

State Of New Mexico

Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham

Governor

Sarah Cottrell Propst

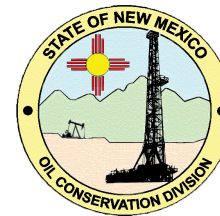
Cabinet Secretary

Todd E. Leahy, JD, PhD

Deputy Cabinet Secretary

Adrienne Sandoval

Division Director



"Response Required - Deadline Enclosed"

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

29-Dec-20

PENROC OIL CORP

P.O. Box 2769

Hobbs, NM 88241-2769

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

[30-025-41373] GUADALCANAL STATE COM #001H

OGRID: 17213

M-25-17S-36E 200 FSL 360 FWL

Inspection Date	Type Inspection	Inspector	Corrective Action Due By	Inspection No.
12/21/2020	Routine Inspection	[EZB] Eugene Bolton	3/31/2021	iEZB2035637670

Violations:

Rule

19.15.29 Releases

Violation

Surface
Leaks/Spills

Comment:

Remove depth of soil / hydrocarbon mix at entry into site, diesel generator, loading ports, wellhead, and pile in southwest corner of pad. Remove prod water release up to 60 ft radius from wellhead. Replace all with good ground. Aggregate amount of 5 bbl threshold requires completion of Form C-141.

19.15.10.8 Safety Procedures for Drilling and Production

General
Housekeeping
Required

Comment:

Remove weeds from driving & equipment areas, remove used chem drums and pails, 3 unlabeled drums appear abandoned, label all containers in use, sulfide scavenger is labeled with diesel placard. Place net/screen at diesel tank drip pan, also keep stored diesel lines inside vat walls. Keep lines off of loading port, keep drip pan hatch/es closed. Abandoned tubing at wellhead. Repair fencing gap/s.

19.15.16.18 Well and Lease Equipment

Substandard
Equipment
and/or Needs
Repair

Comment:

Gas leak between separators. Repair netting at TB loading ports.

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,



Eugene Bolton, Compliance Ofc.
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
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