

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"

2nd Mailing
Original Returned

20-Jun-17

CHISHOLM ENERGY OPERATING, LLC
801 CHERRY STREET **SUITE 1200 - UMC 20**
FORT WORTH TX 76102

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

| ANTLER 17 STATE No.001 | | D-17-22S-35E | | 30-025-34820-00-00 | | |
|--|------------------|---------------|------------|------------------------------|---------------------------|----------------|
| Inspection Date | Type Inspection | Inspector | Violation? | *Significant Non-Compliance? | Corrective Action Due By: | Inspection No. |
| 06/20/2017 | Routine/Periodic | Mark Whitaker | Yes | No | 7/21/2017 | iMAW1717147476 |
| Violations | | | | | | |
| Absent Well Identification Signs (Rule 103) | | | | | | |
| Comments on Inspection: Well sign incorrect, wrong operator of record (Rule 19.15.16.8). NEED TO CORRECT 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 Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon this well.

Sincerely,  P.E.S.

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

CHISHOLM ENERGY OPERATING, LLC
801 CHERRY STREET
SUITE 1200 - UNIT 20
FORT WORTH, TX 76102



HASLER

FIRST-CLASS MAIL

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