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"

31-Aug-18

MATADOR PRODUCTION COMPANY

One Lincoln Centre 5400 LBJ Freeway, Ste 1500 Dallas TX 75240-5240

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

KIRKES COM No.001

J-10-24S-28E

30-015-23299-00-00

Inspection Type Inspection Date

Inspector

*Significant Violation? Non-Compliance? Corrective

08/29/2018

Routine/Periodic

Gilbert Cordero

Yes

No

Action Due By: 12/2/2018

Inspection No. iGC1824146599

Comments on Inspection:

19.15.25.14 TA WELL SHALL DEMONSTRATE INTERNAL AND EXTERNAL

MECHANICAL INTEGRITY. 1300 PSI ON TBG - 1200 PSI ON PROD CASING. WELL MUST

BE REPAIRED.

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,

Gilbert Cordero

Staff Mgr

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.