

State Of New Mexico

Energy, Minerals and Natural Resources Department

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Governor

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Deputy Cabinet Secretary

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Division Director



"Response Required - Deadline Enclosed"

*Field Inspection Program
"Preserving the Integrity of Our Environment"*

19-Aug-20

EOR OPERATING COMPANY

575 N. Dairy Ashford
Suite 210
Houston, TX 77079

LETTER OF VIOLATION - Field Inspection

Dear Operator:

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

[30-041-00131] MILNESAND UNIT #182

OGRID: 257420

D-18-08S-35E 660 FNL 660 FWL

Inspection Date	Type Inspection	Inspector	Corrective Action Due By	Inspection No.
8/14/2020	Routine Inspection	[GR] Gary Robinson	11/12/2020	iGR2022730665

Violations:

Rule

19.15.26 Injection

Violation

Detection of Deficient
Mechanical Integrity

Comment:

Received and entered operator reported MIT, Cal date 4-2-2020, made 2 attempts at test, would not hold pressure either time. FAILED MIT, WELL WAS SHUT IN.

19.15 Oil and Gas

Mechanical Integrity Failure
Recorded

Comment:

Auto Generated Violation - MIT Failure exits.

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

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

Sincerely,

Hobbs OCD District Office

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