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



LETTER OF VIOLATION - Field Inspection

"Response Required - Deadline Enclosed"

Field Inspection Program
"Preserving the Integrity of Our Environment"

29-Dec-20

THREE FORKS RESOURCES, LLC

4080 Youngfield Street Wheat Ridge, CO 80033

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

[30-025-41746] OSO NEGRO #002

OGRID: 258660

D-13-18S-38E 660 FNL 467 FWL

Inspection Date 12/18/2020

Type Inspection

Inspector

Corrective Action Due By

Inspection No.

Routine Inspection

[EZB] Eugene Bolton

3/31/2021

iEZB2035343040

Violations:
Rule

19.15.29 Releases

Violation

Surface Leaks/Spills

Comment:

Remove prod water/hydrocarbon release of 100 ft radius into SE low area and west of wellhead. Hydrocarbon release inside TB berm has been topped with gravel. Aggregate site release of 5 bbl threshold requires Form C-141.

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

En Bli

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