

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

David Catanach
Division Director



Response Required - Deadline Enclosed

Field Inspection Program
"Preserving the Integrity of Our Environment"

HOBBS OCD

APR 04 2017

RECEIVED

04-Apr-17

CROWNQUEST OPERATING, LLC
P.O. BOX 53310
MIDLAND TX 79710

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

NEW MEXICO AN STATE		No.002	J-22-14S-33E	30-025-01137-00-00		
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/27/2017	Routine/Periodic	Mark Whitaker	Yes	No	6/30/2017	iMAW1708642379
Violations						
Surface Damage/Restoration						
Comments on Inspection:		DO NOT RELEASE. Need to cut all bolts off concrete base level with surface and remove power pole laying on ground north of marker.				
NEW MEXICO AQ STATE NCT 11		No.001	J-3-14S-33E	30-025-21916-00-00		
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/27/2017	Routine/Periodic	Mark Whitaker	Yes	No	6/30/2017	iMAW1708660917
Violations						
Surface Damage/Restoration						
Comments on Inspection:		DO NOT RELEASE. Need to remove power disconnect, meter base and conduit riser from power pole 048392. Need to remove the poly lines on the west side of location. At battery site need to furnish letter to OCD requesting removal of gas meter housing and concrete bases next to road.				

NEW MEXICO BG STATE NCT 1		No.004	E-14-14S-33E		30-025-22020-00-00	
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/27/2017	Routine/Periodic	Mark Whitaker	Yes	No	6/30/2017	iMAW1708661196
Violations						
Surface Damage/Restoration						
Comments on Inspection:		DO NOT RELEASE. Need to remove meter base and conduit riser from power pole 067004.				
STATE 26 COM		No.003	L-26-14S-32E		30-025-22856-00-00	
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/28/2017	Routine/Periodic	Mark Whitaker	Yes	No	7/1/2017	iMAW1708728116
Violations						
Surface Damage/Restoration						
Comments on Inspection:		DO NOT RELEASE. Need to remove meter base, power disconnect, and conduit riser from power pole 067433.				
NEW MEXICO AT STATE		No.012	G-15-14S-33E		30-025-28386-00-00	
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/28/2017	Routine/Periodic	Mark Whitaker	Yes	No	7/1/2017	iMAW1708727579
Violations						
Surface Damage/Restoration						
Comments on Inspection:		DO NOT RELEASE. No identification markings on power poles from location north. Need to confirm ownership of power poles. If owned by Crownquest, please remove. If owned by LCEC, please request removal.				
NEW MEXICO AT STATE		No.011Y	D-15-14S-33E		30-025-28408-00-00	
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/27/2017	Routine/Periodic	Mark Whitaker	Yes	No	6/30/2017	iMAW1708727260
Violations						
Surface Damage/Restoration						
Comments on Inspection:		DO NOT RELEASE. Lease has been plugged out. Need to remove flowline associated with this well.				
NEW MEXICO AT STATE		No.014	O-15-14S-33E		30-025-28816-00-00	
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/28/2017	Routine/Periodic	Mark Whitaker	Yes	No	7/1/2017	iMAW1708727938
Violations						
Surface Damage/Restoration						
Comments on Inspection:		DO NOT RELEASE. Need to remove cable west of well by fence. Need to remove piping next to marker.				
NEW MEXICO BG STATE NCT 1 No.009			C-14-14S-33E		30-025-29811-00-00	
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
03/27/2017	Routine/Periodic	Mark Whitaker	Yes	No	6/30/2017	iMAW1708661907
Violations						
Surface Damage/Restoration						
Comments on Inspection:		DO NOT RELEASE. Need to remove pile of concrete and debris from west side of location.				

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,

Mark Whitaker
Petroleum Engr. Specialist

Hobbs 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.

EMNRD
OIL CONSERVATION DIVISION
1625 N FRENCH DRIVE
HOBBS NM 88240



HASLER

FIRST-CLASS MAIL

\$000.46⁰

04/04/2017 ZIP 88240
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US POSTAGE

CROWNQUEST OPERATING, LLC
PO BOX 53310
MIDLAND, TX 79710