrective Action Due By:) Inspection No.
07/03/2018	Routine/Perio	dic '	Tony Morales	Yes	No	10/6/2018	iTM1818447408
Comments o	on Inspection:	OK. All Equipmer 19.15.29	nt and Location in	Good Shape.	PJO. STAINING A	ROUND WELL HEAI)
GISSLER B Inspection Date	No.005 Type Inspection	I	Inspector	Violation?	J-23-17S-30E *Significant Non-Compliance?	30-015-04300-00-0 Corrective Action Due By:) Inspection No.
07/03/2018	Routine/Perio	dic '	Tony Morales	Yes	No	10/6/2018	iTM1818431903
Comments o	on Inspection:		nt and Location in HEAD / LOCATIO			GN WORN STAININ	3
GISSLER B	No.012				I-23-17S-30E	30-015-04302-00-0	0
Inspection Date	Type Inspection	ı 1	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
07/03/2018	Routine/Perio	dic [,]	Tony Morales	Yes	No	10/6/2018	iTM1818432419
Comments of	on Inspection:	OK. All Equipmen	nt an Location in G ♦ WORN FADED	ood Shape. 19.15.29	PJO. STAINING AF	ROUND WELL HEAD	

JACKSON I Inspection					L-24-17S-30E *Significant	30-015-04320-00-0 Corrective	0
Date	Type Inspection		Inspector	Violation?	Non-Compliance?	Action Due By:	Inspection No.
07/03/2018	Routine/Perio		Tony Morales	Yes	No	10/6/2018	iTM1818432803
Comments o	on Inspection:	OK. All Equipn STAINED ARE	nent and Location in A APPROX 60' SC	n Good Shape DUTH 40' WE	PJ_STAINING AR(ST X 5'_19.15.29	OUND WELL HEAD+	
JACKSON I	B	No.034			E-24-17S-30E	30-015-27440-00-0	0
Inspection Date	Type Inspection	n	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
07/03/2018	Routine/Perio	dic	Tony Morales	Yes	No	10/6/2018	iTM1818436033
Comments o	on Inspection:	OK. All Equipn 19.15.29	•			OUND WELL HEAD	
GISSLER B		No.030			G-23-17S-30E	30-015-27922-00-0	0
Inspection Date	Type Inspection	n	Inspector	Violation?	*Significant	Corrective	Inspection No
07/03/2018	Routine/Perio		Tony Morales	Yes	Non-Compliance? No	Action Due By: 10/6/2018	Inspection No.
	n Inspection:		•		+		iTM1818433619
		19.15.29		i Good Snape	PJO STAINING A	ROUND WELLHEAD	
STEVENS A	No.010				L-13-17S-30E	30-015-32793-00-0	0
Inspection	Type Inspection		Increator	V:-1-4:9	*Significant	Corrective	1 kr
Date 07/03/2018	Routine/Perio		Inspector Tony Moreles	Violation? Yes	Non-Compliance?	Action Due By:	Inspection No.
			Tony Morales		No		iTM1818440905
	on Inspection:	0K. All Equipn 19.15.29	ient and Location in	n Good Shape	PJ. STAINING AR	OUND WELL HEAD	
STEVENS A	A No.011				F-13-17S-30E	30-015-33131-00-0	0
Inspection	Tomo Inno atta	_	•		*Significant	Corrective	
Date	Type Inspection		Inspector	Violation?	Non-Compliance?	Action Due By:	Inspection No.
07/03/2018	Routine/Perio		Tony Morales	Yes	No	10/6/2018	iTM1818444208
Comments o	on Inspection:	OK. All Equipn 19.15.29	ient and Location II	n Good Shape	PJ. STAINING AR	OUND WELLHEAD	
STEVENS A	\	No.012			N-13-17S-30E	30-015-34225-00-0	0
Inspection Date	Type Inspection		Inspector	Violation?	*Significant	Corrective	IN-
07/03/2018	Routine/Perio		Tony Morales	Yiolation: Yes	Non-Compliance? No	Action Due By:	Inspection No.
	n Inspection:		-			10/6/2018 ROUND WELLHEAD	iTM1818442078
JACKSON A	4 No.035			· · ·	G-13-17S-30E	30-015-34502-00-0	0
Inspection Date	Type Inspection		Inspector	Violation?	*Significant	Corrective	Inspection No.
07/03/2018	Routine/Perio		Tony Morales	Yes	Non-Compliance? No	Action Due By: 10/6/2018	iTM1818445185
	n Inspection:	OK. All Equipm	nent and Location in TAINING AROUN	n Good Shape	PJ. CONTAMIN	ATED MATERIAL O	
JACKSON A	A No.027Q	<u>_</u>			A-13-17S-30E	30-015-34765-00-0	0
Inspection Date	Type Inspection		Inspector	Violation?	*Significant	Corrective	Inspection No.
	Routine/Perio		Tony Morales	Yes	Non-Compliance? No	Action Due By:	-
	Routine/r cho		nent and Location in	n Good Shape	PJ WRONG API O	10/6/2018 N LOCATION	iTM1818446107
07/03/2018	n Inspection:	SIGNSHOULD	BE "34765" NOT	34452 19.15			
07/03/2018		SIGNSHOULD	BE "34765" NOT :	34452 19.15.	D-24-17S-30E	30-015-41176-00-0	0
07/03/2018 Comments o GISSLER B Inspection	No.095	SIGNSHOULD			D-24-17S-30E *Significant	30-015-41176-00-0 Corrective	
07/03/2018 Comments o GISSLER B Inspection Date	No.095 Type Inspection	SIGNSHOULD	Inspector	Violation?	D-24-17S-30E *Significant Non-Compliance?	Corrective Action Due By:	O Inspection No.
07/03/2018 Comments o GISSLER B Inspection Date 07/03/2018	No.095	SIGNSHOULD dic	Inspector Tony Morales	Violation? Yes	D-24-17S-30E *Significant Non-Compliance? No	Corrective	Inspection No. iTM1818437378

GISSLER A	No.043				B-23-17S-30E	30-015-41177-00-0	0
Inspection Date	Type Inspection	ı	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
07/03/2018	Routine/Perio	dic	Tony Morales	Yes	No	10/6/2018	iTM1818435095
Comments o	on Inspection:	OK. All Equipm 19.15.29	ent and Location ir	n Good Shape.	PJO. STAINING A	ROUND WELL HEAI)
JACKSON A	A No.044				P-12-17S-30E	30-015-41539-00-0	0
Inspection Date	Type Inspection	I	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
07/03/2018	Routinc/Perio	dic	Tony Morales	Yes	No	10/6/2018	iTM1818446557
Comments o	n Inspection:	OK. All Equipm 19.15.29	ent and Location ir	n Good Shape.	PJ STAINING AR	OUND WELL HEAD.	
GISSLER B Inspection Date	Type Inspection	No.104	Inspector	Violation?	H-23-17S-30E *Significant Non-Compliance?	30-015-41801-00-0 Corrective Action Due By:	O Inspection No.
07/03/2018	Routine/Perio	dic	Tony Morales	Yes	No	10/6/2018	iTM1818434273
Comments o	n Inspection:	OK. All Equipm 19.15.29	ent and Location ir	n Good Shape.	PJO STAINING A	ROUND WELLHEAD	
JACKSON I	B No.070				F-24-17S-30E *Significant	30-015-42043-00-0 Corrective	0
Date	Type Inspection	L	Inspector	Violation?	Non-Compliance?	Action Due By:	Inspection No.
07/03/2018	Routine/Perio	dic	Tony Morales	Yes	No	10/6/2018	iTM1818443221
Comments o	n Inspection:	OK. All Equipm 19.15.29	ent and Location ir	Good Shape.	PJO STAINING A	ROUND WELLHEAD	
JACKSON A Inspection Date	A Type Inspection	No.050	Inspector	Violation?	P-12-17S-30E *Significant Non-Compliance?	30-015-42212-00-0 Corrective Action Due By:	0 Inspection No.
07/03/2018	Routine/Perio	dic	Tony Morales	Yes	No	10/6/2018	iTM1818446991
Comments o	n Inspection:	OK. All Equipm 19.15.29	2	Good Shape.	PJO STAINING A	ROUND WELL HEAD	

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.