State Of New Mexico Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham

Governor

Sarah Cottrell Propst

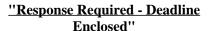
Cabinet Secretary

Todd E. Leahy, JD, PhD

Deputy Cabinet Secretary

Adrienne Sandoval

Division Director



Field Inspection Program

Preserving the Integrity of Our Environment"



01-Oct-20

LANEXCO INC

9147 Briar Forest Houston, TX 77024

Dear Operator:

LETTER OF VIOLATION - Field Inspection

The following inspection indicates that the well, equipment, location or operational status of the well 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 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

[30-025-27357] JUSTIS B FEDERAL #003 OGRID: 13046 H-11-25S-37E 1980 FNL 660 FEL

Inspection DateType InspectionInspectorCorrective Action Due ByInspection No.9/9/2020Routine Inspection[KF] Kerry Fortner12/8/2020iKF2025342078

Violations:

Rule Violation

19.15.16 Drilling and Production Noncompliance with Requirements (Construction, Operations or Closure)

Comment:

Idle well rule No Production reported since 2/15/15

Kerry Fortner

19.15.16.8 Sign on Wells Absent Well Identification Sign

Comment: No well sign

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 Division

Sincerely,

https://intranetapps.emnrd.state.nm.us/OCD/InspectionsManagement/FieldCompliance/PrintLOV/cKF2027533379[10/1/2020 9:17:26 AM]

Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon this well.

Note: Information in Detail Section comes directly from field inspector data entries - not all blanks will contain data.

Oil Conservation Division * 1625 N. French Drive * Hobbs, NM 88240 Phone: 575-393-6161 * Fax: 575-393-0720 * www.emnrd.state.nm.us